

- sector, and partly the different attitudes of men and women regarding responsibilities for child-care (see Ligestillingsrådets årsberetning 1986; 'The Annual Report from the Equality Council').
5. According to data from a national survey conducted in connection with a research programme on 'Democratic Citizenship in Denmark', more than 81 per cent of the respondents were in favour of extending this right. Women tended to be more positive than men: 87 per cent of all women favoured the proposal against 76 per cent of all men.
 6. See the Main Report from the Commission on Power in Sweden (1990). This is one important theme in my own project 'Gender, power and democracy – women's citizenship in the Scandinavian welfare states' which is part of a large research programme on democratic citizenship in Denmark. Results from a national survey show that the gender difference in political participation has almost disappeared at a quantitative level, but is still very important at a qualitative level; moreover, there are large differences among women (working paper to be published in a forthcoming book in Danish, 1992).
 7. According to studies by the Norwegian researcher Hege Skjeie, tension exists between rhetoric and reality when it comes to the political importance of gender in Norwegian political culture. She has found that the belief that women make a difference in politics may disguise the fact that in most cases women have different political priorities (Skjeie 1990).
 8. See the results of the Main Report from the Swedish Commission on Power (1990) which correspond to those of the survey undertaken by the research project, Democratic Citizenship in Denmark. These contrast strongly with the British case, where family factors – children and marriage – are the most important in preventing women from participating in politics (Parry, Moyser and Day 1991, p.147).
 9. The old women's movement, The Danish Women's Society formed in 1871, was a liberal women's rights organization campaigning for equality in the labour market on the basis of difference from men. The Danish Redstockings, formed in 1970, was a socialist emancipation movement. During the 1970s these two wings of the women's movement increasingly cooperated in the fight to abolish the sexual division of labour and to empower women in politics and in their daily lives. (For a discussion of the equality versus difference debate in a Scandinavian context, see Lewis and Åström 1991).
 10. Wendy Sarvasy was the first to conceptualize a feminist welfare state in a brilliant essay where the ideas of post-suffrage feminism in the US are reconstructed theoretically (see Sarvasy 1992).

3. The 'Woman-Friendly' Welfare State?: The Case of Norway and Sweden

Arnlaug Leira

THE SCANDINAVIAN WELFARE STATE AND THE PATRIARCHY-PARTNERSHIP DEBATE

International feminist literature often pictures the relationship between the welfare state and women in terms of patriarchy (e.g. Eisenstein 1979; Wilson 1977; Brown 1981). Scandinavian women's research on the other hand more often conceptualizes the relationship as an alliance, even as a partnership (e.g. Hernes 1984; Siim 1984). Although not uncontested, the idea of the welfare state as woman's (best) friend seems to have gained ground. In the early 1980s, a well-known welfare state analyst, Helga Hernes, characterized the Norwegian welfare state as 'tutelary' in its dealings with women. By the late 1980s she was emphasizing the 'woman-friendly' potentialities of the Nordic democracies, envisaging a state form in which 'injustice on the basis of gender would be largely eliminated' (Hernes 1987, p. 15).

The increasing representation of women in elite politics suggests a power base to build a woman-friendly state or, more precisely, a base from which to advocate women's interests.¹ In Norway and Sweden women represent approximately one-third of MPs. Since the mid-1980s women have made up close to 50 per cent of Norway's Cabinets, and Labour's Gro Harlem Brundtland has been the country's Prime Minister three times. In 1991 three of the larger political parties in Norway had women chairs. More than one-third of members on government commissions are women. Not surprisingly, the meaning and effect of women's representation in politics are presently much debated in Scandinavia (see for example Haavio-Mannilla et al. 1985; Hernes 1987; Siim 1987; Skjeie 1991). Do these political developments signify the emergence of a partnership – a woman-friendly state – or does the patriarchal imprint still prevail?

In fact the relationship is more complex than is captured by either the

'patriarchy' or the 'partnership' concept. Conceptualizing the welfare state as basically non-repressive is not uncontroversial, as Hernes also makes clear. Analytically the concept of the 'woman-friendly state' is difficult, as a range of different criteria may be applied to argue the woman-friendly or -unfriendly character of the policies of different welfare states. Moreover, it glosses over the fact that women have both similar and different interests and aims. Women in Scandinavia also disagree among themselves on how to define women's best interests with respect to those aspects emphasized by Hernes, that is motherhood and child-care policies, women's access to formal employment and women's participation in politics and public life (Hernes 1987).²

In the following I do not give a complete assessment of the significance for different groups of women of the comprehensive social policy reforms in Norway and Sweden in the period of the modern welfare state. Focusing on the changes in Scandinavian women's work and family commitments, I take the policies concerning working mothers as my main illustration. The concept of the employed mother is of particular interest for social policy and social theory in that it incorporates two essential activities of any society – material provision and human reproduction together with care for offspring – and thus transcends the traditional division of labour by gender. The concept also challenges the notion of labour as free and mobile. The increasing labour market participation of mothers shows empirically how the relationship between production and social reproduction is being changed in modern industrialized states. The concept of the employed father does not evoke similar connotations, but is rather interpreted as an unnecessary elaboration of the concept of 'father'.

Employed mothers are wage-workers, carers for children and citizens of the welfare state. Thus, in my analysis the main question is: What policies did the Scandinavian welfare states adopt as regards mothers' employment and their child-care commitments? In addition, as I have argued in greater detail elsewhere (Leira 1989, 1992a), an examination of the welfare state relationship to working mothers has to specify how commitments to employment and child care respectively influence access to the social rights of citizenship. Furthermore, a closer inspection of the policies towards working mothers in Norway and Sweden reveals that the notion of a common Scandinavian 'model' of the welfare state needs qualification when reproduction policies are at issue.

The 'new labour' – that is mothers who combine job and family obligations – exposes basic but often tacit welfare state assumptions. Apparently the Scandinavian welfare states take for granted a division of labour and responsibility between the public and the private in which much of the vitally necessary care for very dependent persons remains in private

hands, most often but not always in the hands of women. Access to citizenship entitlements is differentiated by employment status. More generous benefits are offered to those whose work is set within formal employment than to those who do unpaid, informal caring and domestic work. Consequently, the full-time, lifelong wage worker, typically male, is better provided for than the informal carer, typically female. The political history of the employed mother in the Scandinavian welfare state, I contend, shows that state to be Janus-faced. If the welfare state established a 'partnership' with women, women are the junior partners.

Before examining the relationship between the modern welfare state and working mothers, I shall briefly outline some of the main features of Scandinavian women's position in society in the first half of the twentieth century. I then discuss some characteristics of the social democratic welfare state in Scandinavia, and focus on measures that have targeted employed mothers. In the final section I return to the questions concerning the character of the relationship between the welfare state and working mothers in Scandinavia. The core material for my chapter is based on the Norwegian experience. I use the Swedish data as a contrast, rather than as a direct comparison, to illustrate the differences in approaches to motherhood, employment and child care within Scandinavia.

THE FIN DE SIÈCLE – A PERIOD OF LEGAL CHANGE

At the turn of the last century political relations between Norway and Sweden were strained. As part of the political settlement in Europe following the Napoleonic wars, Norway had been forced into a political union with Sweden. During the nineteenth century the Norwegians strove for greater autonomy within the union and later for independence. In 1905 the two neighbouring countries were on the brink of war before the union was dissolved. Thereafter, political tension soon decreased, to be followed by peaceful coexistence and cooperation.

The social and economic structures of the two neighbouring countries differed. Sweden, by far the richer in natural resources and more populous, was more industrialized and urbanized. However, well into the twentieth century the majority of the population in both countries lived in rural areas. Social differences between and within towns and the countryside were considerable, although class differences in Norway appear modest compared to the larger European countries. In both nations poverty was widespread in the poorer rural districts as well as among the urban proletariat. The prospect of making a decent living at home was often bleak and found reflection in the waves of emigration to North

Table 3.1 Equal opportunities – legal reforms

	Norway	Sweden
Equal rights of inheritance for women and men	1854	1845
Unmarried women attain majority:		
25 years	1863	1858
21 years	1869	1874
Women admitted to universities	1884	1873
Married women attain majority	1888	1921
Women get voting rights and become eligible for election to:		
local elections	1910	1919
parliamentary elections	1913	1919
First woman in parliament	1922	1921
First woman cabinet minister	1945	1947
Contraceptive pill approved	1967	1964
Women entitled to decide on abortion	1978	1975
Parents granted shared paternity/ maternity leave for birth of child	1978	1974
Act passed on equal opportunities	1978	–
Act passed on equal opportunities at work		1980

Source: EC member states: Moss 1990a, Table 1, p. 6.

America. In the period 1865–1915 in Europe, only Ireland saw a larger proportion of its population leave for ‘the new world’ than did Norway. In the decade 1901 to 1910 Norway topped European emigration statistics (Fuglum 1978, p. 325).

Legal reform concerning women’s situation in society preceded social change.³ Before 1900, Norwegian women, married and unmarried, had attained legal majority and the right to engage in independent economic activity. Women gained property rights both in marriage and on divorce that were comparatively strong in a European perspective. They also won access to the universities. Gradually they were allowed into the professions (see Table 3.1).

In Norway and Sweden the last decades of the nineteenth century were a period of heated debate not only about political change, but about social reform as well. As in other European states, the condition of the working class was a central issue. In the conflicts between capital and labour, social

policy was conceptualized both as a means of profound social reform and also, in the Bismarckian tradition, as an instrument aimed at reducing class conflict and preventing social unrest (Seip 1977). Sweden and later Norway (in 1885) appointed commissions to review the situation of industrial workers and make proposals for change. The negotiation of boundaries between the public and the private, between the responsibility of the state and that of the family or individual, were important issues. In addition the traditional relationship between the sexes was contested, as women’s emancipation was placed on the political agenda by women demanding the vote.

Scandinavian women were among the first to win the vote. From the mid-1880s women’s suffrage associations were formed in Norway and remained active until women gained the parliamentary vote on a par with adult men in 1913. Swedish women gained the franchise in 1919. While women in both countries were very active in the processes leading to suffrage, once the vote was won, politics in Norway and Sweden remained very much men’s business.

According to census data from 1900, women made up one-third of the workforce in Norway and slightly less in Sweden. The female wage worker was typically unmarried, deserted or divorced. The association of femininity with domesticity was class-based and mediated by the marriage contract. The women who could afford it left paid work upon marriage and were assumed to be economically dependent on their husbands.⁴ According to the censuses of 1910, only 4 per cent of the married Norwegian women and 1.8 per cent of the Swedish reported gainful employment as their primary source of income (Skrede 1986, p. 154). For wage-working women, marriage usually meant a shift from paid to unpaid work. Married mothers in gainful employment generally were poor, and so were the unmarried ones. From 1894, Norway’s Industrial Security Act protected workers of both sexes against loss of income as a result of sickness and also prohibited women from working in industry for six weeks after giving birth. Similar labour protection was adopted in Sweden in 1900. The legislation is interesting in that it acknowledged the interests of society in protecting the worker as mother. A legal commentator, however, has described it as a ‘mixed blessing’ (Aubert 1990, p. 36) which indeed it was, because the maternity leave was unpaid and the pregnant worker was generally poor or unmarried or both. In Norway paid leave of absence was given from 1909, in Sweden from the 1930s (Sørskår 1990, pp. 191–2).

In 1915, a cluster of laws known as the Children’s Laws was passed in Norway giving the children of unmarried mothers the right to inherit and to use the family name of the father. While in the 1990s this legislation

might be considered as an interesting confirmation of the rights of fathers, the laws were motivated by a wish to improve the rights of children and mothers (Seip, 1992, p. 223). In both Norway and Sweden women of remarkable passion, intelligence and courage fought for the decriminalization of abortion, women's access to contraception, 'the liberation' of motherhood and, in Norway even for a 'mothers' wage'. In 1919 the local authorities in Oslo introduced a social security scheme – a 'mother's pension' outside the poor relief system which included widows, unmarried, separated and divorced mothers with children under the age of 15. Like the municipal old-age pension from about the same time, the mother's pension was subject only to limited means testing (Hatland 1987, p. 95). These municipal benefits served as models for the national legislation that followed later.

Social reform processes slowed down during the great depression. From the mid-1930s a new period of social reform was initiated in the Scandinavian countries, this time with the Social Democrats as a driving force.⁵ The Norwegian historian Anne-Lise Seip sees the 1930s as a breakthrough period for the principle of universally orientated social policies in Norway: a national means-tested old-age pension was established and legislation concerning sickness and unemployment insurance expanded (Seip 1986). The planning of more comprehensive reforms was well under way in the 1930s and continued in the 1940s. In Norway, however, the social reform process was stopped by the German invasion in 1940 and the subsequent war-time occupation. Sweden remained neutral during the Second World War; compared to Norway, Sweden was thus socially and economically far advanced when the war ended. Not surprisingly, Sweden took the lead in developing social welfare initiatives and policy reforms. However, from 1945 when the Labour party won an absolute majority in the first post-war election, the Norwegian government initiated policies aimed not only at economic reconstruction but also at the ambitious undertaking of constructing a welfare state. The expansion of the form of the welfare state known as the 'Scandinavian model' took place during a period of massive Social Democratic influence. Throughout the second half of the twentieth century Labour remained Norway's largest political party and was, like Sweden's Social Democrats, the ruling party for the greater part of the post-war period.

WELFARE STATES – THE SCANDINAVIAN 'MODEL'

The Scandinavian 'model' is usually categorized as an institutional welfare state. According to the terminology developed first by Wilensky and

Lebeaux (1958), this form of welfare state provides a wide range of services and benefits that are commonly universalist in orientation and are perceived as citizenship entitlements. In Scandinavia welfare state policies were aimed not only at providing a safety net for the poorest. From early on, a commitment to redistribute resources in order to generate a more egalitarian society was also strong (Graubard 1986; Esping-Andersen and Korpi 1987; see also Siim 1990). Interestingly, Scandinavians often refer to the welfare state as a 'folkhem', literally 'the people's home'. The metaphor identifies – perhaps naively – the welfare state as 'people-friendly', made by the people for the people, a concept that apparently excludes the idea of the state as inherently oppressive. Certainly the efforts of the labour movement and other popular movements, as well as of numerous benevolent and philanthropic organizations, played an important part in the shaping of Scandinavian welfare policies. I shall not dwell upon the political tradition from which the metaphor of 'the people's home' emerged. It does, however, illuminate aspects of the political culture from which the concept of the 'woman-friendly' welfare state was developed (Hirdman 1989). Following in the wake of policies instituted to diminish differences between social classes and regions, the equal-status policies developed from the 1970s may be interpreted as elaborating the tradition of state intervention embedded in the rhetoric of egalitarian principles.

In his ideal-type classification of welfare states, Gösta Esping-Andersen (1990) identifies three clusters of political regimes in which the arrangement between state, market and family varies – the 'liberal', the 'conservative' and the 'social democratic' – and outlines the ideological driving force, so to speak, underlying different forms of the welfare state. Emphasizing that the real world shows a mix of influences in individual welfare states, he sees the Scandinavian countries as predominantly social democratic, but with evidence of 'crucial liberal elements' (1990, p. 28). The importance given to the principles of universality and equality is a characteristic feature of the social democratic welfare state, by which this form of state also operates to secure its own legitimacy. 'All benefit; all are dependent; and all will presumably feel obliged to pay' (*ibid.*, p. 28). His analysis of welfare regimes is closely linked with the analysis of labour market regimes. A large public sector labour market is particularly predominant in the social democratic welfare state and has served to recruit women to formal employment, as Esping-Andersen observes. The division of labour by gender within the market is registered, but the persistent division of labour by gender in market-external activities is hardly commented upon. Although acknowledging the influence of the family in his classification of welfare states, Esping-Andersen does not really account for the

significance of the family (or other informal contributions) to welfare provisions. The analysis therefore misses the importance of the gendered division of labour to welfare state functioning, and thus its importance to the differentiation of citizenship entitlements.

As the employment-relatedness of welfare states is comparatively well-documented, the case may be argued that theoretical challenges represented by the organization of social reproduction, for example as seen in the provision of vitally necessary care, needs more consideration in welfare state analysis. Examinations concerning the different mixes of state, family and market provision in different welfare states should also expand on the systematic comparisons of processes that generate a differentiation of access to welfare state burdens and benefits (Leira 1992a). I shall mention but three processes that are of particular importance to employed mothers: access differentiated by the state-family division of labour and responsibility; access influenced by the welfare state definition of care as predominantly a private responsibility; and consequently, since caring is for the most part ascribed to women, access by the gendered division of labour.

I do not want to underplay the considerable gains of the 'social democratic' welfare state and its contribution to the general standard of living and well-being in Scandinavia. However, even in well-developed welfare states like the Scandinavian, the different distributive systems of the welfare state are not equally well institutionalized. As I have argued elsewhere, the 'institutional' characteristics are more prominent in the policies established to secure the replacement of income from formal employment, i.e. the national insurance system or 'the social security net', than from the 'caring net', i.e. the development of services to care for very dependent people (Leira 1989, 1990). Neither do all citizens benefit equally well (Pateman 1987; Hernes 1987, 1988).

Contrary to popular belief, social reproduction has not been completely socialized in Scandinavia. Conceptualizations like 'the public family' (Hernes 1984, Wolfe 1989) or the 'woman-friendly state' overdo the image of an interventionist welfare state and likewise underplay the importance of individual management and responsibility in the provision of everyday care. In fact, state-funded services are sometimes modest. A very considerable share of the socially useful and vitally necessary care for the very young and the very old is not collectivized, but remains in the private sphere of the family, most often but not always in the hands of women. A differentiation of citizenship is witnessed in the more generous provision of entitlements and benefits instituted for wage workers as compared to those accorded to informal carers. The different citizen status of wage workers and informal carers respectively interacts with the gendered div-

ision of labour to produce a gendering of citizenship entitlements available as of right (Leira 1989, 1992a).

In the following I shall discuss some aspects of the differentiation processes, taking the relationship between the welfare state and the employed mother as my main case.

WELFARE STATES AND WORKING MOTHERS

In the history of the modern welfare state in Scandinavia, the 1930s and 1940s comprised a planning period, while the decades following were a period of implementation and expansion. Discussing the political setting of post-war welfare state reforms in Norway, Stein Kuhnle (1991) distinguishes between three stages, the first being the reconstruction economy, lasting from 1945 to 1953. The second stage, ending in the late 1960s, saw a shift from microeconomic planning and detailed regulation to macroeconomic planning. This was a period of economic growth and of expansive welfare reforms, the best known being the institution of the National Insurance Act in 1966. From the 1970s, the third stage, Norway staved off the economic crisis by its income from offshore production of oil and gas. In public debate in the last 20 years, considerable disagreement has been expressed over welfare state expenditure and the collectivist egalitarian concept of the welfare state embedded in the Scandinavian political tradition.⁶

In the post-war welfare state, the work/family relationship in Scandinavia has changed from being managed within the gender-differentiated, domesticated-mother family towards the employed-mother family. Though often overrated, welfare state reforms did play a part in the process. State intervention was manifested earlier and more actively in Sweden than in Norway, and may be conceived of as developing through three different phases. These do not, however, fit neatly into the three-stage model indicated above. Moreover it should be noted that in both countries the behaviour of mothers began to change well ahead of any welfare state reforms facilitating their entry into the labour market. Subsequently, welfare state policies changed too, from emphasizing the housewife/carer aspects of motherhood to supporting the economic provider aspects, for example by the public provision of child care, making mothers more available for labour market participation. In the mid-1970s in Sweden and some few years later in Norway, welfare state reforms introduced an interesting reconceptualization of the family/work relationship by expanding the right of employees to leave the market to be available for child care. Emphasizing the carer aspects of parenthood, without

abandoning the wage-worker aspects, the legislation also recognizes the parent-father by offering rights to paternity leave and to shared parental leave to care for children.

These processes of change have been evident in both Norway and Sweden. But an empirical examination of Scandinavian welfare state approaches to working mothers' employment and child-care commitments also shows that the notion of a common Scandinavian 'model' of reproduction policies needs modification (Leira 1987, 1992a).

The Early Post-war Years: The Housewife Era

In Norway, and to a lesser extent in Sweden, assumptions concerning the gendered divisions of paid and unpaid work were incorporated into the early welfare state reforms, but were modified in later stages. In the early post-war years married women, and married mothers in particular, stayed at home. Welfare state policies largely presumed that married mothers were supported by and dependent on their husbands, who were the economic providers for families. Compared to Norway, Sweden from relatively early on conceptualized mothers as workers and subsequently, from the late 1960s, started to develop comprehensive schemes for collective day care, with the aim of making mothers available for labour market participation. In the mid-1970s the concept of mothers and fathers as wage workers was supplemented by a concept of parents as workers and carers, evidenced in generous schemes for maternity, paternity and parental leave (see Knudsen 1990 and Åström 1990 for details). Norwegian policies in the 1960s and 1970s on the other hand give evidence of considerable disagreement, even outright opposition, to the concept of mother as worker. The provision of publicly-funded day care for pre-school children is notably lower than in neighbouring countries (see Table 3.2). Legislation concerning maternity, paternity and parental leave is less generous than in Sweden, but compares well with Denmark and other countries of Western Europe (Moss 1990a; Leira 1992b).

Assumptions regarding both the existence and desirability of a family form in which father was the breadwinner and mother the home-maker – more clearly evident in Norway than in Sweden, and more visible in the early post-war period than in the later years – is perhaps explained by the coincidence of the early stages of the modern welfare state formation in Scandinavia with the dominance of the housewife era. Unlike the US and the UK, neither Norway nor Sweden experienced the large-scale entry of women into the labour market during the war years.⁷ In the late 1940s and early 1950s the labour market participation of adult married women in Norway and Sweden was among the lowest in Western Europe. In 1950,

Table 3.2 Children in publicly-funded child care, Norway and Sweden 1989. Per cent of all children in age group.

	Norway		Sweden	
	Age of child 0–2	3–6	Age of child 0–2	3–6
Form of child care:				
Full-time centre care	8.0	28.0	18.0	44.0
Part-time centre care	1.0	26.0	–	17.1
Family day care	1.0	0.6	11.4	20.1
Total	10.0	54.6	29.4	81.2

Source: NORD 1991:1, *Yearbook of Nordic Statistics*, Tables 218–219, pp. 320–22.

95 per cent of Norwegian married women and 90 per cent of Swedish were registered as not in formal employment. Participation rates were still low among Norwegian married women in 1960, when the census classified 90 per cent as housewives. By then, 24 per cent of married Swedish women were in formal employment (Skrede 1986). In Norway a similar rise in married women's labour market participation was not reported until the late 1960s.⁸

Structural factors help explain why Norwegian adult women were late-comers to the labour market in the post-war period. Norway was less urbanized and industrialized than Sweden. Kari Skrede (1986) points to differences in the structure of national economies, and also to the fact that in the post-war period fertility rates were declining in Sweden, well ahead of the later decrease in Norway. However, the answer is more complicated than this, since both Norway and Sweden reported a labour shortage in the early post-war period. In the majority of families there was apparently no pressing need for two incomes from formal employment; husbands' wages usually sufficed to provide for a family. The preference for the domesticated-mother family was particularly strong in Norway, where the possibility of using the reserves of labour represented by married women was a political non-issue up to the late 1960s. This is all the more interesting since the shortage of labour was believed to be a serious impediment to post-war reconstruction.⁹ In retrospect the neglect of married women's labour invites the question as to whether the preservation of the traditional family was more important in Norway than the demands of the economy (Leira 1989, 1992a).

As part of Norway's planned programme of reconstruction to recover

from the destruction of wartime occupation, a series of reforms aimed to improve the general standards of health, housing, education and welfare for the population at large. Among the early reforms, some were specifically orientated towards mothers. For example the family allowance, instituted in Norway in 1946, was made payable to the mother. In the mid-1960s Norway introduced separate legislation outside social assistance that provided a state-guaranteed cash transfer for single mothers. These 'mother-related' measures were 'women-friendly' in the sense of being of great importance to the individual recipients, but arguably of relatively minor importance to the overall construction of the welfare state.

The early welfare state design presumed that the family, or more precisely the mothers, were the principal child carers. The influence of the gender-differentiated family (in which the husband is the economic provider and the wife and children are his dependants) is clearly evident in the national insurance scheme, commonly considered to be one of the cornerstones of the Scandinavian welfare state. I shall comment briefly upon the differentiation of access to some of the entitlements provided in the Norwegian scheme. My main concern here is with the gendering of citizenship entitlements; I do not discuss the differentiation of access as produced by class or race.

The Norwegian National Insurance Act (the 'people's insurance' in Norwegian), instituted in 1966, incorporated a range of existing benefits into one comprehensive legal framework. All persons resident or working in Norway are compulsorily insured under the scheme (for details see The Ministry of Health and Social Affairs, 1992). Those with cover are entitled to a series of transient and permanent benefits, of which the more important are old age, survivors' and disability pensions, occupational injury benefits, benefits to single parents, and cash benefits in case of sickness, maternity, adoption and unemployment. The scheme is financed by contributions from employees, the self-employed, employers and the state. Contribution rates and state grants are decided by Parliament (*ibid.* p. 4). Separate legislation concerning social assistance was instituted in 1965. Unlike the national insurance scheme which provides state-guaranteed benefits commonly considered as social rights, social assistance is means- and needs-tested and is organized and administered by the local authorities.

The National Insurance Act established a two-tier system which combined a range of universally orientated measures with a series of earnings- or employment-related benefits. Under the eligibility conditions of the national insurance scheme, formal employment is in some cases a precondition for access to an entitlement; in other cases it gives a more generous deal. Formal employment is a precondition for access to some transitional

benefits such as sickness and unemployment payments. A mother who wishes to return to employment when her children are grown up is not entitled to unemployment benefit if she cannot find a job. Mothers who are not employed will not get any compensation in cash when ill, even though they may have to spend considerable sums of money for child care. When it comes to the permanent pensions, such as old age or disability pensions, these are in the main made up of two parts – a basic (or minimum) pension and a supplementary pension. All residents have the right to a basic pension, whether previously employed or not, whether married or unmarried. The supplementary pension was made earnings-related and graduated according to the number of years spent in formal employment. Norway and Sweden differ from Denmark and other countries in Western Europe in that the supplementary pension was made part of the national insurance scheme (Seip 1992).

Entitlements to the basic old age or disability pension under the insurance scheme do not depend on previous individual contributions; nor does the entitlement to temporary benefits for single providers. Alone in Scandinavia, Norway included benefits for single providers in the national insurance scheme. Even if the sum is far from generous, it does give single parents, of whom approximately 90 per cent are women, an opportunity to opt out of employment while their children are very young. Sweden, on the other hand, like Denmark, has assumed that single mothers' problems are better solved through labour market participation and the provision of publicly-funded child care or by social assistance. Which arrangement is more 'woman-friendly' is a subject of debate and depends on a range of other factors influencing the situation of the mother. However, neither approach takes into account that single mothers are workers *and* carers. Measures that aim at supporting only one of these activities tend to handicap women in a longer-term perspective.

Expanding the entitlements of the insurance scheme has been much debated in Norway. The idea of a 'caring wage' has attracted much attention since the 1970s, but there is no general acceptance of it. Since 1982 Sweden has offered the right to earn a supplementary pension for persons caring for children under the age of three (SCB 1990). Since 1992 a change in the Norwegian National Insurance Act has enabled unpaid carers to earn entitlements to supplementary pensions if they care for children under seven, or for old, sick or handicapped people not in institutional care (St.meld. 12, 1988–89). These changes to the National Insurance Act acknowledge the importance of informal care to society and reduce some of the differences regarding access to entitlements between wage workers and informal carers. The introduction of caring-related benefits may be interpreted as a 'reward' for traditional family

forms and divisions of labour. Alternatively it may be conceptualized as compensation for the loss of income inflicted upon informal carers, who are predominantly women, because of shortages in the public provision of caring. Thus, in several respects women have gained from the national insurance scheme. So far, however, the construction of the scheme has clearly favoured citizens as wage workers over citizens as homemakers, as well as men's 'typical' career patterns over women's.

Work and Family: Mothers in Employment

The Scandinavian societies in the 1970s underwent remarkable processes of social change. Boundaries between the public and the private were redrawn and the division of labour within families and households renegotiated. The expansion of women's formal employment was a feature central to both processes. In Scandinavia these developments have often been linked to the expansion of welfare state reforms, characterized by the shift of government policies away from economic restructuring and towards the provision of services and the expansion of the public sector labour market.

From the early 1960s in Sweden and some years later in Norway, adult women increasingly rejected the sequential 'two-roles model' envisaged by Myrdal and Klein in their influential book *Women's Two Roles* (1957), opting for both paid work and children. Women in the 1980s commanded much greater control of their labour and of reproductive capacities than did earlier generations, facilitated by access to oral contraception and the right to abortion on demand. Fertility rates declined in both countries, from 2.8 in 1960 in Norway to 1.7 in 1990. However, towards the end of the 1980s both countries witnessed an upswing in fertility rates, particularly so in Sweden. Norms regarding family formation and parenthood changed as cohabitation became popular and divorce rates increased. In 1990, of children born in Norway, one out of three, and in Sweden close to one out of two, was born out of wedlock. Smaller families and increased educational attainment facilitated women's employment. A woman with one child is more likely to be economically active than women with two or more children. Women with comparatively fewer years of formal schooling engage less in formal employment than those with more years. In the 1970s, mothers of pre-school children became one of the fastest growing groups in the labour market, and the employed-mother family became numerically the most important family form even among families with pre-school children (see Table 3.3).

In the late 1980s Sweden and Norway had a higher labour market participation rate among mothers of young children than had the EC member states, Denmark excepted. Women's labour market participation

Table 3.3 Labour market participation of mothers with children aged 0-9/10 years, 1988

Country	Labour market participation, per cent
Scandinavia:	
Norway, Sweden, Denmark	70-80+
EC member states:	
Portugal	60-69
France, Belgium	50-59
United Kingdom, Italy, Greece	40-49
Germany, the Netherlands, Luxembourg	30-39
Spain, Ireland	20-29

Source: EC member states: Moss 1990a; data apply to mothers with children aged 0-9 years. Norway, Sweden: Carlsen 1990; data apply to mothers of children aged 0-10 years.

rates in Scandinavia almost equal those of men. However, women's high participation rates have not resulted in integration in the labour market on equal terms. On the contrary, the labour markets of Norway and Sweden show a stronger segregation by sex than most other OECD countries (OECD 1981). In the upper segments of public and private bureaucracies, in finance and banking, in the top levels of trade unions and academic institutions, the representation of women is not impressive. Vertical and horizontal segregation proves resistant to change.

Differences in the mix of paid and unpaid work are striking too. According to time-use studies, women on average work as long a day as men, but get paid for a smaller proportion of their work. Women's use of part-time work is generally considered as one way of dealing with the incompatible demands of labour market and family organization.¹⁰ Part-time work is important in Scandinavian mothers' labour market behaviour; in fathers' it is not. Among employed Norwegian mothers of young children part-time work still predominates, though in recent years more have been working full time (Ellingsæter 1987). Of all labour market participants, fathers of young children work the longest hours (Ellingsæter 1990). The prevalence of part-time work represents a mixture of supply and demand interests. Some branches and sectors offer mainly part-time or seasonal work. Some employees opt for part-time work, from necessity or choice, as witnessed for example among female teachers and nurses. Women's organizations are divided on the issue of part-time work. Arguably, however, some money is

better than no money, and a small foothold in the labour market better than total exclusion. It should be noted, too, that among part-time workers in Norway, the majority work more than the number of hours required for obtaining access to social insurance benefits and entitlements.

The expansion of welfare state services is usually considered to have promoted mothers' employment in Scandinavia. In a sense, this is correct. But although this reform process created a large number of jobs, these were not specifically made for women. Neither was a quota system favouring women introduced. However, new jobs spread in areas commonly identified as typically 'women's work': in education, health and social welfare, in lower- and middle-level administration, and often in local labour markets. Norwegian women were recruited to welfare-state wage work, not as a planned mobilization, but rather because they represented the only available reserve. Moreover, this entry of women was highly selective. It did not represent a challenge to men's traditional jobs, which may be one reason why women's employment was not more strongly opposed (Leira 1989, 1992a).

Unlike Norway, Sweden from relatively early on envisaged the mobilization of married women, even mothers of pre-school children, for employment. Accordingly, from the late 1960s, Swedish policies attempted to integrate family and economic policies (Ruggie 1984; Acker 1988; Hirdman 1990; Lewis and Åström 1992). Every fit adult person was expected to contribute to the collective welfare through labour force participation. Still, Swedish policies in the early post-war years gave no evidence of a rush to provide day-care services for children. Up to the mid-1960s, state support of day care for children remained low (Baude 1979). Subsequently, public investment in child care and ambitious national programmes for parental leave were instituted to facilitate the combination of work and family obligations.

In both Norway and Sweden mothers took up formal employment well ahead of large-scale public funding of child care. However, in Sweden the concept of the working mother was politically institutionalized to an extent not matched in Norway where political disagreement over the employed mother and over state-funded child care remained, even after the passing of the Act governing day care for pre-school children in 1975.

As shown in Table 3.2, Sweden has a much better supply of publicly funded day-care services for pre-school children than has Norway. The Norwegian case does not show an impressive welfare state involvement. Particularly in respect of publicly funded child care for the under threes 'social democratic' Norway is more similar to 'liberal' UK than to its 'social democratic' neighbour. Among several EC member states, public intervention in early childhood education and care is more comprehensive

than in Norway (Moss 1990a; Leira 1992b). In 1989, when close to 70 per cent of the Norwegian mothers of under threes were in the workforce, only 10 per cent of the children in this age group had access to public child care. A striking feature of Norwegian policies in the 1970s and 1980s compared to those of Sweden was the lack of coordination between economic policies on the one hand and family and social policies on the other (Leira 1987, 1989; see also Borchorst and Siim 1987; Dahlerup 1987; Åström 1990). The problems of working mothers resulting from the structural incompatibility of employment and family organization were largely defined as private problems to be solved on an individual basis. Not surprisingly, private and informal labour markets in child care became much more important in Norway than in Sweden. Up to the late 1980s, informal child-minding in Norway provided more services for working mothers than did the publicly funded system (Leira 1987, 1992a). Indeed, the extent of the informal economy of child care contradicts the notion of an overwhelmingly interventionist welfare state and raises a question mark concerning the 'woman-friendliness' of the welfare state approach to working mothers.

Swedish policies in the mid-1970s and Norwegian policies some few years later introduced an interesting reconceptualization of the state/market/family relationship in the form of expanded entitlements to leave of absence to care for young children. While the public funding of services for pre-school children may facilitate mothers' labour market participation by offering a temporary replacement for parental/maternal care, the expansion of entitlements to parental leave is significant because it establishes the primacy of parental obligations to care for children over the demands of the workplace. The right to parental leave is interesting also because fathers as well as mothers are included in legislation that interlinks the concepts of 'worker' and 'carer'.

Among the Scandinavian countries, Sweden has introduced the most comprehensive system of leaves of absence in connection with parenthood, with a set of entitlements that has attracted worldwide attention. The entitlements established in Norway come second to those of Sweden, although they compare well with those offered in EC member states (Moss 1990a; Leira 1992b). Since 1989 in Sweden, the entitlement to parental leave following the birth of a child has been 450 week-days with income replacement. The mother can use 60 of these days before parturition. The rest of the leave can be split between the parents as they wish. It may be used to reduce working hours, for example, but must be taken before the child is eight years old. Income compensation amounting to 90 per cent of the wage (up to a maximum level) is given for the first 360 days, and for the remaining period at a reduced rate (Knudsen 1990). In Norway since

1992, employed mothers have been entitled to two weeks paid leave immediately prior to confinement, and to leave of absence for 33 weeks with 100 per cent wage replacement, or 42 weeks at 80 per cent compensation. Twelve of the weeks may be used before giving birth. Of the leave to be used after parturition, six weeks are reserved for the mother. The parents can share the remaining period as they wish. In both countries fathers are entitled to two weeks paternity leave, either with wage compensation as in Sweden, or without, as in Norway (Knudsen 1990, pp. 27–30). In 1987, of the Swedish parents using the right to parental leave following the birth of a child, 76 per cent were women, 24 per cent men. The proportion of men making use of the opportunity decreased 3–4 per cent during the 1980s (SCB 1990). For some time the Norwegian government has considered reserving some weeks for the father and not allowing transfers to the mother except in the case of single mothers.

Generous leaves of absence in connection with giving birth are important for the mother's recovery and may offer parents and child a better start together. However, in both Norway and Sweden there is concern that if only women take a prolonged leave of absence, their opportunities in the labour market may be impeded (Leira 1987; Åström 1990).

Both countries offer employed parents paid leave in order to care for a sick child. In Sweden the entitlement in 1990 was for 120 days per year, per child, for children under the age of 12 (Åström 1990). Norwegian parents were each entitled to 10 days leave and single parents to 20 days per year, in order to care for a sick child aged 0–10 years old. In the case of a child under the age of 16 being disabled or chronically sick, parental leave may be prolonged. As noted above, such entitlements are important not only for the practical support offered to employed parents, but also as evidence of an interesting shift in the conceptualization of 'the worker', such that the demands of social reproduction take priority over those of production.

Looking at the welfare state policies instituted to reconcile work and family obligations, the 'collectivization' of social reproduction, often considered a characteristic of the 'social democratic' welfare state, seems to apply more to Sweden than to Norway (Leira 1987). My analysis does not show the Norwegian welfare state as the principal driving force in introducing new models of motherhood. Nor did the state rapidly intervene to facilitate the situation of mothers taking up employment. Facing a remarkably non-interventionist state, Norwegian women enhanced their economic opportunities by acting as their own change agents – demanding opportunities for part-time labour and establishing informal labour markets in caring. From a 'motherhood perspective', therefore, the notion of a 'Scandinavian model' of the welfare state needs serious qualification (Leira 1989, 1992a).

STATE FEMINISM – PROMISES OF A 'WOMAN-FRIENDLY' STATE?

From the mid-1970s legislation that embodied new images of women and motherhood was introduced in Sweden and Norway. Of particular importance to women was the legalization of abortion on demand, the passing of equal status legislation and increased public support for child care. The Norwegian political scientist Stein Kuhnle argues (1991, p. 99) that cross-political consensus over social policy reforms has characterized Norwegian politics throughout the post-war period¹¹. However, if we focus on woman-related reforms, political consensus is not striking. Generally, the centre and conservative parties have been less in favour of state intervention in these issues than the parties to the left.

The revival of feminism and its elaboration in Scandinavian equal status legislation and regulations – often referred to as 'state feminism' – charged the government with the responsibility of developing national policies and programmes aimed at promoting equality between women and men.¹² Equal status legislation challenged sex segregation in the labour market, but did not aim at transforming or transcending the gendered division of labour in society (Leira 1991). From early on the Norwegian legislation was criticized by the women's movement as not being sufficiently bold. After almost 20 years of active state feminism, the relationship between the sexes is not equal. However, as soon as women enter previously male-dominated areas in the labour market and in politics, the significance of equality and difference takes on new meanings. As in earlier processes of democratization when, for example, farmers and workers were integrated into the polity, questions concerning conflict and consensus take on new dimensions. Yet, some of the old equal status issues are still important in the 1990s, for example questions concerning the division of time, money, power and care that remain unresolved. Violence towards women by men persists. If equal status policies do not take gender relations in the private sphere seriously, efforts to achieve substantive (as opposed to formal) gender equality will fail.

The continuity of gender as a differentiating principle is striking in a welfare state 'experiment' committed to gender equality. The increasing labour market participation of mothers provides evidence of important restructuring of the state/work/family relationship, but shows that the 'woman question' is not resolved. This is clearly evident when the distribution of both employment and family responsibilities are assessed together, and if we consider both employed mothers and fathers as wage workers, carers and citizens of the welfare state. In Scandinavia as elsewhere, two features of the work/family relationship are noteworthy: first, the dual-

earner family is not a dual-carer family. Second, the increased economic activity of women has not meant integration into the labour market on equal terms with men.

In the 1980s the high proportion of women in the national assemblies of the two countries has not produced broad, cross-party agreement on the interpretation of women's best interests with regard to the means of reconciling work and family commitments (Hernes 1987; Skjeie 1991; Eduards 1990). State support for families with young children is commonly accepted in Norway as well as in Sweden, but political parties disagree over the form of such support, whether as cash transfers or as provision of child-care services. Should the use of the public purse support the wage work of mothers with young children, or should policies facilitate parental care? Commonly couched in gender-neutral terms and as a matter of parental choice, the question in practice refers to which family model public funding should prioritize – the one in which mother is employed, or the one in which she stays at home. In the early 1990s parties to the centre and right in Norway and Sweden advocate an increase in economic subsidies to families with young children. The social democratic parties and other parties to the left generally argue more strongly in support of women's rights to economic independence and in favour of high-quality, state funded child care both as a means to that end and as a means of enhancing equal opportunities for children.

This is not to say that the 'social democratic' welfare state has not been important for women. On the contrary, the welfare state set the general frame within which women developed new approaches to womanhood and motherhood. In material terms, the welfare state in Sweden and Norway brought real gains for women. Welfare state reforms increased women's 'property in their persons', to use Pateman's (1988) formulation, in two fundamental ways:

- women gained control over fertility and biological reproduction, and
- women's economic dependence on individual men substantially decreased. Both as wage workers in public sector employment and as pensioners receiving a state-guaranteed income, women came to depend more on the state for their personal income. Women have strongly opted for this shift in economic dependence.

Still, it seems to me that terms like the 'woman-friendly' state or the 'public family' exaggerate the impact of the welfare state. Women are not integrated into the welfare state on equal terms with men unless they behave like men with respect to work and family obligations. This is because of three interrelated elements in the basic welfare state design:

- the importance accorded to paid work over other forms of work,
- the definition of essential parts of social reproduction as a private responsibility and private concern, and
- the division of labour by gender, which ascribes the greater part of time-consuming unpaid care to women.

If these factors are not challenged, the gendering of citizenship entitlements will remain a feature of the Scandinavian welfare state. The political history of the employed mother as wage worker, carer and citizen illuminates how the 'old' welfare state presumed that a very considerable part of vitally necessary care was to remain a private concern. The modern welfare state modified this assumption but did not do away with it, nor with the gendered division of labour that ascribes caring responsibilities primarily to women. The Norwegian welfare state's support of mothers' employment did not profoundly challenge the traditional division of labour by gender at home, nor sex segregation in the labour market, nor men's traditional labour market participation. Rather, the welfare state to a considerable extent upheld a reward system that favoured formal employment over informal care, giving preference to 'typically male' labour market adaptations. If the welfare state established a 'partnership' with women, women were the junior partners.

Not surprisingly, questions concerning the social rights of citizenship are high on the political agenda in the early 1990s as Norway and Sweden, together with the other European Free Trade Association countries, negotiate closer political and economic cooperation with the European Community. Furthermore, questions concerning the future of the welfare state have been given new impetus during a period of prolonged economic stagnation and crisis, with unemployment in Norway reaching its highest levels in the post-war years and with conflicts between the haves and the have-nots becoming more visible. A demand for privatization and a desire to limit public spending are also sharpening political discussions over the welfare state in Scandinavia. The demands of an ageing population and of the employed-mother family have turned the provision of caring into a hot political topic. Consensus over the collective responsibility for welfare provision is fading. In the 1980s and 1990s a gender dimension to the political conflicts over the future of the welfare state is increasingly recognized. Surveys show that women born after 1945 are more likely than men in this age group to vote for parties to the left and to support welfare state provisions (Aardal and Valen 1989).

Considering the arguments developed in this chapter – that men generally have struck a better deal with the welfare state – this 'gender gap' may appear strange. However, women may now have more to lose if the

welfare state is fragmented. The future strategies of the welfare state are of particular importance to women both as welfare state workers and as clients and consumers of welfare state services and benefits. These are not only statuses of dependence, but show that women in Scandinavia hold a strategically more important position in society than did women of earlier generations. As a 'carer state', the welfare state depends on women's labour, paid and unpaid. Increasingly also the political parties have come to see women's paid and unpaid caring work as essential to the functioning of the welfare state and its legitimacy. Although there is little evidence of cross-political agreement among women when it comes to defining women's 'best interests', their increased representation in elite politics is extremely important in bringing 'women's issues' into the political debate. A large proportion of women in national politics call attention to possible new areas of conflict between women and men as well as between women, but also signal the possibility of new alliances in the shaping of welfare state policies.

At the turn of the century a central issue in political debate was that of individual versus collective responsibility for welfare provision. It may be suggested that the central questions for the equal status agenda of the 1990s represent a return to classical issues of the Scandinavian welfare states: whether or not to uphold commitment to solidarity and to egalitarian principles and whether or not to acknowledge a collective responsibility for individual social rights based on universal citizenship.

NOTES

1. I am most grateful to Joan Acker, Janet Finch, Jane Lewis, Trond Nordby and Mariken Vaa for comments on earlier drafts, and to Aksel Hatland, Siri Nørve and Anne-Lise Seip for discussions of some main issues in this chapter. My thanks also to the Norwegian Research Council for Applied Social Science for a grant that supported the writing of this chapter.
2. The woman-friendly state, Hernes argues, would 'enable women to have a natural relation to their children, their work and public life' (1987, p. 15).
3. A prominent Norwegian sociologist of law observes that more comprehensive legal change was introduced in Norway in the period from the mid-nineteenth century to the First World War than in the years from 1920 to 1978. And yet, as he comments, 'there may be good reasons to support the view that the real situation of women ... has undergone greater changes in the latter than in the former period' (Aubert 1990, p. 37).
4. Not surprisingly, gender was not an all-unifying cross-class force, nor did the common experience of class prevent conflicts between women and men. Women's organizations split over important issues such as women's suffrage. Several issues concerning working conditions and the protection of women working in industry activated class differences among women (Blom and Hagemann 1977). However working-class women also met opposition from working-class men, for example over questions concerning wages, as did middle-class women from the men of their class over access to the professions.
5. In Sweden the prominent Social Democrats Alva and Gunnar Myrdal (1934) linked

- questions concerning demography with issues of social reform in their very influential book *Kris i befolkningsfrågan* (The Population Crisis). For recent assessments, see Hirdman 1989; Lewis and Åström 1992).
6. In the 1970s the welfare state was often portrayed – and criticized – for being the 'manager' of problems caused by capitalist economic processes. The aim of social policy, it was argued (for example by Holter and Henriksen 1979), was to repair the 'malfunctioning' of the capitalist mode of production; see also Nordby (1990).
 7. For an interesting discussion of the influence of William Beveridge's thinking on Norwegian social policy reforms in the early post-war years, see Seip (1986).
 8. Feminist scholarship does, however, document an under-registration of women's economic activity in the censuses (Hagen and Skrede 1976).
 9. L.R. Klein, a US economist and later Nobel laureate, who was invited to assess the economic efforts of the post-war period, commented upon Norway's lack of interest in mobilizing women for labour market participation and the neglect of measures, such as the provision of child-care services and part-time work, that would facilitate such a process (Klein 1948, quoted in Tornes 1986).
 10. Compared to full-time work, part-time and particularly short part-time offer reduced or minimal welfare and pension rights. The protection of part-time workers' rights has therefore become an important social policy issue for women.
 11. See Nordby (1990) for a different interpretation.
 12. In Sweden, legislation aimed specifically to improve women's situation in the labour market, while Norway introduced the broader concept of improving women's situation in society.

5. Slow Motion: Women, Work and the Family in Germany

Ilona Ostner

INTRODUCTION

This chapter focuses on ideas, traditions and institutions which have moulded women's lives and work prospects in Germany since 1945. In West Germany, social change affected different parts of society, institutions and social groups differently at different times. Some institutions and groups underwent radical change, while others, women included, experienced little. The social structure that emerged from this process combined innovation and mobility with continuity and stability on the basis of steady economic growth, social security and 'social peace'. The slogan born in the Adenauer era of the 1950s was 'prosperity for everyone – but no social experiments'. Policies therefore strongly favoured the growing middle classes (Joosten 1990).

At the macro level, moderate social change, cushioned by conservative and corporatist social policies, has continuously mediated between tradition and innovation, thereby helping to bypass some dilemmas of a modern market society. It has succeeded, to a large extent, in avoiding or at least in moderating resulting social conflicts. Social problems and conflicts and their solutions became more and more 'institutionalized' and, in a very West German sense, 'constitutionalized' as matters for the judiciary and the courts. The first part of this chapter briefly illustrates how this double-edged process has worked for women since the war and how it is mirrored in West German feminism. Without doubt, the fundamentals laid down in the years following the war still matter.

German unification was initially regarded by many feminists as a chance to accelerate overdue changes in the FRG – be it abortion law, the rights of children of lone mothers, child-care facilities, or last but not least women's employment. Instead, the West German welfare regime, with its various gender divisions, is apparently going to be rapidly extended and strengthened. This makes it all the more important to elaborate the gender

specificity of that regime and its impact on women's work. The second part of my chapter summarizes some of the 'sozialistische Errungenschaften' in East Germany which helped women to cope with the threefold burden being a full-time worker and part-time mother and homemaker. These 'Errungenschaften' – child- and mother-centred policies – were or soon will be abolished by the transformation process. East German women are being fitted more or less willingly into the West German gender regime. The third part of the chapter will tackle the problem of women's work inside and outside the home in the 'new-old' Germany of the future and ask whether there are any feminist visions relevant to this task.

I will begin with a short presentation of what in my view is a, if not 'the' typical German (West German) feminist discourse. Approaching my topic from a feminist angle, I hope to help the reader get attuned to what I think is typically German writing and theorizing about women.

'ANYTHING BUT A JOB IS TOO LITTLE . . .' – FEMINIST VIEWS OF WOMEN'S WORK

In West Germany, the new feminist movement of the early 1970s started both with the fight against the harsh and restrictive criminal law on abortion, which unified women of all classes between 1971 and 1975 and, in academia, with the critique of Marx's narrow concept of work as wage work. As in many other Western countries, feminists extended the meaning of 'work' to encompass paid and unpaid work, wage work and daily domestic chores. For a short time, the boundaries between work, love, life, ideas and interests began to tumble.

But a political economy of love, sexuality and even of housework was defeated before it was properly established. A 'political economy of housework' was for many feminists – including me – an absurdity. It missed the very nature not only of housework, but also of wage work and of the gender divisions in capitalist society in general (Beck-Gernsheim and Ostner 1978; Sichtermann 1985). In her inspiring book, Ulrike Prokop pointed to the narrowness of the 1970's Marxist-feminist discourse and strategies which in her view failed to include most women's tacit or explicit 'improper' wishes. Feminism, she wrote in 1976, neglects or denies the lust for a good life, for comfort if not luxury, for time to be wasted, not saved, for closeness and a space where money does not reign. According to her and to many feminists, especially those familiar with the Frankfurt School's 'Kritische Theorie', the domestic sphere, the mother-child dyad and the daily activities at home seemed to encompass, albeit in a distorted

manner, the notion of such a good life (Eckart et al. 1979; Becker-Schmidt et al. 1983). From this it is possible to suggest that women will resist full mobilization for paid work. They prefer a life trajectory which resembles more a patchwork or a zigzag. Commuters between the two worlds – the domestic and the market – they want both in order to compensate for the losses they experience in each sphere.

West German feminism is very different from that in other Western countries in that it has always been very reluctant to identify independence with employment. 'Wage work' and 'wage dependency' are used as critical concepts. Consequently both the domestic *and* market work imply dependency, restriction and alienation, gains and losses and hard choices. None of the capitalist societies nor the socialist ones has ever really succeeded in accommodating parenthood and work. All give women a hard time. What was called the 'Emanzipationslogik' (egalitarian policies which promote full-time paid work for women) had never been wholeheartedly welcomed by the majority of West German feminists. It was said that the idea of 'work' was 'swallowing' that of women's emancipation; women tried to follow the model of their fathers but, without a wife at their side, they were destined to become 'Arbeitsmonaden' (Eckart 1988): 'single-celled' workers disconnected and isolated from all life that was not immediately directed towards work. Not surprisingly, the 1980s waved an easy goodbye to the egalitarian idea of women's full-time employment (Klinger 1988).

'Anything but a job is too little, but work both outside and inside the home is too much' (Becker-Schmidt et al. 1984). These words of a woman worker who was struggling to balance her home responsibilities and her industrial job in the 1970s well illustrate the main focus of the West German feminist debates up to now: women want both but on different terms!

But what kind of mix do women want; do they want to engage in paid and unpaid work simultaneously or sequentially; and what policies are needed to enable women to do both? Debates on women have mainly revolved around the notion of their different experiences, first, as wives and mothers and, second, as workers. They have therefore pointed the way towards policies based on difference rather than on equality. This emphasis on women's proper place in marriage and the family rather than in the workplace can be traced back to ideas of the nineteenth and early twentieth century women's movement (Ostner 1992). It helps to explain why West German feminism has tended to reject the idea of citizenship based on an individual right to employment equal to that of men. Instead it has given more thought to policies which consider unpaid and often invisible domestic activities (mainly informal care for dependent house-

hold members) as socially vital and as a peculiar sort of work that should be publicly rewarded and compensated. These policies have little in common with the older feminist demand for 'wages for housework'.

Strikingly enough, feminist ideas about women's work were always very much in harmony with state policy in the old FRG. They are reflected in a relatively low, albeit growing, female labour market participation rate, together with a high proportion of mothers who leave their jobs for a while in order to do unpaid caring and who are dependent, for the most part, on a husband's income to do so. Despite the talk of diversity in modern women's lives, feminist and other discourses more or less explicitly support the idea that a woman's life is shaped primarily by all sorts of unpaid caring: for her child or grandchild, for a husband, for her mother, mother-in-law, for friends and neighbours. Recently, feminists drawing upon Foucault's idea of 'le-soin-pour-soi' added a new form of care – a woman's care for herself, arguing that she should first concentrate on her own needs and develop a culture and morale of 'self-care'. The concept of 'self-care' serves to undermine the sole identification of being a woman with mothering or caring for others as well as the 'Master-Mother' discourse (Chodorow and Contratto 1982). On the other hand, self-care is not discussed in terms of self-reliance and economic independence. In Germany, diversity thus turns out to mean a choice between diverse forms of caring: caring for oneself and for significant others. Different factions within West German feminism emphasize different forms of and relations between caring.

After a short period of conflict and dissent in the early 1970s, feminism has never significantly deviated from the conservative ideas of the proper place of women built into the German welfare regime and its politics. But this was different in the GDR where in 1950, in conscious opposition to the FRG, the legal conditions for women's (mainly mothers') full-time employment were created. In the old and in the newly unified Federal Republic, mothers have never considered being employed for more than for 'half days' or of combining paid work and family work sequentially.

WEST GERMANY 1945 ONWARDS: ABNORMAL TIMES AND THE ROLE OF THE FAMILY IN REGAINING NORMALITY

In a reader's letter to the woman's journal *Constanze* (No. 1, 1948, transl. I.O.), a married woman complained:

After having been a prisoner of war for nearly five years my husband has

returned home. The first few weeks we were very happy. But from then we have started to quarrel daily. Why? He bosses me around and is discontented all day long. He tells me that I've changed a lot and stopped being a real woman. When we married, I was 23. Now, I am 31. I had to live and struggle on my own for six out of eight years of being married. Now, it ought to be his business to support me. But he demands that I do all the housework and care for the two children while he is sitting in the corner, reading the newspaper, bossing and telling me off. He thinks he has got the right to demand a cosy home which I have to provide. But I think he's got nothing, no right nor a claim to anything. How can we come together again? Whose fault is it?

Family breakdown, the burden of work inside and outside the family, the many shortages, hunger and broken male identities as a result of the war forced a majority of women to be self-reliant. Thus a fundamental change in women's role in public as well as in private life might have been expected to follow the war. But it did not happen.

A poll by *Der Spiegel* in July 1947 illustrated the perpetuation of the traditional differences between women's and men's lives despite or because of the reversal and confusion of gender roles during the 1940s. In the poll, women and men were asked the following question (transl. I.O.): 'Facing the lack of qualified male workers in industrial and clerical work, do you think more women should take the jobs normally done by men?' 70 per cent of the men and 58 per cent of the women said 'no'. But the extent of the difference between men and women did not reflect the current situation; large numbers of women were already doing men's work.

A fundamental change in the gendered public and private divisions of labour did not take place. One reason for this could be that a positive model of the working woman, especially the working mother, had not existed before or during the war. Up to the post-war period, many women had experienced employment mainly under very restrictive and demoralizing conditions; they were worn out and frustrated, and most of them longed for a rest and to return home to care for their often neglected children. From the turn of the century at least to the mid-1960s, industrial and family sociologists had emphasized the demoralizing effects of industrial work, sometimes of any kind of employment, for women despite growing female labour force participation (Schütze 1988). These ideas contributed to placing women in a continuous 'double bind', especially single women and lone mothers. After the war and during the 1950s, however, there was a significant 'surplus' of women in the population (65 per cent of the population was female in 1948-49), especially of women in their forties. Single women and lone mothers experienced a particularly severe housing shortage. Priority was accorded to men, even single ones, to 'proper' families and only then to mothers with children and single women. Men were talked of as 'scarce goods'. Unmarried women were

generally treated as morally suspect. Until 1970 parents as well as landlords were legally prohibited to give or rent rooms or flats to unmarried couples or to allow them to stay overnight. They could be taken to court if caught. The landlords' moral panic affected mainly single women. By contrast, the welfare system continued to perceive women as wives and mothers and granted them (at least rudimentary) benefits linked to these statuses.

The immediate post-war years were regarded by the majority of women and, rather naturally, by men too as 'time out', a period in which previous practices had to be reversed as soon as possible. (This is very similar to East German conditions of the 1990s.) It explains the sudden revival and importance of private domesticity, symbolized by a nicely furnished home, and the success of Chancellor Adenauer's conservative marriage and family policies during the 1950s.

Some feminist writers see the war and post-war years as laying the foundations of a new role for women, that of the independent and self-reliant woman such as achieved many years later by their daughters (Meyer and Schulze 1984). However, I would argue that the majority of women relied on and appreciated a life that revolved around housework, marriage and family. German women have been reluctant to leave their homes and have men and children cared for by others. To support my argument, it is worth looking at the gender division of labour some decades later. Forty years after the *Spiegel* poll, about 60 per cent of the men who were asked about the gender division of work said that they preferred a homemaker wife (see Table 5.1).

German men were significantly more conservative in this regard than those questioned in the six other European countries. Furthermore, their preferences are supported by the data. Less than 50 per cent of married women without children do any paid work, and only 26 per cent of these women work full time (Kirner and Schulz 1991), although fewer women now give up work or change their working hours because of marriage (Tölke 1991). Even in the 1990s, most West German working male adolescents live at home and are cared for by their mothers, to whom they give no or little money or help, until they are ready to move into the household of their future partner or wife. In contrast, most young women try to live on their own before cohabitation or marriage and on less income (Hantsche 1989).

The rhetoric and the reality of family life played important stabilizing roles in post-war reconstruction in West Germany. Politicians of all parties relied on the majority view that stable, well-integrated families are the best means of regaining normality and a democratic society (Joosten 1990; Münch 1990). In the 1990s they are once again reiterating the importance

Table 5.1 Popular concepts regarding the ideal gendered division of labour and the preferences of men in respect to the spouse role in 7 EC countries (1987, in per cent)

	Ideal division of labour, men and women			Men's preferences	
	Equality	Partial equality	Tradi- tional	Working woman	Home- maker
Denmark	53	26	12	58	23
UK	48	31	18	50	40
France	45	28	24	53	41
Belgium	34	30	25	50	35
FRG	26	34	32	31	59
Italy	42	31	25	51	43
Neth	43	28	23	42	49
Average of the 12 EC countries	41	29	25	47	43

Source: Becker 1989, p. 31.

Note: The response 'no answer' has not been computed in the table.

of the family for building the patience, stamina, trust and hope needed to overcome the problems in the East caused by unification and its radical shift towards a market economy (Offe 1991, p. 289).

Policies of the 1950s followed the line 'neither Nazi nor GDR' and emphasized the role of the family as a bulwark against communism and other forms of totalitarianism. Such policies endeavoured to balance continuity with discontinuity, change with stability, while relying on institutions which were, as was argued in the case of the family and welfare institutions, 'uncontaminated' and sound (Schelsky 1960; Ostner 1992). Thus, marriage and family were identified such that 'privacy' meant 'freedom from immediate state intervention'. Nazi policies had virtually abolished self-regulated institutions, the plurality of welfare associations as well as the private world ('Lebenswelt') of marriage and family. The man's role as husband and father or, in a strictly sociological perspective, as the gatekeeper of the boundary between the public and the private domains had been weakened.

It is worthwhile remembering that the ideal of paternal authority acknowledged within the family and moderated by a tender and understanding wife and mother underlies modern social thinking in general. Simi-

larly, though with a critical edge, it also underlies classic Frankfurt School writings on the interlinkages between family, individuality and democracy in promoting 'Zivilcourage' (an individual's preparedness to stand up for his/her beliefs). This view is echoed to some extent in recent feminist writings. Jean Bethke Elshtain writes (1990, p. 54):

Family relations could not exist without family authority, and these relations remain the best way we know to create human beings with a developed capacity to give ethical allegiance to the background presumptions and principles of democratic society. Family authority structures the relationship between adult providers, nurturers, educators, and disciplinarians and dependent children, who slowly acquire capacities for independence. Modern parental authority is shared by mother and father. . . .

In a lecture on the family, for example, Theodor W. Adorno drew on Freud's theory of mass psychology to trace the overwhelming support for Nazism back to the invisibility and weakness, rather than to the strength, of German men as fathers and husbands during the Weimar Republic (Adorno 1956, p. 127). In fact, during the Nazi period the weakness of roles and institutions said to constitute an open democratic society and, in consequence, the absence of democratic control made the power of the state very direct and total, especially for women (Bock 1986). The female and to a lesser extent the male body became a state-controlled terrain, a public space. Abortion and sterilization or adoption were forced upon 'the unworthy'. According to West German public voices during the 1950s (Joosten 1990), the East German system was close to repeating Nazi policies albeit from a different perspective. By concentrating social policies on children and full-time working mothers, the GDR was blamed for creating a 'fatherless society'.

In 1949, thanks to the courageous and tenacious intervention mainly of Elisabeth Selbert, Article 3, setting out the equal rights of men and women, eventually became part of the West German Grundgesetz (Constitution). Since then its interpretation and implementation have continued to conflict with Article 6, which rules that the institutions of marriage and of family are protected by law. Article 3 necessitated a reform of the Bürgerliche Gesetzbuch (BGB, the Civil Code). The BGB had remained nearly unchanged since 1900 and also survived the Nazi era. But the harmonization of marriage and family laws with Article 3 was repeatedly delayed, while the man's guardianship over his wife and children was only reluctantly abolished. In West Germany the man - husband and paterfamilias - legally had the last word on marriage issues, something that did not change until 1957 after a fierce and controversial debate in Parliament. But until 1977 he was empowered to stop his wife taking paid employment if he felt this to be detrimental to family life or, alternatively,

to force her to earn money if his income was deficient. Additionally, he had the last word on issues to do with children until 1980. The man's status and role were backed by the idea, which became the reality, of the 'immobile woman' who waited (and still waits) for husband and children to return home. This model of the mobile man and the immobile, caring woman is now being imposed on many women in the GDR.

The hero of this reconstruction period was Franz-Josef Wuermeling, a Catholic like Adenauer and his first Minister of the Family. Wuermeling was a leading and militant member of the all-male German Catholic group 'fides romana' which promised to support and realize Catholic doctrine in daily practice. The Wuermeling era saw the family, with its differential roles and statuses, as the foundation and model for the wider society. It was believed that the traditional family would buttress social order, the argument being not dissimilar to that put forward by functionalist sociologists such as Talcott Parsons. In fact, this model of family life can be traced back to Aristotle, one of the ideological fathers of Catholicism, with his functionalist foundation of separate roles for women and men, and women's natural subordination for the sake of the whole.

Women as dependants became the objects of a whole set of family policies, although at first these were more exhortatory than anything else (Münch 1990). They emphasized the importance of a male breadwinner in the market and the primacy of the paterfamilias in both the private domestic world and the political sphere. Divorce was made more difficult for men in order to protect the older wife from desertion in favour of a younger woman. Transportation policies and the ideology of the 'automobile' society supported the mobility of the working husband and the immobility of his wife at home. Vast amounts of money went into the building of new motorways during the post-war decades instead of into the provision of better public transport, the slogan being 'a motorway less than 15 kilometres from every family home'.

Mobility outside and stability inside the home was an idea that best served middle-class men returning after a stressful working day. 'Returning home' and the dangers of 'no one there to welcome the people coming home' was a major post-war theme that relied on the idea of the 'immobile woman' bound to the home and thus influenced successive family policies of the 1950s and 1960s. In a comparative perspective, the peculiarities of the opening and closing hours of kindergartens, schools and shops are a striking feature of West Germany. Publicly-funded child-care facilities, if available, are in principle designed for children older than three and then only part time, opening mainly during the morning hours. Schools finish on one day after two hours, the next day after six, but are always closed at lunch time, their hours being premised on the idea of the immobile woman

waiting at home with a cooked lunch (Leibfried and Ostner 1991; Ostner 1992). In contrast with societies which still have a strong rural tradition, West German children are not expected to look after themselves during the afternoons, but to stay under the parent's custody. 'Schlüsselkind', a latch key child, is closely linked to child neglect. The theme of 'returning home and somebody there making a home' became a kind of 'second nature' to many women and one element in the continuous double-bind they have since experienced. It helps to explain the comparatively low profile of household services provided by the market or the state (Becker 1989; Scharpf 1986). The abundance of unpaid work at home is perhaps one reason for the slow invasion of microwaves in West German kitchens, or the relatively small consumption of take-away or fast food in family homes.

Since 1977 a marriage is stated in law to consist of partners who decide freely and with no legal or state interference about how they want to divide the housework and paid work between them. The performance of domestic chores is still held to be as equal a contribution to the maintenance of the household as paid work. That kind of equality – in the sense of different but equal contributions – was reinforced by interventions of the Federal Court in the 1960s which resulted in policies that tried to give entitlements to carers, something that was eventually realized in the 1980s (Bast and Ostner 1992). The principle of partnership pulled women into the labour market but, as will be shown later, on different terms from men. The notion of partnership within marriage and family has not conflicted with a functionally differentiated family system and gendered divisions of work. Both have remained untouched, though debated. In fact, policies aiming to compensate women for unpaid caring and thus to treat different contributions to welfare equally have stabilized the norm of the mother homemaker doing paid work intermittently, supported by a male breadwinner. The gendered nature of that different but equal treatment is best illustrated by West German parental leave regulations.

Similar to many other modern societies, FRG women have the right to stay at home six weeks before and eight weeks after childbirth as well as to draw benefit on the basis of their net income after six months continuous and insured employment. But (West) Germany grants more than paid maternity leave and flat-rate maternity benefits, provisions having been extended step by step during the 1980s. After the maternity leave expires, a mother or a father normally resident in Germany (or those working abroad or an EC citizen working at least 15 hours per week in Germany) who is the primary carer for the child and who is not employed or who works fewer than 20 hours per week can claim 'Erziehungsgeld' worth DM 600 per month. When the baby reaches seven months, this flat-rate

benefit is means tested. The mother or father of children born after June 1990 who fulfils these conditions has the right to 'Erziehungsgeld' and/or (if the household earns too much to claim that) the right at least to stay at home ('Erziehungsurlaub') until the baby is 18 months old. Moreover, the parent of a child born after 1991 can stay at home for 24 months after the birth, drawing a flat-rate benefit. The job of the parent on 'baby leave' is formally protected; the law gives strong protection against dismissal, though there is no guarantee of returning to the same job or to the same working conditions.

The formulation of the law is strictly gender neutral. Nevertheless, in 1986, 100 per cent of non-working *mothers* and 94 per cent of working mothers took both Erziehungsgeld (flat-rate benefit) and Erziehungsurlaub (leave). In the case of the latter, this means that they left their jobs and had to rely on low welfare benefits plus Erziehungsgeld or, more often, on a husband's income and marriage-derived forms of social security. Only 6 per cent of working mothers who took the baby leave worked up to the permitted maximum of 20 hours per week. There are no data on mothers working in precarious marginal jobs during the baby year.

With regard to the growing number of long-term unemployed, many of them women, and more generally to the restructuring of the West German labour market (mainly to provide flexibility), Margarete Landenberger (1991) argues that policies relating to maternity and to carers have tended to relieve the market of surplus labour that would otherwise be unemployed. Examining recent employment statistics, she shows the extent to which parental leave policies work as a flexible 'exit-and-part-time-reentry mechanism', turning structural constraints within the labour market into a female problem to be dealt with by different categories of women workers and non-workers. Although tax-based in the beginning, the comparatively generous parental leave programme is now financed by the old age insurance system. This seems to follow naturally from the Federal Court intervention ruling that unpaid caring at home and paid employment are both work, albeit different, and thus to be treated equally. Women who can afford to leave the labour market and concentrate on caring for their babies, the vast majority of them middle-class wives, get compensated by virtue of the contributions made by working men and women who are continuously employed. Therefore Landenberger argues that the programme works not only at the expense of the old age scheme and of policies to extend public child care, but also at the expense of the growing number of mainly single women and mothers who have to work continuously and full time. Parental leave policies have at best served to make women's paid and unpaid work more flexible without changing the gender division of labour. Landenberger concludes that the German social

policy tradition has promoted a policy which channels women with children towards a partial exit from the labour market but which does not take any positive action to promote the simultaneous performance of paid and unpaid work. It serves continuously to strengthen the German version of a strong male breadwinner welfare regime (Lewis and Ostner 1992).

Building the FRG took nearly 15 years, many of them hard ones (Zapf 1991). The 1960s brought a long phase of economic growth and prosperity, together with labour and skill shortages. In 1961 the government undertook a rather generous reform of the hitherto patchy and meagre poor relief system, giving those in need the right to welfare provisions to secure a life of dignity. Women were discovered as an untapped source of skilled labour and as a means of achieving a more flexible labour force (Bundesminister 1966). For the first time in the history of the FRG, married women's paid work was talked of in positive terms. The model most often referred to was that developed by Viola Klein and Alva Myrdal, which advocated the sequential arrangement of paid work and family work over a woman's life course. The female role was 'opened' but not changed; its core remained unpaid caring work. Young women often set out for the world outside the home, but that still belonged to the highly privileged male worker and citizen. The next section summarizes some features of the German welfare regime which frame women's choices.

THE GERMAN WELFARE REGIME

Research on the relationship between Christian social ideas and the origins of the German welfare state shows how Lutheran as well as Catholic 'estatist' (ständisch) ideas merged with a Prussian Protestant bureaucratic culture to forge a conservative welfare regime (Kaufmann 1989). The fundamentals of this regime were eventually laid during the Weimar Republic, strongly influenced by the Catholic Zentrum party which stressed Catholic social ideas and focused on institutions and on relations between institutions, as well as on related individuals (for example, on couples and parents) rather than on separate individuals.

Germany can be called 'estatist' and 'corporatist' because social provision is closely linked to social status in the sense of Max Weber's 'Stände' ('estates') rather than to the individual. The welfare regime promotes a politics of status maintenance for already existing status groups – for those who already 'have' (Esping-Andersen 1990; Langan and Ostner 1991). Status groups are provided for by a 'from top to bottom' strategy (Leibfried and Tennstedt 1985). Capital and labour, civil servants, white- or blue-collar workers, as well as men and women are regarded as distinct

estates. Men are treated as the 'standard' or normal wage-earners who are relatively highly skilled and work continuously, and who are also assumed to be husbands and heads of households. Social security schemes provide for men who are presumed to have these roles. Women, on the other hand, are perceived to be wives and, to a lesser extent, mothers. They are put on 'the marriage track' (Ostner 1992). Paid work on a continuous basis does not play a part in constituting women's status. German social policy is premised on and sustains a complex politics of difference, whereby different statuses are provided for differently. As a result, a social structure biased in its rewards towards the middle class has been continuously reproduced. This status maintenance principle differs greatly from that of a universalized worker's citizenship; it pits difference against equality.

Most social services are provided by the voluntary sector, usually by powerful church welfare organizations, and to a lesser extent by secularized agencies. Above all, families provide social welfare. As in many other modern societies, the FRG relies on strong family obligations, on children and parents providing for each other in cash and in kind (Finch 1989a). That norm is reinforced by the principle of subsidiarity. It rules that the family and a range of non-state associations must bear the main responsibility for social provision, although the state supports these institutions with money transfers. It is this separation of finance from provision that keeps the state's 'service profile' low. Consequently, there are relatively few paid service jobs for women that give continuous full-time employment. Instead, the welfare regime relies on people (that is women) to be available to do the unpaid caring work in the family and in voluntary organizations.

Treating individuals as part of a couple, the FRG welfare regime is strongly biased towards marriage as the basis of the family and of women's lives. The tax system privileges being married, primarily one-(male)-earner married couples without children, thereby again rewarding the middle classes (Pfaff and Roloff 1990). Widowers' and widows' provisions are constructed to compensate for the loss of the partner according to his or her income and without significant qualifications as to working ability, age or length of marriage. Again, the provisions can be considered as partial substitution for the couple's former income.

The 'relationist' nature of the German welfare regime also becomes apparent in the treatment and lives of unmarried mothers. The strong emphasis on related individuals, on the married couple and on married parents as the basis of the family resulted in a distinction between legitimate and illegitimate children unknown in the GDR. Although the FRG Constitution of 1949 stipulated equal legal treatment of all children, this was not achieved until 1970. However, one-parent families are still viewed

Table 5.2 Children by age, child care status, mother's marital and employment status, FRG, April 1989 (in thousands)

	Employed mothers		Unemployed mothers	
	Married	Single	Married	Single
Number of children				
0-3 years	615	85	940	66
using child-care facilities	23 (3.7%)*	7 (8.2%)*	21 (2.2%)*	
Number of children				
3-6 years	570	103	850	57
using child-care facilities	399 (70%)*	77 (74.8%)*	538 (63.2%)*	36 (63.2%)*

*In per cent of this group

Source: Deutschland (BR) Statistisches Landesamt: Fachserie 1: Bevölkerung und Erwerbstätigkeit Reihe 3: Haushalt und Familien 1989, Stuttgart: Metzler-Poeschel, 1990.

as defective. State custody to replace the missing parent is no longer obligatory, but is required if the absent parent does not pay alimony or if the caring parent, usually the woman, is not deemed competent. Legal reformers argue today that the child born outside of marriage has a formal right to shared parenting by both mother and father (Limbach 1991, p. 39). This should not be mistaken as a general plea for a new gender division of labour, however, but is rather a new legal approach to strengthen the custody rights of unmarried fathers to children living with their mothers.

Since 1970 the biological father has had to pay a standard sum ('einfacher Regelunterhalt') in respect of his child. The amount of money varies according to the age of the child but not, as in the case of children of divorced couples, automatically in line with the living standard of the father. Children born outside marriage and their mothers are economically worse off than children of divorced or widowed mothers. In contrast to the majority of West German married mothers, 76 per cent of unmarried mothers do paid work, many of them full time; most are poorly paid with 60 per cent earning less than DM 1600 in 1988 (Nave-Herz 1991, p. 5). More unmarried (31 per cent) than divorced mothers do not, or only irregularly, get payments for their children. Not surprisingly, nearly 50 per cent of unmarried mothers live on family incomes below the poverty line; 15 per cent have to claim welfare benefits (Limbach 1991, p. 37). Table 5.2

shows how greatly the labour force participation of married and unmarried mothers differs.

The case of unmarried mothers underlines the assumptions about women's normal life trajectory built into the welfare regime. Deviations from that norm quickly lead to phases of deprivation. Thus, the German welfare regime (after 1945 called 'soziale Marktwirtschaft' – 'the social market economy') produces its own winners and losers. Female winners are those who manage to get married to a continuously employed man, to have a happy marriage and who are content with this lifestyle. If these conditions are met, then the result is not simple dependency. In a capitalist society staying at home and living on a husband's income incorporates the likelihood of a restricted independence via personal dependence (Ostner 1992; Bast and Ostner 1992).

STATE POLICIES FOR CHILDREN AND MOTHERS IN THE GDR

Building the GDR after World War II necessitated the full-time employment of all women. Economic necessity as well as the fervent ideological competition between the 'socialist German nation' and the West German 'social market economy' rhetorically linked economic independence with emancipation. In reality the result, as far as women were concerned, was child- and mother-centred policies, for example, entitlements to time off, to day care with meals included and public programmes to cover school holidays (Merkel 1992; Winkler 1990). These policies helped women to be employed full time and effectively placed all children under state custody (Bast and Ostner 1992; Rothmaler 1992; Winkler 1990).

Kerstin Bast points to the ambiguities of socialist child-centred policies (Bast and Ostner 1992, p. 240). On the one hand, they granted a high level of social security to parents and to children. A child was no longer an economic burden. Any woman or any couple could afford to have a child or several children, and no woman was forced to have an unwanted child. Contraception (predominantly the pill) was free, and abortion was made easy after 1970. When the wall came down in November 1989, nearly 90 per cent of all GDR women had at least one child, whereas 26 per cent of West German women were childless. In 1989, 33.6 per cent of all babies were born to unmarried mothers in the GDR (Winkler 1990, p. 28) compared to about 10 per cent in the West (Nave-Herz 1991, p. 2). Both the child-centredness of East German social policy and the marginal nature of the institution of marriage forbade any legal distinction between legitimate and illegitimate children or step-children. Some feminists as well as

the *Frauenreport '90*, a quickly-compiled survey on women in the GDR, have therefore argued that the concept of 'social fatherhood' beyond any blood bonds was realized in the GDR (Winkler 1990). However, in the legal documents presented in the volume entitled *The History of East Germany Social Policy 1945–1985* (Winkler 1989), neither biological nor social fatherhood is mentioned. Consequently, men as fathers were in principle not given equal entitlement. Husband's and father's roles were not needed to make a family. In summary, the GDR state itself became a 'generalized father' to the women's children, weakening the public-private division basic to most Western societies.

But the price women had to pay for this freedom of choice in personal relationships was, as the East Berlin psychologist Susanne Rothmaler writes (1992, p. 107), 'too often self-exploitation and a routine that estranged them from their children, who were often apart from their mothers ten or even eleven hours a day'. If one agrees with this perhaps too negative view, it may be added that children were also 'estranged' from their families, their sisters and brothers and, last but not least, their fathers. The state or the firm provided cheap full-time child-care facilities for over 80 per cent of children up to the age of three and for 96 per cent of children from three to seven (Rothmaler 1992, p. 106). From six o'clock in the morning to six in the evening children engaged in activities that were strictly structured by age groups and that aimed to develop cognitive and motor abilities ('altersgerechte Beschäftigungen'). Kerstin Bast argues that the main flaws in the system were, first, 'mass treatment' that impeded the development of individuality and, second, the feminization of child-minding as an occupation which was subject to high labour turnover. Childminding – paid or unpaid – was a woman's job. Even the kindergarten curricula continuously speak of 'die Erzieherin' which in German is the female form of 'the childminder'. According to Bast, East German society consisted of a gender-neutral world of the 'Werkstätige' or the 'Erwachsenen', of 'working people', 'people of our country', of 'adults' and 'children', and sometimes of 'mothers' and 'fathers', but never of 'women' and 'men', 'girls' and 'boys'. Nevertheless, the feminization of caring and teaching was *ex ante* planned by the state and a corresponding gender division thereby established (Bast and Ostner 1992, p. 242).

Rothmaler goes further in her critique, paying no attention to any possible positive effects, such as learning to cooperate and help each other or the impetus to egalitarianism. She writes (1992, pp. 107–8):

According to the rigid socialist ideal, the aim of this education was to produce clean, well-behaved, adjusted, uncreative children, who as early as possible would be self-sufficient in routine activities such as dressing and washing themselves, who would help their mothers and teachers, and who above all

would be exposed early to political indoctrination. These aims were realized by authoritarian methods. . . . The most important rule was to take one's place in a group and to adjust to collective norms, which led to a ruthless leveling of individual characteristics and talents. The lives of children were subject to intensive planning, organization and control, even stronger in school than elsewhere in society, under the motto 'learn, help, be busy' ('lernen, helfen, fleißig sein').

According to Bast, the other side of the socialist 'security coin' and its propensity towards egalitarianism was a highly standardized life course, a lack of choice, for example, over whether to take a particular job or vocational training. But, on the other hand, work and training were guaranteed. Thus, in 1989 nearly 87 per cent of the GDR female working population had finished their vocational or professional training, whereas less than 70 per cent of the West German female working population had done so (Nickel 1992; Rudolph, Appelbaum and Maier 1990).

In 1950, the GDR passed the 'Law on the Protection of Children and Mothers and on Women's Rights' which formally abolished women's economic dependence and thereby the idea of a male breadwinner and head of household; along with these, the notion of a full-time homemaker and wife faded away. In 1991, only three out of 100 women reported that they could afford to be, or imagined being, a full-time homemaker (Infas 1991, p. 35). These women were accustomed to policies that made it possible to combine work and family and which were aimed exclusively at mothers. Fathers had no right to claim part-time work, parental leave or a reduction of working years before retirement. On the other hand, every woman had the right to one day off per month (Hausarbeitstag). They could also claim paid maternity leave for the first year after the birth of a child. The pronatalist impetus of these policies privileged mothers with more than two children by granting an extended maternity leave and an extended reduction of working years before retirement (Winkler 1990, p. 138). Despite these privileges, East German women had to work 35 years on average (compared to 15 years in the FRG) in order to get what was very often not much more than a minimum pension (Böhm and Pott 1992; Schmähl 1992). And it was mainly firms that had to pay for the rather generous mother-centred policies by hiring a costly surplus of female workers. These were talked of explicitly as an economic burden. No wonder that since unification many women do not dare to take time off or leave work, but nevertheless are being laid off in large numbers (Bast and Ostner 1992, p. 247).

According to recent polls, many young East German women would prefer time off or reduced working hours to care for their children without being punished by the prospect of restricted careers – a preference that is

similar to the norm of part-time work built into the West German model. The GDR needed women, but not on equal terms with men. This becomes clear if women's experience in the labour market is examined.

WOMEN IN PAID WORK – PAST AND FUTURE

German unification involves the political, socio-economic and cultural transformation of a centrally planned 'socialist' economy with peculiar gender divisions into a no less gendered Western 'social market economy'. A radical redistribution of work and income, opportunities, prospects and life chances is having a differential effect on different social groups – women and men, the young and the elderly, and within the elderly, on the various categories of pensioners. A new boundary is emerging between the public world of the market and the state and the private domestic world. The former East Germany differs very much from other East European societies 'in transition'. It has become 'Five New Länder' (FNL), a new segment of the old FRG. However radical, the East German transition to a market economy is being mitigated by a social security system not developed in Eastern Europe. On the one hand, immediate entitlement to social provision guarantees to those who lose their jobs or who have to cope with a lower and more precarious wage, a steady minimum income linked to their former status. On the other hand, it forces upon East German citizens cultural concepts unfamiliar to most of them, especially to women. The male breadwinner and head of household is a tradition unknown to those born after 1945. This section compares women's employment in both Germanies before unification, the data showing how women's participation rates were linked to the two social policy regimes in question.

In 1989, in the old FRG, 60 per cent of all women of the age group 25–59 were employed, compared to 90 per cent of the men. East German women's employment rate was relatively high, 85 per cent; that is, nearly as many women as men were in paid work. This figure, however, does not take account of the large amount of statutory leave taken by women. In both Germanies women's labour market participation increased in the post-war period. But East German women's participation rate and working hours overtook those of West German women 20 years ago (Kirner and Schulz 1991, p. 64).

In 1989, the East German standard working day was 8.75 hours (compared to 38 hours per week in the West). Most women (73 per cent) worked full time. Mothers with two or more children had the right to work an eight-hour day (Rothmaler 1992, p. 107). Sixty per cent of the few

Table 5.3 Female activity rates in FRG and GDR (in per cent)

Age	1969		1984		1989	
	FRG	GDR	FRG	GDR	FRG	GDR
15-25	62.9	65.5	55.8	64.3	56.3	64.0
25-60	45.1	73.4	56.1	84.5	60.3	85.7

Source: Kirner and Schulz 1991, p. 66.

part-time women worked 20-35 hours a week, 20 per cent more than 35 hours. Since 1980, it has been mainly women over 50 who have worked part time. The various forms of East German part-time work gave rise to the same entitlements within the GDR social security system as did full-time employment.

In the FRG, married women's paid work has steadily increased, mainly due to the expansion of various forms of part-time work. The peak of that expansion was in the 1970s; since the late 1980s the increase in part-time work has levelled off (Gottschall 1989; Kurz-Scherf 1989). In contrast to the political rhetoric supporting female part-time employment, West Germany has offered few part-time jobs: 11.2 per cent of all jobs in 1975, and in 1987 12.7 per cent (compared to 17.1 per cent in 1975 and 21.9 per cent in 1987 in the UK). But 90 per cent of these jobs are female. Twenty-nine per cent of all women working part time worked fewer than 19 hours. These women are precariously employed; they do not have to pay social security contributions and depend either on their husbands or on means-tested social assistance. In 1988, 54 per cent of employed West German women with children worked part time, more or less voluntarily. Women here also experienced relatively longer periods of time out of the labour market, which results in deskilling, lower earnings and lower pensions. Women's employment 'profile' in the FRG thus reflects the effects of a strong male breadwinner welfare regime (Lewis and Ostner 1992).

Unlike the GDR, West German women's labour force participation in 1984 declined from a peak of 65.6 per cent for those aged 25-30. This is shown in Table 5.4, which includes women on maternity leave. Marriage no longer affects women's participation rate, but having a child does. Only 32 per cent of all mothers of a child under three years, and 41 per cent with children between three and six years were in paid work in West Germany, whereas the employment rate of married mothers with one child was 94 per cent in the GDR, and 91 per cent for mothers with two children (Table

Table 5.4 Female activity rates by age in FRG and GDR (in per cent)

	15-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65
1969									
FRG	62.9	50.5	44.0	44.6	47.1	48.4	43.8	37.1	23.4
GDR	55.5	78.0	74.4	76.3	77.6	75.0	72.8	59.5	35.1
1984									
FRG	55.8	65.6	59.9	59.8	60.3	56.4	49.7	40.2	11.8
GDR	64.3	84.2	87.3	92.5	88.8	85.8	80.6	72.0	31.1
1989									
FRG	56.3	69.3	62.9	64.4	64.8	61.8	54.4	40.9	11.2
GDR	64.0	83.7	88.7	89.5	92.6	88.2	83.5	73.8	28.4

Source: Kirner and Schulz 1991, p. 66.

5.5). Thus, East German employment rates for married and unmarried women, and for women with or without children, did not differ significantly.

The majority of East German women completed vocational and professional training and entered employment with more skills that were less gender specific than those of women in the FRG (Nickel 1992). But despite the egalitarian and gender neutral rhetoric, many 15-year old girls chose typically 'female' subjects for their obligatory vacation jobs and later on, when possible, in their work careers. In general, the girls' scope for choice was very limited and restricted to traditionally female domains (ibid, p. 37). This is very similar to West Germany. But the gap between the egalitarian promise and the reality of severely restricted choice with no entry to better male jobs in the GDR must have been harder to cope with. Hildegard Nickel reports a steep decline in jobs for girls in core industries, especially in electronics, pushing women towards the periphery and into 'derived' high tech sector jobs such as data processing. The gender segregation of industries, jobs, positions and training was explained by GDR managers in terms familiar to Western societies:

- a high dropout rate among women (as a result of social policies with the one-sided goal of enabling women to combine motherhood with employment, rather than offering incentives for responsible parenthood);
- conditions and tasks with physical demands ill-suited to women;

Table 5.5 *Wives' activity rates by number of children and by labour force status in FRG and GDR (in per cent)*

	1980		1985		1988	
Employed						
all	44.1	89.3	42.7	90.9	44.1	91.0
no child	47.1	87.2	44.4	88.7	46.0	89.4
1 child	47.2	92.2	45.3	94.4	47.3	94.2
2 children	39.4	89.1	37.5	92.3	39.8	91.4
3 and more	35.7	81.8	31.8	73.4	34.7	83.2
Full time						
all	25.0	64.5	20.8	76.0	22.8	69.0
no child	31.7	62.1	24.9	62.1	27.3	64.5
1 child	22.4	64.4	18.4	68.4	20.3	71.8
2 children		76.9		74.3		73.9
3 and more	17.3	63.2	14.6	54.3	15.7	65.2
Part time						
all	19.1	24.8	21.9	23.9	21.3	22.0
no child	15.4	25.1	19.5	26.6	18.7	24.9
1 child	24.8	27.8	26.9	26.0	27.0	22.4
2 children		18.4		18.0		17.5
3 and more	18.4	18.1	21.6	19.1	19.0	18.0

Source: Kirner and Schulz 1991, p. 67.

- high rates of work fluctuation;
- inadequate technical interest and motivation among girls, and
- lack of appropriate social facilities for women at their place of work (Nickel 1992, p. 37).

More East German than West German women worked in traditionally male industries and in agriculture. The typical West German woman is employed in white-collar distributional services. Therefore, it is expected that East German women's higher unemployment rate during the transformation period will soon be partly offset by a steady 'post-industrial' increase in new distributional service jobs (in retailing, insurance and banking).

Although better qualified and working full time, East German women still earned only 75 per cent as much as their male counterparts, compared

Table 5.6 *Average value of old age pensions paid to women and men in the GDR and FRG, 1990*

	GDR	FRG	
		blue-collar workers	white-collar workers
Women (Mark/DM per month)	455	845	1235
Men (Mark/DM per month)	589	1843	2346
Value of female pension as per cent of male pension	77.2	45.8	52.6

Source: Schmähl 1992, p. 6.

Note: For the GDR, all old age pensions derive from obligatory insurance and voluntary supplementary insurance (FZR), June 1990. For the FRG, they derive from the statutory pension insurance of white- and blue-collar workers, July 1990.

to 70 per cent in the FRG (Winkler 1990). The wage gap can be explained by various factors: the high proportion of older women working in low-paid jobs; the effects of sex segregation; women's over-representation in industries like textiles, clothing and food processing; the privileged position accorded to labour in heavy industry; and women's under-representation in managerial positions.

Table 5.6 shows the effects of gendered employment patterns and trajectories on women's living standards in old age in both Germanies. Despite women's high employment rate and a working life of more than 30 years, an East German woman only received 77.2 per cent of a male worker's pension. Not surprisingly, the picture is worse in West Germany (Schmähl 1992), although widows' pensions amounted to 60 per cent of a husband's pension, while in the GDR, these were usually paid at a rate of 25 per cent (ibid, p. 7). Up to now, many West German female pensioners have lived on a husband's pension which is significantly higher than the pension they 'earned' for themselves (Allmendinger et al. 1991).

Women's employment in the unified Germany will be characterized by an ongoing increase in participation rates in the Western part, albeit in mainly part-time and discontinuous work which entails dependence on a male breadwinner, and a steady decrease in the Eastern part (Engelbrech 1991, p. 654). Since 1989, nearly 40 per cent of the GDR's working

population has experienced unemployment, 'short-time work' and rapidly diminishing career opportunities. One and a half million women have lost their jobs; in 1992, 50 per cent of these women were dependent on 'transfer payments' (cash benefits of various kinds), the other 50 per cent on male breadwinners who historically have not been expected to maintain their wives. Research on how men react to having to support their wives or cohabitants does not yet exist. Child-care facilities are being closed down.

Unemployment hits women and men in the East very differently. This is partly due to the sex segregation in the labour market and the different prospects of industries in terms of privatization. The workforce in typically female industries, for example, textiles, clothing, leather and shoe manufacturing has been reduced by nearly 60 per cent during the process of privatization (Kühl et al. 1991, p. 506). Job creation has been slow. People made redundant move or, more often, commute to the Western parts of Germany. But this is only an option for mobile, 'independent' workers. According to Engelbrech, women in general are now regarded as dependants, rather than workers in their own right, and on the whole as an 'unpromising' labour force (1991, p. 654). Therefore, it is not surprising that in 1991, firms privatized by the Treuhand, the German privatization agency, granted only 3,400 of 20,800 (18 per cent) places in vocational training to girls (Kühl et al. 1991, p. 509). But vocational training is a condition *sine qua non* in the German employment system.

East German women are losing their economic independence. Can these women be converted into the wives and partners of male breadwinners and heads of households, into 'immobile' women waiting at home with a cooked meal for their family members, living the typically West German women's 'patchwork' and 'zigzag' life?

OUTLOOK

It is often argued that 40 years of working full time – all their adult lives – must have had an emancipatory effect on East German women of today that would result in their refusal to be forced to stay at home (Winkler 1990, p. 80). But the socialist society, while integrating women into paid work, did not overcome many fundamental gender divisions. Sometimes these were even reinforced. Women were needed, but not on equal terms with men. How much discontinuity did East German women experience? Ina Merkel has analysed the gendered imagery of GDR magazines of the 1980s (1992, p. 3). Men were not only over-represented in the magazines, but stood

as a synonym for the human spirit of creativity, for progress. Men know what makes the world go around. They count as movers and shakers, creators of humanity. They believe unshakingly in the manly-mankindly role for which they are destined. Women are allowed to fill the gaps men leave, to work along with men, to aid in the process. In this typical GDR imagery there is an archetype that reflects the ongoing structure of male dominance and, by contrast, female subordination.

East German men are going to get the opportunity to live out this imagery in the unified Germany. How will they respond? Nobody knows. And the women? Are there only losses and no gains? As I said in the beginning, no modern society has really succeeded in solving the problem of dependence and independence: many people will always need to be looked after by carers; nobody can live an independent, self-sufficient life from birth to death. The various welfare regimes are different but always flawed with regard to this issue. Each of them has its own contradictions.

It is worth listening to the East German feminist and activist Petra Streit. She reports meetings with West German feminists who identify independence as a life of one's own without children (1992, pp. 14–15):

'Why is it', a feminist from Nuremberg asked during one evening's discussion, 'that you women have so many children in spite of economic independence and your abortion laws?' The question is worth pondering for all that it reveals about different value systems. Clearly the child, in this view, represents a social stigma, a financial burden, and an obstacle to one's social life. No one mentions love or the uniqueness of the mothering experience.

After 40 years of a gendered, male-dominated socialist system, it is perhaps East German women's turn to voice the critique of the 'Emanzipationslogik' and stress the particular qualities incorporated in personal and caring relationships. Looked at from that angle, one can say that East German women are coming home.

THE POSITION OF WOMEN IN THE POST-WAR WELFARE STATE

The Republican tradition has identified women as being subservient to the Catholic Church, the main enemy of the Republic, and this association was used to justify their exclusion from the political arena and to deprive them of citizenship rights well into the twentieth century. For women in agriculture in a subsistence economy, work and home were coterminous, and the resulting patriarchal distribution of labour was accepted as immutable. For the working classes women's place was popularly believed to be in the home. If they decided to take employment in industry, then their earnings could only be pin money and were felt by male employees to result in a more generalized depression of wages.

Women's incorporation into the labour force was on different terms from that of men. From the 1870s women and young people were distinguished as discrete categories of industrial workers, deserving special protection but justifying lower wages. Their working hours were shorter, and night work and some forms of industrial labour (in mining, for example) were prohibited. By the turn of the century, however, women were already acting to defend their interests: through their own efforts they persuaded the communist trade union, 'Confédération générale du travail', to adopt the principle of equal pay in 1900, and by 1925 they had achieved this objective in some branches of the public sector, for example in infant and junior school teaching and the post office.

Despite official recognition of the equal rights principle in the 1946 and 1958 constitutions, during the immediate post-war period women's concerns as workers were not at the forefront of policy. Although their participation in the workforce was not opposed by labour movements, the proportion of women who were classified as being in employment had scarcely changed since the turn of the century and had even fallen in the 1960s. The nature of women's work and their working conditions had been fundamentally transformed, as they moved out of agriculture and domestic work to become wage earners in industry and the service sector. Little progress had been made however in improving women's civil rights: the 1920 law prohibiting the use of artificial forms of contraception had not been repealed, and within the family women continued to be subjugated to their husbands who could prevent them from seeking employment outside the home, opening their own bank accounts and taking decisions about their children's education and welfare.

Post-war social policy was constructed around a social security scheme funded by social insurance contributions defined by the ability to work rather than by citizenship. The insurance principle was upheld on the basis

social insurance
work not
citizenship

6. Women, Work and Welfare in France

Linda Hantrais

The Second World War was followed in France by a period of reconstruction and rapid economic growth, known as the 'trente glorieuses' and matched by far-reaching social change. From a predominantly agricultural society (a third of the workforce was still employed in agriculture in the 1940s), the French embraced technological innovation, developing an advanced industrial and service economy and a nuclear power capability. France became a strong international force ready to play a leading role in shaping the European Community. In war-time, women had demonstrated that they were well able to assume responsibility for supporting their families while also contributing to the defence of their country. At the Liberation in 1944, they were given the vote, and the first post-war constitution of 1946 enshrined the principle of equal rights. Feminist historians (for example, Madeline Rebérioux 1982) argue, however, that women in France were still a long way from being able to put this principle fully into practice. Rather than marking the end of an era, the return of peace heralded a new phase in their political and economic struggle for equality of opportunity and equal citizenship rights with men. Despite their contribution to the war effort, it was to be another 25 years before women achieved full equality before the law.

This process was to take place at the same time as the rebuilding of France's economy and the restructuring of French society in a period when state intervention was to become pervasive in both public and private life. In the area of social policy the attitude of the state towards the welfare of women has been ambivalent, fluctuating between a reluctance to introduce gender specific measures and a recognition that women require special treatment both in their reproductive capacity and as citizens and workers in their own right. The constant shifting between policies supporting motherhood as a recognized social function and measures designed to integrate women into the labour force can be seen as the hallmark of post-war social welfare in France.

that workers would be guaranteed against temporary or longer term loss of income due to ill-health, accident, disability or old age. Unemployment, which was at a very low level, was left outside the main social security scheme, whereas in the British Beveridge model of 1942, for example, it was given priority following the Great Depression of the 1930s.

The French system diverged in a number of respects from the British one, which was simple, unified and centralized with a single (notional) contribution to cover all categories of benefits at flat rates. In France the decision was taken not to make a clean sweep and replace the existing funds serving particular interest groups, whether local, regional, occupational, religious or political. Consequently, different schemes were created, each with its own financially autonomous non-government or semi-public administrative structure, to cover the contingencies of ill-health, family responsibilities and old age. Social insurance was to be funded wholly by employer and employee contributions rather than from taxation, emphasizing individual responsibility and the labour relationship, rather than national solidarity. Income from contributions was expected to match payments of benefits and cover the reimbursement of a proportion of the cost of medical treatment.

The concept of income-related contributions and benefits put women at a disadvantage on two main counts. Firstly, most economically active women were in poorly paid jobs which meant that any benefits calculated on the basis of income were correspondingly low; secondly, women who were not in employment could only gain access to health care for themselves and their children through their husbands' contributions and were thereby placed in a relationship of dependence. Even in dual income families where contributions were levied on both salaries, the husband was still considered as the main beneficiary, further confirming the low status attributed to women in their relationship to welfare.

Following the insurance principle and in response to the claim by higher income earners that they should not be contributing more in real terms when, as in the case of medical care, they would expect to receive the same treatment, a ceiling was placed on the level of contributions. As a result, lower paid workers contributed proportionately more than the better paid. Since most low-income earners were women, their share of the cost of services was disproportionately greater. In dual earner households with low wages, the effect was to impose a particularly unfair burden on those least able to pay.

For individuals who did not meet the contributory requirement giving access to social insurance, a safety net was provided through social assistance, based on the principle of national solidarity. This took the form of non-contributory benefits organized at local government level. The

unduly optimistic expectation, when the social security scheme was instituted in 1946, was that eventually the whole population would be covered by their own contributions or, for family members, by those of the head of household, on the assumption that he would be in employment. Through the provision of minimum levels of protection as a citizenship right, over the years the welfare function of government became increasingly important. It had to cover the needs of a growing proportion of the population which had no access to social insurance because not in paid work. This was the case for many lone mothers, the disabled or unemployed and the elderly who had not belonged to the scheme long enough to acquire full pension rights.

Since private insurance funds ('mutuelles'), which had been the main source of support for those who could afford to contribute prior to the Second World War, were allowed to continue in operation, a third tier of protection was created which was particularly advantageous for well paid workers in full-time long-term employment. The disparities between a predominantly male 'permanent' labour force, female workers in less secure jobs with only minimal rights of their own and a marginalized population of the economically unemployed, dependants and recipients of welfare were further highlighted by this additional layer of welfare.

The state did however guarantee comprehensive and uniform treatment in one area of policy – the family – which was critical in determining the relationship between women and welfare. The 'Code de la famille' of 1939 was a response to demographic pressures associated with fears about the economic, social and political consequences of a declining population. It marked the beginning of a period during which successive governments in France have shown their commitment to policies, placing the family high on the agenda of social reforms (as described, for example, by Fournier et al. 1989 and Laroque 1985). Before it fell in 1940 the last government in the Third Republic appointed a Minister for Family Affairs, and most governments over the post-war period have had at least a junior minister with responsibility for the family, generally as part of a wider brief for social affairs. Under the statutes of the 'Code', family allowances ceased to be a supplement to industrial wages and were instituted as an integral part of welfare when the social security scheme was set up. They were standardized across regions and employment sectors and extended to lone parents, the unemployed and the sick. Unlike other benefits, family allowances were funded solely by employers' contributions. Since the rate of contributions and benefits is set by governments, they became the target of the criticism (previously levelled against employers by labour at the beginning of the century) that a family supplement could be used by them as a moral weapon to ensure that children were properly cared for and also to

impose a particular family model, an issue which has continued to underlie policy discussions in France.

Family policy was not dictated by a concern to protect women's rights as wives and mothers, but was rather the result of the demographic objectives underpinning the 'Code', which were aimed at ensuring the well-being of the child, and especially of children in large families. Consequently, no allowance was granted for an only child, although a special one-off payment was made at the birth of the first child if it occurred within two years of marriage. Mothers who stayed at home to look after their children were given an additional allowance ('allocation de salaire unique et de la mère au foyer'), with the clear objective of encouraging family building and protecting children. The intention of this policy appeared to be gender neutral as far as women's work was concerned. However by assigning a monetary value to motherhood and attributing social recognition to women's reproductive function, policy-makers lent support to the traditional conception of the woman as homemaker and confirmed that the state was ready to intervene in what is considered elsewhere as the private lives of individuals and an area with which governments should not interfere. At the same time, the French state could be said to have bypassed the individual's relationship to the labour market and the social insurance principle and to have established a right for women on the basis of motherhood. On several occasions over the years, proposals have been discussed, but not implemented, for financing family allowances out of taxation, which would have consecrated and formalized direct state control over family life.

Another possible interpretation of the payment of an allowance to mothers at home is that the intention was to exclude women from the workforce when the supply of labour exceeded demand. Although this argument was being used in the late 1970s at a time of rising unemployment, it does not hold for the immediate post-war period in France when the shortage of skilled labour rather than of jobs was the main problem. The argument is further weakened by the fact that, at the beginning of the 1970s when women were entering the labour force in large numbers, a new allowance was introduced towards child care for women who were economically active.

The early pronatalist stance of family policy meant that the focus was on horizontal redistribution of resources from couples who had several children to those who did not, the moral justification being that families were making a contribution to the nation's future. After a period of sustained population growth during the 1950s, the basis for maintaining a uniform system was being called into question, and more attention was being paid to family allowances as an instrument for the vertical distribu-

tion of welfare aimed at achieving greater social equality between families across different social classes. As the real value of benefits was allowed to decline towards the end of the 1960s, new means-tested benefits were introduced. The falling birthrate from the mid-1960s gave further momentum to pressures being exerted by pronatalists, but this time policy shifts coincided with a period in which women's rights were being forced onto the political agenda.

Theories of patriarchy developed in the United States were, somewhat belatedly, espoused by French feminists in their campaign for liberation from male oppression, as they began openly to challenge the male order of society and sought to change the value systems on which it was premised. The French women's liberation movement started to gather momentum in the mid-1960s, but its full impact was not to be felt until after the events of May 1968 when all authority was called into question, whether by youth challenging the adult world, by workers seeking greater autonomy or by women fighting against male oppression. The publication in 1970 of an issue of *Partisans* entitled 'Libération des femmes, année zéro' and, in particular, of an article by Christine Delphy called 'L'ennemi principal', has been seen as a turning point in the analysis and understanding of gender relations by French sociologists. Domestic production was identified as the seat of oppression and as the condition common to all women whatever their socio-economic status. Within this perspective, forms of welfare which gave priority to the reproductive function of women could be interpreted as reinforcing existing gender relations and thereby contributing to oppression. This theoretical approach did not set out specifically to address questions of welfare, but it was to influence much of the thinking about women's issues in general over the next decade and beyond.

Whereas women were participating actively in pressure groups in the 1960s, they continued to be poorly represented in the political arena. In 1968, with 1.4 per cent of seats in the National Assembly, their score reached its lowest point since women gained the right to stand for election in 1944. In response to growing pressures from women's lobbies and in an attempt to secure the support of women voters, the right-wing government had created the post of Junior Minister for Women's Affairs ('Secrétaire d'Etat à la Condition féminine') in 1974. Françoise Giroud, a well-known journalist, was the first incumbent. Within two years she had drawn up a blueprint of far-reaching policy recommendations (published as *Cent mesures pour les femmes* in 1976). Her report included many examples of the ways in which women were treated differently and discriminated against by the existing social security regulations. The principle of subordination applied even for women who were economically active and was

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exemplified by the fact that family allowances still gave priority to the father as the beneficiary since he was considered as the main breadwinner.

For the more radical feminists in France, legislation to prevent discrimination and unequal treatment and to reduce inequalities of opportunity can only be cosmetic and cannot eliminate the underlying causes of women's oppression. Government appointments to deal with women's affairs can therefore be criticized for attempting to defuse the issues and for creating the impression that relatively easy solutions can be found to the problems resulting from women's subordination. For other observers, progress can and should be made through legislative change to prohibit some of the most blatantly obvious sources of inequality. From this perspective, many of the changes which have taken place over the past 25 years can be seen as landmarks in the history of women's emancipation, if not of their liberation. In 1965 marriage law was reformed and women obtained the right to decide for themselves (without their husband's consent) whether to enter employment. They also gained greater control over their own property and financial affairs. In 1966 women on maternity leave were guaranteed security of employment and given the opportunity to take a year's leave without loss of status. After more than a decade of campaigning by the 'Mouvement français pour le planning familial', contraception was at last legalized in 1967, although the pill was not covered by medical insurance until 1974. Another lengthy campaign resulted in abortion becoming legal in 1979, but again it took several more years, a change of government and the creation of the Ministry for Women's Rights before abortion was reimbursed by medical insurance. In 1970 the concept of the head of household disappeared from civil law statutes: both parents now share parental authority and are together responsible for the moral and material welfare of their children. The same law also gave unmarried mothers parental authority and the right to pass their name on to their children. Divorce by mutual consent or after six years of separation was made possible by a change in the law in 1975. By the end of the 1970s, these reforms in legislation had brought women much nearer to achieving most of the basic citizenship rights implicit in the 1946 constitution.

Women's rights as workers were also given a fresh impetus in the wake of 1968. In 1972 new legislation was introduced on equal pay for work of equal value in line with EC thinking. Following Françoise Giroud's recommendations, legislation was enacted in 1975 to prevent employers from refusing to take on women or making them redundant for reasons associated with pregnancy. Women had achieved their greatest electoral success in the 1981 elections with 5.9 per cent of seats and 14.3 per cent of members of the government. The Socialist party, brought to power by these elections in coalition with the Communists, had identified itself with

women's rights issues in the 1960s. The new government could build on the foundations laid in the 1970s by their predecessors and demonstrated that they intended to do more than merely pay lip-service to women's affairs when they appointed a Minister for Women's Rights. Although the principle of equal pay had been accepted by the unions at the turn of the century and France had had a minimum wage since 1950, the most comprehensive anti-discriminatory law and perhaps the most significant single piece of legislation on women's rights with respect to equality at work was passed in 1983.

The 'Loi Roudy', named after the minister responsible for guiding it onto the statute books, was written into employment law and the penal code. Although the law consolidated trends and practices which had been developing over the previous decade, in several respects it contains some of the most far-reaching legislation within the EC. Three main problem areas were identified: access to training and promotion, pay and unemployment. A particularly innovative clause in the 1983 law was that which placed firms under a legal obligation to produce an annual report on the relative situation of men and women employees in order to demonstrate that the principles defined in the law were being put into practice. Companies were expected to set quantitative and qualitative targets for recruitment, training, promotion and the organization of working conditions. Compensatory measures, in the form of positive action programmes ('plans d'égalité professionnelle'), could be established to correct inequalities, for example by providing training opportunities solely for women, which could be part funded by government, or by operating quotas for promotion to positions where women were under-represented.

Yvette Roudy's ministry was downgraded to a 'Délégation à la Condition féminine' by the Centre Right on their return to power in 1986 and was not reinstated when the Socialists came back to government two years later. Instead they appointed a 'Secrétaire d'Etat chargée des Droits des femmes'. The government formed by Edith Cresson in May 1991 included the more elevated position of 'Ministre délégué aux Droits des femmes', responsible to the Minister for Labour, Employment and Vocational Training, indicating the shift of focus back to women as workers. The choice of title for their appointees symbolizes the policy orientation of the government in power, the right being more concerned with women's status in society as mothers and the left with women's rights, particularly as workers. Despite the changes of government and focus, the initiatives launched by Yvette Roudy were not abandoned, and she can be credited with having substantially raised the level of awareness and political involvement in women's affairs.

Interestingly and perhaps significantly, the politicization of women's

issues during the 1970s and into the 1980s seems to have coincided with a decline in support for the women's movement and in feminist writings. Just as the unions and other occupational pressure groups had foreseen a reduction in their power as a result of the institutionalization of a state-controlled system of welfare, it could be argued that, by taking over control of women's rights and by introducing equal opportunities legislation, the state had preempted the women's movement and appropriated its cause.

This argument may apply more to the Socialist party, with the emphasis it has placed on feminist issues, than to the Centre Right which has tended to play down women's rights as workers in favour of motherhood, a contrast illustrated in two publications which appeared in the 1980s. In the introduction to a *Guide des droits des femmes*, first published in 1982 by her ministry, Yvette Roudy focused on the importance of keeping women informed about their rights. To mark their term of office, in 1988 the Minister for Social Affairs and Employment, together with the junior ministries for Health and the Family and Women's Affairs, produced a *Guide des droits des mères de famille*. In the preface Jacques Chirac, the Prime Minister, stressed the centrality of family policy and the importance the Centre Right attributed to the social status and well-being of women as mothers. Although successive governments have emphasized different facets of policy with respect to women, the underlying trend has been towards recognition of women's two roles and towards greater visibility of the measures designed to protect them on both counts. This approach to policy does distinguish the French from many other EC member states and is therefore worth examining in greater detail before looking at the welfare of women in France today, firstly as workers and then as mothers.

SUPPORT FOR WOMEN AS WORKERS OR WOMEN AS MOTHERS

Despite their seemingly different starting points, right and left have been converging towards a position where they are both displaying ambivalence in their approach to women's dual roles. As indicated above, already in 1972 family policy had been directed simultaneously towards easing the financial burden on women who left paid employment to raise children and towards resolving the child-care problems of women who chose to continue working. The 'single salary' and 'mother-at-home' allowances, which had initially provided reasonable compensation (if not a strong incentive) for women to stay at home to look after their children but had since lost real value, became index linked to the minimum wage for

women with young children or large families. Beneficiaries gained the right to belong to the state pension scheme without paying contributions, and at the same time a new allowance was introduced for childminding, but it was shortlived and was restricted to a small number of women.

During Valéry Giscard d'Estaing's seven-year term of office as president, the state's 'neutral' approach towards women's work was confirmed when the single salary, mother-at-home and childminding allowances were replaced by a single payment of a family supplement in 1978 at a level that was not high enough to compensate for the loss of a second income but was, nonetheless, more advantageous to families with a single salary. The neutrality principle was extended to non-institutional family forms by the introduction of an allowance for single parents in 1976, guaranteeing them a minimum income level and calculated on the basis of the number of children. In 1979 another remnant of women's subordination was removed when the relationship between wages and family allowances was broken, and mothers could become the recipients of benefits in their own right. Some policies, which had been designed ostensibly to encourage women to have a free choice about whether or not to work, continued to reflect pronatalist concerns, as the consequences of demographic decline again became a threat. The family supplement, for example, was made available to families in a higher income bracket if they had three children. Maternity leave was extended by ten weeks for a third child, and tax relief was increased for families with three or more children. Family allowances were also raised at a much faster rate for the third child.

With women's rights a high priority for ideological and also economic reasons at the beginning of the first Mitterrand presidency in 1981, family policy was set in a new direction from that followed by his predecessor. Demographic concerns were rejected, and the focus was on the reduction of inequalities between and within families, regardless of the number of children. Allowances were made less progressive by increasing the level for the second child and decreasing that for the third. The earnings ceiling for married couples with two incomes was raised so that a larger number could benefit from the family supplement. In 1985, two important changes were made to family benefits. In order to simplify the existing arrangement, a single allowance – the young child's allowance ('allocation au jeune enfant') – replaced pre- and postnatal allowances and the family supplement. This allowance is paid over a period of nine months to all mothers for each child irrespective of their level of income and then on a means-tested basis until the child's third birthday. The second change reflected a shift back to pronatalist policy: a parental allowance ('allocation parentale d'éducation') is paid to a parent (father or mother) who

stops work or reduces working hours to look after a child of under three if the couple has three or more dependent children.

When the right returned to power in 1986, it again emphasized pronatalism and priority was given to the third child. Low income households were provided with additional support. But, more importantly, it drew on the progress made by its predecessors to pursue and develop the freedom of choice rhetoric. A report was commissioned (*Haut Conseil de la Population et de la Famille 1987*) which was to make recommendations on how the state could assist families either to combine family and professional life or to choose between them. The authors of the report set out to be gender neutral. Their terms of reference avoided specific mention of the problems facing women, although the assumption was made explicit in the report that economic activity is a major asset for women because of the contribution it enables them to make to household income, as a protection against adversity and as a guarantee of autonomy. The report's main recommendations were that work organization and working conditions should be made more flexible, that child care should be adapted to meet the needs of parents and that a redistribution of household labour should occur in response to women's increasing contribution to paid work outside the home.

In the late twentieth century in a democratic society, couples expect to be free to choose whether the wife or cohabiting partner goes out to work or stays at home to look after children. They want to be able to choose freely whether or not they enter wedlock, and they do not expect to have moral pressure exerted to persuade them to opt for a particular pattern of behaviour, but in the French context they have come to expect the state to assist them in exercising their choice.

As Evelyne Sullerot (1984) has argued, neutrality involves much more than simply giving permission, and the policy objectives pursued by governments in France over the post-war period have, she claims, inevitably led them to favour one type of family relations rather than another, either overtly or as an unintended policy outcome. As most of the reforms introduced have been piecemeal, their impact has not been properly planned or easy to predict, particularly in the areas of taxation and social security which are, in her view, far from being neutral.

The taxation system provides a good example of policy anomalies which can affect relationships between couples and, ultimately, the decision about whether or not to get married. Even when marriage law was reformed in 1965, a married woman continued to be dependent on her husband who was responsible for completing their income tax returns. He retained the right to see all papers relating to his wife's income, and his signature was still required, although he was not under a legal obligation

to reveal his income to his wife, and if he did not pay his tax she could be held responsible for his debts. Another anomaly arises from the fact that, where the wife is on a low income or is not earning, it is advantageous for a couple to be married, since their income is taxed jointly. Where each partner is earning a high income, it is to the couple's advantage not to marry, since even if they live together they will continue to be taxed separately and will be less likely to reach the higher tax bands. Tax relief is also greater for an unmarried couple with children than it is for a married couple with the same number of children, because a larger reduction is assigned to the first child of the former. Although there is no firm evidence to show to what extent families take such factors into account when deciding whether or not to marry and how many children to have, the tax relief system clearly affects household resources, especially for families on higher incomes, despite the ceiling which was introduced by the Socialists in order to limit that particular advantage. Taxation policy could be said to encourage cohabitation and large families amongst dual earner couples in the higher-income bracket, whereas marriage with the wife staying at home to look after a small number of children would seem to be the more advantageous arrangement amongst lower-income families.

The social security system also infringes the neutrality principle. With its ceiling on contributions, its provision for corporatist superannuated pension schemes and income-related benefits, it could be said to encourage well-qualified women to remain economically active, whereas for lower income earners a delicate balance is struck between incentives for women with children to continue in paid employment or to stay at home and raise large families. Social insurance continues to depend upon the wage relationship, and a major policy objective would seem to be to encourage households to have at least one of their members in employment, even if it is part time and temporary. Family policy is more neutral as far as institutional forms of relationships are concerned: couples who live together without contracting marriage are completely on a par with married parents, but it could be argued that priority is given to ensuring the well-being of children rather than their parents.

THE WELFARE OF WOMEN AS WORKERS

Many attempts have been made to establish causal relationships between various trends and events which were occurring in the late 1960s. The sudden and rapid rise from 1968 in the levels of employment of women outside the home has been linked to the falling birth rate and smaller family size, which in turn have been associated with increasing access to

more effective means of contraception due to changes in legislation. Women began entering employment in large numbers in the 1970s at a time of economic crisis and rising unemployment, which led some politicians to make a link between the three phenomena. As Françoise Giroud was quick to point out in answer to the charge made by the Minister of Labour in 1979, women were not taking men's jobs, since the work which most women were doing would not be accepted by men. Rather than trying to unravel cause and effect, it is of more interest for the present discussion of women, work and welfare to examine how the increase in women's employment in specific sectors has been accommodated by public policy and, more especially, by employment law.

Over the post-war period a number of important shifts have occurred in the nature of women's employment. According to data from the 'Institut National de la Statistique et des Etudes Economiques' (INSEE), by the mid-1980s economically active women were predominantly wage earners: 87 per cent of women in employment belonged to this category, representing 42 per cent of all wage earners. They were therefore covered by the main social insurance scheme funded by employer and employee contributions. The vast majority of women in employment, 76 per cent, occupied jobs in the service sector, where they accounted for more than half of all employees. Women made up 55 per cent of all public sector employees; 29 per cent of women in employment were working for the state, which has long acted as a trail blazer, offering more favourable employment contracts and introducing innovative schemes to improve work organization and working conditions and to protect its employees. In addition to being recipients of benefits in their own right through their employment status, women had also become strongly represented in the caring professions: in the health service and social work, they accounted for three-quarters of medium-grade employees; in teaching they made up two-thirds of infant and junior school teachers.

An increasingly important characteristic of women's employment patterns in France is the continuity of working life. In 1968, 28.6 per cent of French women were recorded as being economically active. By 1987 the proportion had risen to 35.8 per cent, according to OECD figures. In 1968, 47.1 per cent of women of working age were in employment compared with 55.7 per cent in 1987. These increases have been achieved not only because more women are entering employment, but also because they are continuing to be economically active at an age when, in the past, they left the workforce to raise children: in 1968 for the 25-44 age group 48 per cent of women were in employment, compared with 65.2 per cent between the ages of 20 and 24; by 1989 the proportion had dropped to 60.2 per cent for the 20-24 age group, due to longer education and youth training

schemes but, between the ages of 25 and 44, the proportion of women in employment had reached a record level of 73.7 per cent. By the time of the 1990 population census, the level of female employment had risen to more than 80 per cent for women between the ages of 25 and 29.

Marriage would seem to have an almost negligible effect on women's working patterns, and very few women today leave the labour force when they begin raising a family. Nor is the career break a characteristic of the labour market activity of French women. When employment rates are correlated with the number of children, a slight fall is apparent for women with two children and then the proportion declines more rapidly for the third child, whereas in the early 1960s women tended to leave the labour force when they had two children. Closer scrutiny shows that women who decide to have large families tend to leave employment before reaching their planned family size (Desplanques 1987) rather than being obliged to do so at the arrival of the third child. Another aspect of women's employment patterns worth noting is that the age of dependent children seems to have relatively little impact on whether women remain in employment. Within the EC, France was one of only three countries in 1988 where more than 50 per cent of women with children under the age of five were in employment (Moss 1990a). Unlike Britain, Denmark and the Netherlands, greater continuity of economic activity has not been achieved in France by resorting to part-time work. The proportion of the labour force in part-time work has more than doubled since the early 1970s, but it still accounts for less than a quarter of female employment. The increase is due mainly to younger women entering the workforce and being unable to find full-time long-term employment or to older women (aged over 40) who no longer have child-care responsibilities (Belloc 1987).

The continuity of female employment in France suggests that policymakers have conceptualized women in the labour market as both workers and mothers. While in many respects French employment law does not differentiate according to sex, clearly some areas relating to maternity do concern only women. The equal opportunities policies of the 1970s and 1980s have reinforced women's employment rights, so that within the EC France is now very highly placed for the arrangements it makes for women as working mothers.

French employment law is contained in the 'Code du travail' which sets out the regulations all employers must observe, although they can make their own arrangements for more favourable provision. Through employment law, the state strictly governs the conditions under which women are granted maternity leave. Guarantees are enforced to ensure reinstatement after pregnancy and unfair dismissal, against loss of status and promotional opportunities. Paternity and parental leave are statutory entitlements

aimed at ensuring that both parents can participate fully in the parenting process.

France is amongst the EC member states making the most generous provision for maternity leave. When the first measure was introduced in 1909, pregnant women were granted the right to suspend their work contract. The same principle serves as the basis for the arrangements made today and means that, while women on maternity leave are not formally on the payroll, they continue to be considered as employees. In keeping with pronatalist policy, the length of leave is extended from 16 to 26 weeks for the birth of the third child. Public sector employees who are breastfeeding their babies are eligible to take a further three months leave on full pay or six months on half pay. Since 1988 maternity leave has been counted as a period of employment in calculating the length of pensionable service, and it cannot be used to justify reductions in long-service benefits or bonus payments. Whereas other medical treatment, with the exception of some chronic illnesses, is not fully reimbursed, during pregnancy all medical costs are covered in full by social insurance for women who have been employed for more than 120 hours in the month preceding the date when they became pregnant or 200 hours in the preceding four months. Free treatment is made conditional on pregnant women undergoing regular ante-natal examinations, while the payment of the 'allocation au jeune enfant' is also dependent upon the child being given regular medical examinations; this can be interpreted as a means whereby the state exercises pressure to ensure the well-being of the children the nation needs.

Maternity pay was first introduced in 1913. Today the 'Caisse Primaire d'Assurance Maladie' pays 84 per cent of earnings up to a ceiling of about twice the minimum wage to women who satisfy a service requirement of 200 hours in the preceding three months. Women in public sector employment are again treated more generously: they continue to receive their full salary for 16 weeks, as do some employees in firms which have made special provision. In this case employers pay the difference between the social insurance rate and full salary. Even if they are not being paid in full, women on maternity leave maintain their pension rights, eligibility for paid leave and seniority. Dismissal is not authorized during pregnancy; on the other hand, normal periods of notice do not have to be served by a woman who is pregnant and wants to leave her job. On returning to work, an employee must be reinstated in her previous position and she cannot be dismissed for at least four weeks. If she has been with a firm for more than a year, she can request a part-time contract up to the child's third birthday. Worktime can be reduced by an hour a day for mothers who are

breastfeeding, but without pay. Employers with more than 100 employees must provide a room for mothers to breastfeed their babies.

Men are allowed to take three days paid leave at the birth of a child; this provision is extended to fathers who admit paternity and live in a 'permanent' relationship with the child's mother. Although family leave is not a statutory provision, it is written into many collective agreements and, in the public sector, women and men are allowed to be absent to look after a sick child aged under 16 for the equivalent of a working week plus one working day every year. The period of leave is doubled for single parents or where a spouse is not eligible under his or her conditions of service. When both husband and wife are in public sector employment, they can decide how to share between them the 12 days they are allowed.

France has played a leading role amongst EC countries in making arrangements for parental leave. Provision was first introduced formally in 1977 in firms employing at least 200 workers; in 1981 it was extended to firms with 100 employees and in 1984 to all employees. Both men and women became legally entitled to take parental leave for one year in the first instance, and in 1986 the right was extended to three years for each child at the end of maternity leave, on the condition that the employee concerned has been with his or her employer for at least a year. Parents can share the period of leave between them. Employers are not legally bound to pay for parental leave, but provision is made in some collective agreements between unions and employers for payment of a full or partial salary. From 1985 parents with three or more children received a flat rate state benefit at the level of about half the national minimum wage. Leave can also be taken part time, with benefits reduced accordingly. At the end of the period of leave, an employee must be reinstated in the same or a similar position without a reduction in pay and is eligible for retraining with pay. The period of leave is counted as half time for the purposes of calculating length of service.

Together these provisions would seem to ensure that women in France can, if they so desire, pursue an uninterrupted employment career. Many of the benefits listed above are based on relatively short employment records and encourage beneficiaries to return to their previous employer. This generous protection of women as workers, compared with many other EC member states, does not however mean that women in France have avoided marginalization. Policy-makers have been careful to ensure that measures such as parental leave and flexible working hours are open to men and women alike, that part-time workers are not excluded from contributory benefits and have exactly the same rights as full-time employees. Inevitably, however, in identifying women as needing special treatment and by institutionalizing their temporary 'exclusion' from the

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workplace during maternity leave, women may be interpreted as having a weaker commitment to employment; this may in turn be used as a justification for considering them as a more flexible, if not peripheral, labour force in contrast to their male counterparts.

Recent literature has highlighted the effects of economic crisis on employment and on access to welfare (see for example Document Travail-Emploi 1989). The French social security system was originally founded on a conception of social insurance which depended on beneficiaries being in full-time long-term employment with the same employer and able to support a family from their income. Rising levels of unemployment, greater mobility of workers and women's increasing participation in the labour force have called this principle into question, and new forms of employment have been created. Women are more likely than men to be unemployed: in 1987 their rate was 13.5 per cent, compared with 8.3 per cent for men. They more often work in some of the sectors where jobs are least secure, for example in the declining textile industry and in the hotel and catering trade which is poorly covered by collective agreements. Women make up three-quarters of workers earning the minimum wage and, despite equal pay legislation and a narrowing of salary differentials, women's income is still on average about 25 per cent less than men's. In the public sector, where security of employment is guaranteed for those who hold appropriate qualifications and have been through the necessary selection procedures, women are over-represented amongst temporary workers who do not enjoy the same benefits as permanent employees. Many women may not therefore be in a position to take full advantage of the panoply of measures which employment law and social insurance offer them in their capacity as workers.

THE WELFARE OF WOMEN AS MOTHERS

For women who do not earn the right to social insurance and paid maternity leave as workers or do not qualify for benefits as dependants, motherhood can provide an alternative route to welfare and social status. For ideological and demographic reasons, as illustrated above, from an early stage governments in France have been ready to intervene in the private lives of citizens, accepting that the state has a duty to protect the health of women as mothers. The emphasis in family policy has shifted between a pronatalist and a familist orientation, but progressively its general thrust has moved from horizontal to vertical redistribution and to a child-centred approach. The importance of the child as a person in his or

her own right is reflected in the attention given to children in single-parent families. Governments have also intervened to ensure the supply of child care. While the extensive provision of 'crèche' and nursery school care has been a key factor in enabling women to remain in the labour force, an underlying objective has been to ensure that children are properly cared for, whether their mothers are out at work or not.

Whereas government appointments for women's affairs were not instituted until the 1970s, family welfare has been a constant concern of policy-makers since the early part of the century. The different, and at times conflicting, strands of the policies formulated by governments of the right and the left are apparent in the way in which benefits are distributed today. By the late 1980s social security payments had come to represent about 34 per cent of disposable household income, with 16 per cent of all benefits being paid for by the family fund (Durin et al. 1990). The 21 per cent of families with three or more children have been found to be the recipients of over 55 per cent of family benefits (Steck 1985). Originally, family allowances were paid at flat rates for all parents irrespective of income, but today more than 50 per cent of benefits are means tested and their relative importance as a proportion of all social insurance payments has fallen sharply.

The main beneficiaries of the vertical redistribution of income amongst families are, as might be expected, large families on low incomes. The increasing number of lone parents has also affected the distribution of welfare payments, accounting for as many as 50 per cent of low-income families in receipt of welfare. According to the INSEE definition, a single-parent family is a unit composed of an individual without a spouse and with at least one child aged under 25 years who is unmarried and without children. At the time of the 1982 census France had over a million single-parent families, representing 13 per cent of households with children and almost 10 per cent of children in households. Sociological interest (reported by Blanc 1990 and Lefourcheur 1991) in single-parent families as a new family form dates from the mid-1970s at the time of the divorce law reform. In order to meet the needs created by family breakdown, a new benefit was introduced for lone parents in 1976 ('allocation de parent isolé'). The allowance was, and still is, intended as a stop-gap measure and is therefore paid at a rate close to the level of the minimum wage for a limited period of anything up to one year or until the youngest child's third birthday. Beneficiaries gain the right to social insurance cover for health and maternity.

Evidence from recent studies would seem to suggest that welfare payments have served as an effective safety-net for women who are widowed

or divorced; moreover, claims that benefits may discourage lone parents from seeking employment or from contracting marriage would not appear to be well-founded. Rather than deterring women from being economically active, the need to ensure adequate resources to raise a family results in high activity rates. For most single-parent families benefits represent about 25 per cent of disposable income, excluding transfer payments, whereas more than half their income is derived from their own earnings. A small proportion of lone parents, about 11 per cent, are totally dependent on welfare, and these are most likely to be mothers who never married and women who are separated from their husbands (rather than divorced or widowed) and not receiving maintenance. They are predominantly women who are poorly educated, unqualified and looking after three or more children.

The underlying concept in French social security is that health care and maternity benefits should be earned, either directly or indirectly, through economic activity rather than being automatic citizenship rights or simply the reward for motherhood. The same principle applies to the scheme introduced in 1988 guaranteeing a minimum income ('revenu minimum d'insertion') to those on very limited means who accept training or a work experience placement with a view to being reintegrated into the labour force. When the scheme had been in operation for about a year, the largest single group of beneficiaries was found to be individuals living alone under the age of 35 (Poubelle 1990). Most single-parent families with three or more children are receiving benefits above the threshold which would enable them to qualify, but nearly 17 per cent of those accepted onto the scheme were single parents with one or two children.

By limiting the period over which non-contributory benefits are paid and by making benefits dependent upon a willingness actively to seek employment, pressure is exerted on mothers to encourage them to work outside the home as a means of gaining access to social insurance cover. The state thereby uses welfare as a lever to force women to adopt what was initially conceived of as the dominant model of social security, whereby protection is earned by the ability to work rather than by status as a dependant. Although the place of women in the workforce is no longer disputed, and although recent policy has focused on harmonizing professional and family life and on making it possible for parents to choose how they combine the two strands, it seems possible that the thrust of policy may not accurately reflect the preferences expressed by the majority of women. When in 1987, in a survey by the 'Centre de Recherche pour l'Etude et l'Observation des Conditions de Vie' (CREDOC), a representative sample of the French population was asked to choose between an

improvement in services and facilities for mothers of young children who continue working or financial incentives for them to leave the workforce temporarily, 80 per cent opted for the second solution (Hatchuel 1989). The proportion was higher amongst older women and those who had had several children.

In addition to such evidence that women would prefer to leave the workforce when they have young children, as parental leave theoretically enables them to do, these findings can also be interpreted as an indictment of existing child-care arrangements. The general view expressed in answer to other questions in the same survey was that public provision of child care is inadequate and should be improved. In relative terms France has an extensive support network of public provision for young children, as well as numerous subsidies to providers and users which place it amongst the EC member states with the highest levels of support (Moss 1990a). After the Second World War and again in the early 1960s, state-funded 'crèches collectives' were opened in an attempt to attract women into the workforce at times of acute labour shortage. In the 1970s a new form of publicly supported child care was introduced, the 'crèches familiales', whereby local authorities or occasionally private organizations recruit and supervise childminders and ensure that they are properly trained. The CREDOC survey showed that, in the late 1980s amongst children under the age of three whose mothers were out at work, 12 per cent were looked after at a 'crèche collective' and 6 per cent by a 'crèche familiale'. A further 26 per cent were cared for by an approved childminder. Of the remainder, 35 per cent were looked after by a grandparent and 21 per cent by an unregistered childminder.

For a sizeable proportion of children under the age of three, the problem of care is at least partly resolved by nursery schooling. Rates of attendance at nursery school are much higher than in most other EC member states: 35 per cent of two to three year olds and 94 per cent of children aged three to six attend nursery school (Leprince 1987), with extensive provision made for care both before and after school hours. In addition, child-minding costs are supported by allowances as well as tax relief. An 'allocation de garde d'enfant à domicile' is now paid to working mothers towards the cost of having their children aged under three looked after in their own home by an approved childminder and could be interpreted as an incentive for care to be recognized as a legitimate occupation, subject to state control and supervision. Since 1988, the status of mothers who stay at home to look after their own children has been given official recognition by making mothers of large families eligible to receive free access to health insurance from the age of 45.

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- note
- stay in home

THE FUTURE OF WOMEN AND WELFARE

While French women readily complain about their difficulties in organizing their family and professional lives and about the inadequacies of support services, allowances and tax rebates, they generally seem unaware of their more favoured situation in comparison with their neighbours in other EC member states (Hantrais 1990). What is happening in France is, in fact, often looked upon as something of a model for the rest of Europe and may not have been without influence in shaping EC social policy, where France has often played a leading role. The prospect of the single European market has added further momentum to the efforts being made to convince other member states of the legitimacy of France's almost legendary concern with family matters (Tabah and Magué 1989).

The effect on the welfare of French women over the post-war period is perhaps less unidirectional. Women have been progressively incorporated into welfare both in their own right as workers (particularly as working mothers) and as dependants (either of their husband or partner or, paradoxically, because of their relationship to their own children). The strong influence of pronatalism has remained such a dominant characteristic of the social security system, and more particularly of family policy, that it is only through their children that women can escape from the wage relationship. For instance, a poorly qualified woman on the minimum wage may earn less than the value of benefits which accrue to a lone mother with three children aged under three. From the woman's point of view, access to the labour market is however crucial because employment is her only source of independence as far as welfare rights are concerned as well as her means of displaying her own identity.

The role of the state is also ambivalent. Social and economic pressures are such that if women are to have children, and especially a third child (which is seen as the key to solving the problem of the demographic time-bomb), they must be encouraged by government policy. In order to put them in a position where they are able to choose and to make the 'right' choice, the state provides incentives. At the same time, the social insurance system can only remain solvent if contributions from employers and workers are maximized. In a period of recession, the advanced service economy which France has developed needs the flexibility associated with female labour. Despite the strongly interventionist role adopted by the state and the high degree of commitment to equal rights legislation in recent years, it could be argued that women's special needs have had to be accommodated within a framework where employers, unions and families are all striving to protect their own divergent interests. These different pressures affect the ways in which policy-makers seek to achieve a com-

promise between the welfare of women as workers and as mothers. The greater continuity of women's full-time employment in France compared with many other EC member states can be attributed, in no small measure, to the efforts by governments to ensure that women can combine child-raising and economic activity. This pattern in policy development is unlikely to be reversed in the near future and may well be extended beyond France's national boundaries.

Women's and Men's Social Rights: Gendering Dimensions of Welfare States

Diane Sainsbury

Gendering welfare states – bringing gender into the comparative analysis of welfare states – has moved to the top of the research agenda. While the importance of this project is increasingly recognized, opinions differ about how to gender welfare states. The most obvious method would be to apply mainstream theories and frameworks to an analysis of welfare states that explicitly focuses on women and men. An objection to this seemingly straightforward approach has been that central concepts and assumptions of mainstream research often contain a male bias. A prerequisite then is to illuminate how these concepts and assumptions are gendered by clarifying their implications for women and men and to what extent the implications differ. An additional objection is that mainstream analysis has totally omitted gender but its centrality makes it necessary to avoid procedures that merely 'add-on' gender to existing frameworks (Lewis and Ostner, 1991). This position represents a second approach which argues that new models and typologies must be devised if gender is to be incorporated into the study of welfare states and policy regimes. A third stance is that the best course is to build gender into mainstream frameworks of analysis (Orloff, 1993).

The strategy adopted here has not been to build gender into existing mainstream typologies but rather to separate it out. On the basis of the feminist critique of mainstream theories and research, I identify a number of dimensions of variation that have been either marginalized or not included in the mainstream models and typologies. As a heuristic exercise these dimensions are presented as contrasting ideal types. The dimensions of the models are the variations that I am interested in comparing cross-nationally in an empirical analysis of women's and men's social rights. I do not assume, however, that the ideal types would be replicated in reality or that variations across countries necessarily follow the logic of the models. Quite the contrary, the analysis is exploratory. Its purposes

are to determine the usefulness of the framework, to discover eventual deviations, and to improve the models on this basis.

The first part of this chapter discusses feminist criticisms of mainstream research. Drawing on the major points of this discussion, I present two models of social policy. The dimensions of variation of the models are then employed to analyse policies and women's and men's social rights in four countries – the UK, the US, the Netherlands and Sweden – in order to delineate similarities and differences and to determine to what extent the countries cluster into types. The final section comments on the implications of the analysis for gendering welfare state analysis and refining the original models and other typologies.

The feminist critique

Although mainstream research has produced many significant insights, it has not been very informative about the differing consequences of welfare states for women and men. I believe the reason for this is that the mainstream perspective is fundamentally incomplete, and that it must be complemented by a new set of dimensions of variation with respect to gender. Feminist scholarship can help us establish what is missing in the mainstream models.

As distinct from the mainstream debate on the determinants of welfare state development that has stressed economic processes – especially industrialization – and more recently class politics, feminists have emphasized the interrelationships of the family, the state and the market. They have concentrated on the dynamics and the shifting boundary between the private and public spheres, that is, both their interdependence and separation. Feminist research has pointed to a significant change in state–family relations – the extent to which tasks of reproduction and socialization, formerly activities of the family, have become functions of the public sector. As aptly put by Helga Hernes, the issue is the degree to which caring tasks and reproduction work, previously done in the home, have gone public (Hernes, 1984, 1987a).

Feminists have also highlighted how ideological constructs shape women's lives, and this emphasis has informed feminist accounts of the welfare state. Contrary to mainstream analysis, feminist writings on the welfare state have dealt extensively with the influence of familial ideology in structuring social policies and reproducing the social division of labour between the sexes. Initially discussions focused on the breadwinner ideology which holds that the husband is responsible for earning a living and providing for the family. Eventually more attention was given to ideological prescriptions

concerning women and their role as caregivers. These prescriptions stress the wife's inherent domesticity and her duties in nurturing and caring for members of the family in the form of unpaid labour in exchange for the support of her husband.

In short, feminist theorizing on the welfare state makes it clear that even if mainstream models and typologies were gendered through explicitly including women and men in the analysis, such a step does not go far enough. Gendering welfare states requires specific attention to the interplay of the public and the private and a conceptualization of welfare provision in terms of a public-private mix (Hernes, 1987a; Leira, 1992). This dictates an examination of not only paid work but also unpaid work both inside and outside the home. Second, feminists have stressed the necessity of studying how the welfare state in providing employment and services affects the situation of women as workers, consumers, mothers and clients. Third, feminists have stressed the role of familial and gender ideologies in structuring welfare policies.

Gendering dimensions of variation

Implicit in the feminist critique are a number of dimensions of variation. These consist of the type of familial ideology; its influence on social policy in terms of the unit of benefits and contributions and the nature of entitlement; its influence in other policy areas reinforcing the actual division of labour within the family; the boundary between the public and private spheres; and the degree to which women's work is paid or unpaid. These dimensions of variation are summarized in Table 10.1 as contrasting ideal types: the breadwinner model and the individual model.

In the breadwinner model, the familial ideology celebrates marriage and a strict division of labour between husband and wife. The husband is the head of the household, and it is his duty to provide for the members of his family – his wife and children – through full-time employment. The duties of the wife are to make a good home and provide care for her husband and children. This division of labour shapes practice, and it is codified in family law, social and labour legislation, and the tax system. The unit of benefit is the family, and minimum benefits and pay embody the notion of the family wage. Entitlement is differentiated between husband and wife. Eligibility is based on breadwinner status and the principle of maintenance. Accordingly, most wives' rights to benefits are derived from their status as dependants within the family and their husbands' entitlements. As a result, married women may lack individual entitlement to benefits. The family or household is the unit of social insurance contributions and taxation. The family provider receives tax relief to

Table 10.1 *Dimensions of variation of the breadwinner and the individual models of social policy*

Dimension	Breadwinner model	Individual model
Familial ideology	Strict division of labour Husband = earner Wife = carer	Shared roles Husband = earner/carer Wife = earner/carer
Entitlement	Differentiated among spouses	Uniform
Basis of entitlement	Breadwinner	Other
Recipient of benefits	Head of household	Individual
Unit of benefit	Household or family	Individual
Unit of contributions	Household	Individual
Taxation	Joint taxation Deductions for dependants	Separate taxation Equal tax relief
Employment and wage policies	Priority to men	Aimed at both sexes
Sphere of care	Primarily private	Strong state involvement
Caring work	Unpaid	Paid component

compensate for the maintenance of his wife and offspring. The division of labour prescribed by familial ideology also affects wage and labour market policies – assigning priority to men's employment and earnings. The boundary between the private and public sphere is strictly enforced. Caring and reproduction tasks are located in the private sphere, primarily in the home, and this work is unpaid.

The familial ideology of the individual model prescribes that each spouse is individually responsible for his or her own maintenance, and that husband and wife share the tasks of financial support and care of their children. The unit of benefit, contributions and taxation is the individual with no deductions or allowances for dependants. Labour market policies are aimed at both sexes. The boundary between the private and public spheres is fluid. Many reproductive tasks are performed in the public sector. Care, even in the home, can be paid work and provide entitlement to social security benefits.

Admittedly this presentation is skeletal, but it seems to me that there are a number of advantages of using this sort of analytic construct at the present stage of gendering welfare state analysis. The dimensions of variation are clearly formulated. Earlier models have not always been very explicit on this point. For example, Jane Lewis and Ilona Ostner's typology seems to be based on a single underlying dimension – the strength of the male breadwinner model in terms of

the traditional division of labour between the sexes and its implications for social entitlements. The resulting typology is 'strong', 'modified' and 'weak' male breadwinner states (see Daly and Hobson, Chapters 7 and 11 in this volume); and the final category – weak male breadwinner states – is especially problematic. It seems to indicate what a country's policies are not rather than what they are.

A further advantage of the models is their potential applicability. In principle the dimensions of variation presented here can be used to analyse the policies of any country over time. A family of nations approach, or typologies based on the policies of specific countries, runs the risk of limited relevance to those countries.

Finally, by isolating dimensions of variation related to gender it is possible to examine the interaction between these dimensions and the welfare state variations designated as important by mainstream analysis. This possibility is more difficult, if not impossible, when the feminist and mainstream perspectives are compounded in single ideal types or policy regimes.

Women's and men's social rights

In analysing women's and men's social rights the dimensions of variation in Table 10.1 are applied to the policies of the UK, the US, the Netherlands and Sweden during the late 1960s. This is an important period to examine for a number of reasons. First these years offer an important benchmark because it was in the 1970s that equality of the sexes moved on to the policy agenda, resulting in major reforms in all four countries.¹ Second, since few gender equality reforms had been enacted one might expect to find less variation between the four countries during this period. Third, many feminists initially argued that the breadwinner model was encoded in the social legislation of the industrial nations, and that it was part and parcel of the welfare state. Gradually the breadwinner model has come to be viewed as varying in strength across countries. Typically, however, most variations are presented as fairly recent developments, coinciding with women's exodus into the labour market. The strength of Swedish women's social rights is seen as the result of their higher rate of labour market participation. The latter years of the 1960s, combined with digressions tracing policies back in time, allow us to probe assumptions concerning the recentness in the development of variations. The analysis also casts light on newer assumptions that the male breadwinner model had decisive influence in the formative period of welfare states, and that early welfare states were basically 'paternalist' in nature (Orloff, 1993: 323; Skocpol, 1992: 2, 8–10).

Applying the dimensions in Table 10.1 results in strong divergences in the policy patterns of the four countries, and the clustering of countries is quite different from the clusters produced by mainstream typologies. Using mainstream models the Netherlands and Sweden have often been bracketed together as ambitious or comprehensive welfare states scoring high on de-commodification (eliminating dependence on the market), while the US and the UK have been categorized as both less ambitious and less de-commodifying (Castles, 1978; Sainsbury, 1991; Esping-Andersen, 1990).²

An analysis using the dimensions of variation in Table 10.1 yields quite a different picture. Although social rights in all four countries were influenced by a traditional familial ideology in the 1960s, the Netherlands approximated most closely the breadwinner model, while Sweden least resembled it. The UK and the US occupied middle positions, but the policies of both countries bore much stronger similarities to those of the Netherlands than to those of Sweden. In the three countries social rights were tied to the principle of maintenance and tax benefits to the family provider, while Sweden differed in that motherhood and the principle of care exerted a much stronger influence on women's social rights. A second difference that further strengthened Swedish women's social rights was the extent of entitlements based on citizenship, and in these cases there were points of convergence with the individual model. Entitlement and benefits of pensions were uniform between spouses, and the recipient of benefits was the individual.

The Netherlands: the principle of maintenance and a family minimum

In the Netherlands the Catholic principle of subsidiarity and the Protestant doctrine of sphere sovereignty have assigned a central importance to the family in its traditional form. Religious teachings have sanctioned state action to protect the family from economic hardships and to aid the family provider in meeting his obligations of support (Borchorst, Chapter 3 in this volume). The principle of maintenance is firmly entrenched in social provision; and the construction of benefits and contributions has revolved around the family as the norm – and the notion of a family minimum.

During the 1960s minimum pension benefits were linked to the minimum wage, and the standard minimum was set for a couple, while single individuals received a smaller amount. Subsequently the social minimum was upgraded and extended to a wider range of benefits. The beneficiary has been the person responsible for maintenance, and benefits have been calculated on the basis of family

responsibilities. Accordingly, when fully upgraded, the social minimum was roughly equivalent to the net minimum wage for couples, 90 per cent for single parent families, with lower rates for single persons, and young adults living at home. This system contrasts with the UK and the US where the construction of benefits has been based on the individual, with supplements for dependants.

The unit of contributions to the national insurance schemes was also the household and was paid by the head of the household, based on family income. Compulsory health insurance automatically covered family members without an income with no additional contributions required (Roebroek and Berben, 1987: 689). *Because the household was the unit of benefits and contributions, married women lacked individual entitlement to 'national' insurance benefits.* The most severe discrimination against married women was their ineligibility for the basic old age pension, extended unemployment benefits, and later general disablement benefits when introduced in the mid-1970s.

The importance of family protection and the family as the norm can also be seen in the compulsory employee insurance schemes. Through relatively high replacement rates (generally 80 per cent of the daily wage) without special allowances for dependants, these schemes safeguarded the earnings of the breadwinner against the eventualities of sickness, unemployment and disability.

The principle of maintenance and the notion of the father as provider for his children influenced family allowances, which unlike in Britain and Sweden, are social insurance transfers and not a non-contributory benefit. Family allowances have been paid to the insured person responsible for maintenance of the child – usually the father. Furthermore, the responsibility of maintenance has extended to children in early adulthood (to the age of 27) with limited or no earnings or permanently ill. The amount of the allowance increased with the number of children, and older children (over 16) and children with special needs entitled the father to larger compensation, reflecting their financial burden on the family (ISSR, 1970: 48–9). In contrast to Britain and Sweden, family allowances were indexed, and they were more generous, especially compared to Britain. As a proportion of the standard wage the Dutch allowances were roughly twice as high as those in Britain in the late 1960s (Kaim-Caudle, 1973: 271–2, 283; cf. Wennemo, 1994). Finally the father received child tax exemptions. The combination of family allowances and tax exemptions meant that the Dutch father, regardless of his economic position, was aided in meeting his family responsibilities.

In conclusion, the costs of familyhood were socialized through

subsidies to the family provider. The guarantee of a minimum wage, a social minimum eventually pegged at roughly the same level as the minimum wage, the high replacement rates of employee insurance schemes, and indexed family allowances tailored to large families and reflecting the varying costs of children provided the breadwinner with a substantial buffer of security in supporting the family. These policies produced a situation which seems closer to the ideal of a family wage for the vast majority of wage-earner families.

The breadwinner ideology was also reflected in labour legislation and the tax system. Legislation privileged men as earners with respect to job opportunities, wages and tax relief. Marriage bans curtailed a wife's possibilities of employment. As noted by Siv Gustafsson (Chapter 4 in this volume), legislation prohibiting employers from firing a woman because of pregnancy, childbirth or marriage was not introduced until the early 1970s. Nor have married women without breadwinner status always been entitled to the minimum wage. Married couples' incomes were jointly taxed, without the option of separate taxation; and working wives received no tax allowance as they did in the other countries.

Overall, legislation was characterized by penalties and few rewards for married women entering the labour market, encouraging either no participation or marginal participation. In the mid-1960s only around 20 per cent of married women were economically active, and nearly half were family workers. In other words, as recently as 30 years ago only slightly over 10 per cent of Dutch married women held jobs outside the family (calculated from SYN, 1969–70: 284–6).

Clearly, women's place was in the home, and one is struck by the lack of benefits attached to motherhood in the Netherlands. Admittedly sickness insurance provided generous maternity pay. However, women did not have a statutory right to maternity leave beyond the relatively short duration of maternity benefits. Nor was there a maternity grant or benefits for non-working mothers. Entitlement to maternity benefits has been based on labour market status as an employee, and originally sickness insurance only recognized the pregnancy of married women as an illness (SZW, 1982: 31). Because of their low labour market participation rate, only a small proportion of all mothers received maternity benefits – a mere 5 per cent in the mid-1960s (calculated from SYN, 1969–70: 26, 315).

In the late 1960s the Netherlands was a prime candidate as the archetype of the breadwinner model inasmuch as social rights derived almost entirely from the principle of maintenance, and the recipient of benefits was the head of the household. The only benefit that could be ascribed to the principle of care, but is probably more accurately attributed to the absence of the male breadwinner, was the

widow's pension where a wife's duties in the home were assumed to have disadvantaged her re-entry into the labour market. The sphere of care was overwhelmingly private, and childcare outside the home was regulated by the Poor Law until the mid-1960s (Gustafsson, Chapter 4 in this volume).

The UK: discrimination against married women as choice

Several distinctive features of the postwar British welfare state have been associated with the ideas of William Beveridge; and as feminist scholars have documented, the breadwinner ideology was an integral part of Beveridge's thinking (Lewis, 1983: 33, 44–6, 67, 90–92). His ideas were especially important because it was the postwar reforms that incorporated all women into the British welfare state.

The breadwinner ideology left its imprint on postwar reforms – especially the national insurance scheme and the national assistance programme – in four ways. First, the national insurance scheme allowed married women to choose not to pay full contributions and instead rely upon their husband's contributions, but in the process they forfeited their claim to benefits in their own right. Because of the unified approach inherent in the national insurance scheme, the married woman's option operated to exclude them from *all* social insurance benefits – except the industrial injury benefit and the dependant's pension. Thus utilization of the option resulted in the loss not only of a full individual pension but also of other benefits, such as sickness benefit, invalidity benefit, unemployment benefit, and the maternity allowance. Second, married women who remained in the national insurance scheme paid full contributions but received lower benefits than married men and single persons unless they were the main breadwinner (Groves, 1983). A third feature of the national insurance scheme – adult dependant allowances – provided an incentive for women to stay in the home, thus reinforcing the traditional division of labour in the family. Unlike Dutch benefits, the system of dependant allowances took into direct account the wife's economic activity. The allowance was paid only for dependants without an income or with earnings less than the allowance. Furthermore, married women were not eligible to claim child additions. Fourth, in married couples only the husband could apply for means-tested assistance.

In Britain married women on the labour market were not entirely stripped of their rights to a pension and other benefits as in Holland. Instead they were denied equal rights, and the married woman's option encouraged them to renounce their rights. The option was widely used, and in the early 1970s three-quarters of married women had opted out of the national insurance scheme (Land, 1985: 56–7).

Given that the option was really between no individual rights and minor obligations (contributions) versus only half-rights and full obligations, it is hardly surprising that so many married women made use of the option.

Family allowances, as distinct from in the Netherlands, have been paid to the mother. However, the father retained the right of child tax exemptions, which was arguably the most generous form of family support (Land and Parker, 1978: 345) in terms of cost to the public purse. Beveridge's proposal also excluded the first child from the family allowance scheme, while tax exemptions could be claimed for all the children. Contrary to most other countries, the family allowance was subject to tax. One effect of this arrangement was a redistribution of resources within the family from the wallet to the purse.

The norm of the traditional family with the husband as the keeper of his wife's income and as the financial head of the household also influenced tax legislation. Joint taxation of spouses was obligatory. However, in contrast to her Dutch counterpart, the British working wife received a tax allowance which was identical to a single earner's tax relief. Furthermore, irrespective of whether or not he had a 'dependent' wife, the husband received a married man's allowance (Wilkinson, 1982), which has been roughly one and a half times the single earner's allowance.

Perhaps because of the married woman's earnings allowance, British women's labour participation rates have been considerably higher than Dutch women's. At the end of the 1960s nearly 50 per cent of married women were economically active (Lewis, 1992b: 65; Land and Parker, 1978: 338). On the whole, the tax system furnished incentives for married women to seek employment, while the structure of insurance benefits pulled in the opposite direction. If the married woman used the married woman's option, she received no benefits, and employment meant that her husband lost the adult dependant allowance.

A further obstacle to economic activity has been the poor availability of daycare facilities. Only in wartime has public childcare provision been regarded as a service that should be made available to all working mothers in Britain. Otherwise public childcare services have been targeted on the basis of need, and in the mid-1960s the number of places had dropped to one-third of the wartime figure (Cohen and Fraser, 1991).

At first glance, the UK seems to fit the breadwinner model less than the Netherlands. British policies deviated in three ways. Payment of family allowances was made to the mother, which can be interpreted as an initial recognition of the principle of care. Second,

British married women received a more generous tax allowance. Third, the unit of contributions and benefits in the UK has been the individual. As a beneficiary the husband received an adult dependant allowance, and his wife was entitled to a dependant's pension. Since benefits were tied to the individual, the wife's dependant pension was hers. In one respect, the British system was stricter than the Dutch. The husband collected an adult dependant allowance only when the wife had no earnings or when her earnings were less than the allowance, whereas the Dutch household received benefits irrespective of the wife's employment status. The British case was also stricter in that legislation of the 1970s reinforced the notion of the wife's duty to provide care and service in the home without remuneration. Married women were ineligible to receive the invalid care allowance, which had been introduced to compensate people for having to give up employment to care for the disabled and elderly. The housewives' non-contributory invalidity pension also imposed more rigorous qualifying conditions than the regular non-contributory pension.

The US: two tiers of welfare and women's dependency

The minimalist approach to public provision of welfare in the US might seem to suggest a smaller role for the breadwinner ideology. Nonetheless it has exerted a major influence on legislation affecting the two tiers of public provision of welfare and taxation. In the social security tier, married women's claims to benefits have been heavily dependent upon their husbands' rights and earnings, while women's claims in the welfare tier have often been based on their lack of social security benefits and their poverty.

The breadwinner ideology's most visible impact on the social security tier has been the spouse benefit of the Old-Age, Survivors and Disability Insurance (OASDI) programme. In the 1960s the spouse benefit corresponded to 50 per cent of the insured worker's old age or disability pension, and old age survivor benefits amounted to 80 per cent. As married women have entered the labour market, they have been covered by social security in their own right. Upon retirement, working wives have been able to choose between a spouse benefit or a benefit based on their own earnings – but not both, that is, the spouse benefit plus a benefit based on their own earnings. Married women with social security benefits based on their own earnings which were less than their spouse benefit have had dual entitlement. They have received a secondary benefit which has made up the difference.

The spouse benefit has generally worked to the advantage of the traditional family with a single breadwinner and to the disadvantage of the dual-earner family. In many cases when these two types of

families have had roughly the same earnings the family with the single breadwinner has received a larger pension, and the wife has ended up with more generous survivor benefits (Bergmann, 1986: 223. Cf. Miller, 1990: 122; Lopata and Brehm, 1986). The single-earner family has won additionally because the spouse benefit is a non-contributory benefit. In other words, the traditional family has often enjoyed a larger pension and survivor benefits but paid lower social security taxes.

A pattern of favouring the traditional family, particularly to the disadvantage of working wives and single parents, has characterized income taxation in three ways. First, although married couples have been able to choose between individual and joint taxation, the system has actually encouraged joint taxation of spouses. Joint returns have been subject to preferential tax rates, and tax relief has been less beneficial to dual-earner families in relation to families with a sole provider. Second, the single earner family has received the same tax exemptions as the dual-earner family, which virtually amounts to deduction for a dependent spouse. Third, single parent families have not enjoyed the same advantage as a sole provider with a spouse. These three features of the tax system have been aptly described as (1) the dual earner marriage penalty; (2) the housewife bonus; and (3) the single parent penalty (Bergmann, 1986: 218–20).

Despite the disincentives for the dual earner family, it needs to be stressed that the social security system provided incentives for women as individuals. Their social security benefits as workers in all likelihood would be greater than the spouse benefit. Married women's labour market participation rate was much higher than that of their counterparts in the Netherlands and approached that of the UK. In the mid-1960s 35 per cent of married women were working outside the home (SIT, 1968: 128), and the number of women entitled to social security benefits in their own right grew dramatically. Nonetheless, the majority of women still made their claims as wives (Polinsky, 1969: 15–16).

Finally, liberal tenets stressing individual responsibility and the sanctity of the private sphere – home and family – have held enormous sway in the US. As distinct from the other three countries, the US lacks a system of family allowances, although there are tax deductions for children. The major semblance of a programme related to family policy is Aid to Families with Dependent Children in the 'welfare' tier. Accordingly, it has all the disadvantages associated with this tier: meagre means-tested benefits, stigma and intrusive administration. In other words, women's dependency is differentiated in the two tiers of public provision. In the social security tier, entitlement has been based on the strength of one's

attachment to the labour market and contributions, benefits are earnings related, and claims for benefits have been heavily dependent upon men's earnings. In the other tier, need determines entitlement, and claimants have overwhelmingly been women (Sainsbury, 1993a).

Sweden: citizenship and the principle of care

A distinguishing characteristic of the Swedish welfare state has been a strong emphasis on entitlement to benefits and services based on citizenship or residence (Elmér, 1975: 252–8; Esping-Andersen and Korpi, 1987). This basis of entitlement has resulted in less dependency upon one's market position and a de-commodification of wants and needs (Esping-Andersen and Korpi, 1987: 40–1). Another aspect of de-commodification, not touched upon in the other chapters of this volume, has been the availability of a wide range of services which have largely assumed the character of public goods. The centrality of public services in the Swedish welfare state has given rise to its label as the 'social service state' (Siim, 1987a: 3).

Entitlement to benefits on the basis of citizenship has weakened the influence of the breadwinner ideology. In the area of social benefits the influence of the breadwinner ideology has mainly been limited to a wife supplement in unemployment insurance (1941–64) and widow benefits in the public pension schemes (Sainsbury, 1990). In contrast to the other three countries, married women were incorporated in major social insurance schemes with individual entitlement to benefits. Sweden's first national old age insurance, adopted in 1913, included all women irrespective of marital status. The importance of this arrangement in the long term was to establish the principle of individual entitlement to a pension regardless of sex, marital status or labour market status. When compulsory insurance providing sickness benefits was introduced in 1955 coverage was not restricted to the working population, as in the Netherlands and Britain. In addition, spouses at home and single parents at home with children under 16 years old were entitled to minimum cash benefits. In other words, the compulsory insurance system incorporated all women, and they were included as beneficiaries in their own right – and not as the *raison d'être* of benefit supplements for men, as in the UK. Furthermore, under the same programme, maternity benefits were not limited to working women but included a fairly generous flat-rate grant to all mothers. These measures can be interpreted as a modest recognition of the principle of care and that work in the home qualified for entitlement to social benefits.

The principle of care as a basis of entitlement to social benefits and the origins of the 'social service state' can be traced to the population

policies of the 1930s. The major breakthrough of the principle of care were means-tested child allowances and public maintenance allowances introduced in the late 1930s along with a series of other benefits attached to motherhood. Maternity grants (*moderskapspenning*) were introduced in 1937 followed by maternity assistance in kind (*mödrahjäl*) in 1938. These reforms extended coverage in relation to subsidized voluntary maternity insurance so that nearly all mothers received maternity benefits (Elmér, 1963; Abukhanfusa, 1987).

Population policy instruments consisted of both individual and collective benefits in kind as well as cash benefits. Collective goods in kind formed the nucleus of what was to develop into the 'social service state'. They consisted of free child delivery, pre- and postnatal medical check-ups, and free vitamins and minerals for mother and child. Collective goods aimed at families and children expanded during the 1940s to include free school lunches, school medical services, social services for families, and day nurseries. In retrospect, cash benefits and collective benefits in kind gradually supplanted individualized means tested benefits in kind, which were eventually phased out in the late 1950s and early 1960s.

The Swedish tax system, prior to the 1970 decision to eliminate joint taxation of spouses' earnings, combined aspects of the breadwinner model and the principle of care. Married couples, irrespective of the wife's employment status, were entitled to a tax allowance which was double the amount of that of a single earner. Accordingly, the Swedish single-earner couple enjoyed a larger housewife bonus than in the UK but comparable to that in the US. On the other hand, the Swedish tax system had traditionally allowed relief for families where the wife had her own income from employment (1919–38, 1947–86). The 1952 tax reform entitled working wives with children who were minors to a larger allowance than other working wives. This allowance was successively raised so that on the eve of the 1971 tax reform, a working wife with children received a standard tax allowance which amounted to nearly twice the amount that her husband received. Finally, tax reforms of the early 1960s benefited single parents by granting them the same conditions of taxation as a married couple – in effect a double tax allowance and the same preferential rate of taxation (Elvander, 1972; SOU, 1964: 25). In short, despite the generous housewife bonus, the Swedish tax system entailed neither a single parent penalty nor a dual earner marriage penalty (however, two-job marriages where each spouse had high earnings did confront a marriage penalty because of progressivity in the tax rates). Tax exemptions for children were abolished when universal family allowances for each child were introduced in the

1940s. Thus wives – and especially mothers – had more tax advantages and fathers had fewer, compared to their counterparts in the other countries.

The Swedish tax system offered incentives for married women to enter the labour market, but lingering influences of the breadwinner ideology on wage and employment policies worked in the opposite direction. Special women's wages had been widespread in manufacturing, but in 1960 labour and management reached a decision to abolish them over a five-year period, which eventually led to decreased wage differentials (Qvist, 1975: 28–9). The active labour market measures of the late 1950s and 1960s were primarily geared to men, who were the main participants in training programmes and recipients of mobility grants. Training allowances were also subject to an income test of a spouse's earnings. Married women's rate of labour market participation was roughly on a par with that in the US and the UK in the 1960s. A major difference, however, was a higher rate of employment among mothers with small children (Rainwater, 1979).

Social rights compared

To summarize this discussion of social rights and policy patterns, let us compare the countries using the dimensions of variation in Table 10.1. In the late 1960s the prevalent familial ideology reflected in legislation emphasized a traditional division of labour between husband and wife in all four countries. Swedish policies, however, diverged from those of the other countries in significant ways. First, the basis of entitlement to a number of benefits was citizenship or residence. This basis of eligibility resulted in uniform and personal entitlement within marriage. Married women had individual rights to a basic old age pension, disability and sickness benefits. By contrast, the basis of entitlement of married women and men in the other countries was highly differentiated. Married women's entitlements largely derived from their husbands' rights, and especially in the Netherlands and the UK they lacked individual rights. Second, as a result of social rights based on citizenship, the privilege status of the breadwinner was not translated into social legislation to the same extent as in the other countries. Third, the traditional division of labour in the family – with the mother as carer – shaped legislation through incorporating the principle of care in a way which did not occur in the other countries. In fact, around 1970 the Netherlands and Sweden represented polar opposites in terms of benefits attached to fatherhood and motherhood respectively. Dutch benefits were almost entirely attached to fatherhood; even family allowances and child delivery were covered by the father's insurance. The Swedish

reforms of the 1930s introduced maternity benefits paid to nearly all mothers. Similarly, child allowances were paid to all mothers – even unwed mothers, and advanced maintenance allowances aided single mothers. This contrasts with the Dutch experience, where unmarried mothers were originally not entitled to either family allowances (Roebroek and Berben, 1987: 692) or maternity pay. As distinct from the other three countries, the Swedish tax system also granted women workers with children, especially solo mothers, considerable tax relief. Fourth, benefits to single mothers ran counter to preferential treatment of marriage.

On the dimension of familial ideology, the other three countries are grouped together with respect to the breadwinner ideology and its effects on policy, although the policy constructions differed. In the Netherlands the family minimum has been the norm, and minimum benefits for single individuals have been calculated as a portion of the standard family benefits. In Britain and the US the *individual* was the unit of benefit but the principle of family maintenance resulted in supplements to cover the additional costs of family members – often both wife and children. In Britain the husband was entitled to the supplements with the exception of the dependant's pension, whereas in the US benefits were generally conferred upon the wife. The British adult dependant's allowance has been fairly generous in relative terms but not in absolute terms. The allowance has provided 60 per cent of the benefit of a single person. The US spouse benefit amounted to 50 per cent of the husband's benefit and in absolute terms has been quite generous, and the survivor's benefit was even more generous, totalling 80 per cent of the husband's benefit.

The husband's duty as family provider resulted in special tax relief in the form of a housewife bonus in all four countries. The treatment of wives' earnings, however, varied across the countries. As in the case of entitlement to social benefits, Dutch married women suffered the most inequitable treatment; they were not entitled to a tax allowance. British working wives received a tax allowance comparable to that of single earners – but one which was only around two-thirds of their husbands'. In the US a dual earner couple divided the marital tax relief equally between husband and wife. Finally, Swedish working wives received the same general allowance as their husband, and those with children were entitled to an additional allowance – the rationale being that an allowance would compensate for extra costs related to childcare.

A final dimension of variation which requires consideration is the sphere of care and family policy. In the US care has remained essentially in the private sphere. Liberalism has enhanced beliefs in the sanctity of the family and a doctrine of minimal intrusion by the

government. Public intercession has been condoned in the case of family break-ups and the absence of a family provider. The UK by virtue of its introduction of universal family allowances in 1945 seems markedly different. Yet the liberal traditions of the two countries have had a similar impact: family services have been targeted to families in need. Universalism has not pertained to services for families, reinforcing the norm of care in the private sphere for the vast majority of British families. Dutch 'family policy' has consisted of cash transfers, with the father rather than the mother as recipient, and as in the US and Britain daycare fell within the realm of poor relief. In all three countries, the division between daycare and preschool education has also hampered the expansion of public daycare facilities.

Swedish family policy has comprised not only cash benefits but also collective goods and services. As early as the 1940s the government through state grants encouraged the local authorities to provide services to families, and to do so by training and employing staff to assist in the home. In these instances care in the home was paid work performed by public employees. Although family services were in limited supply, the goal was that they should be available to all families. The services were not means tested but service fees were often graduated according to income, and certain categories of users had priority. In two respects, through benefits based on the principle of care and through transferring tasks in the home to public sector jobs, we can detect the beginnings of care being converted into paid work and the blurring of the boundary between the private and public spheres.

Conclusions

This concluding discussion deals with the implications of the preceding analysis for the original models outlined in Table 10.1 and places the analysis in the larger context of efforts to gender welfare states. The analysis suggests the need to revise the original models in two respects. First, although the breadwinner model strongly influenced the policies of the Netherlands, the UK and the US, the differences in policy constructions between the Netherlands with the family as the unit of benefit and obligations and the other two countries with benefits and obligations tied to the individual suggest two variants of the breadwinner model. The fact that benefits have been attached to the individual has had important consequences for married women. Even if their entitlement was based on their husbands' rights, pensions have been paid to women, providing them with a source of income which Dutch wives did not receive. On the

other hand, the Dutch policy construction may be more amenable to change through gender equality reforms and 'individualization' -- changes in legislation making the individual the unit of entitlement and obligations (Sainsbury, 1993b).

Second, and more importantly for revising the models, Swedish policies in the 1960s deviated from the breadwinner model but did not fit the individual model either. Swedish women did have more individual social rights but several of these entitlements were rooted in a traditional familial ideology and a strongly gendered division of labour which is the antithesis of the individual model. To accommodate the Swedish case we can conceive of a traditional family model of social policy encompassing two types: (1) the breadwinner variant; and (2) the traditional roles variant.

Both variants share a familial ideology which prescribes a strict division of labour between husband and wife, and entitlement is differentiated. In the breadwinner model the principle of maintenance prevails and married women's social rights are via their husbands. In the traditional roles variant there are two bases of entitlement -- the principle of maintenance underpinning men's social rights and the principle of care enhancing women's social rights. Both principles shaped social benefits and the tax system, whereas the principle of maintenance exerted considerable influence on labour market policies. The sphere of care was still largely private, but benefits based on the care principle altered notions of private and public responsibilities and set in motion a new dynamic of interdependence of the private and public spheres.

What are the implications of this analysis with respect to studying gender and welfare state variations? Let us initially contrast our analysis with the results of mainstream scholarship. Mainstream typologies have often distinguished between three bases of entitlement: need, market work performance, and citizenship. These bases of entitlement also underlie Esping-Andersen's regime typology. In the traditional family model two other bases of entitlement are central: the principles of maintenance and care. This model has allowed us to uncover variations between welfare states that mainstream typologies have not revealed. Mainstream scholarship has often emphasized the commonalities of the Dutch and Swedish welfare states, especially when using quantitative indicators, such as social spending, benefit levels, and de-commodification. Britain and the Scandinavian countries have also been grouped together as similar types of welfare states because of their emphasis on universalism and social citizenship. The analysis here discloses sharp divergences in women's and men's social rights between Sweden and the other three countries, calling into question earlier mainstream categorizations.

Turning to feminist scholarship, a major approach in the fledging efforts to gender welfare state analysis has been to devise alternative models and typologies. A key point of departure for these efforts has been the breadwinner model, and Jane Lewis and Ilona Ostner's work has been very influential. One of their important contributions has been to argue that the strength of the breadwinner model varies across welfare states (Lewis and Ostner, 1991; cf. Sainsbury, 1990, 1994), as distinct from earlier feminist writings which viewed the breadwinner model as an inherent feature of the welfare state. However, a major problem of the breadwinner model is its failure to come to grips with motherhood and mothering as a basis of entitlement.

A special difficulty in Lewis and Ostner's scheme is that they concentrate on primarily two bases of entitlement: as breadwinner or earner; and as the dependant of the breadwinner. For women this boils down to social rights based on either their dependent status as wives or mothers within the family *or* as workers. Lewis and Ostner further argued that 'it has been as wives rather than as mothers that women have qualified for benefits in most state social security systems' (1991: 25-6). What Lewis and Ostner see as the essential variation between welfare states is the extent to which women have also been recognized as workers (1991: 9; cf. Lewis, 1992a). They also downplay the principle of care by stating that 'no government has ever succeeded in attaching a significant value to the unpaid work of caring that women do in the family' (1991: 27).

These assumptions have important implications for their analysis. First they fail to explore social entitlements based on motherhood or the principle of care as a variation across countries. Second their emphasis on care as unpaid work causes them to depreciate the trend towards payment for care as an important welfare state variation, while others claim this trend is one of the major innovations of postwar welfare states (Daly and Scheiwe, Chapters 7 and 9 in this volume). Third, their concentration on the social entitlements of workers leads them to neglect entitlements based on citizenship and need. These omissions also result in a misreading of the history of women's social rights in Sweden. The contrast between Swedish women's social rights and those of women in other countries in the 1990s is interpreted as the effect of women's recent entry into the labour market in unprecedented numbers. According to Lewis, it was post-1970 governmental efforts to bring all adult women into the workforce which transformed the basis of Swedish women's entitlement from that of dependent wife to worker (1992a: 168-9). As this chapter has shown, before the 1970s social entitlements based on citizenship and the principle of care had already altered women's

social rights so that they were not derived from their dependent status within the family as wives.

In summary, the analysis here affirms that the breadwinner model is crucial to an analysis of gender and welfare states. It also makes clear that the task of gendering welfare states cannot be limited to a typology based on this model. Gendering welfare states requires that women's entitlements not only as *wives* and *workers* but also as *mothers* and *citizens* be built into the analytical framework and investigated as cross-national variations.

Notes

This chapter is part of a larger research project funded by the Swedish Council for Research in the Humanities and Social Sciences and the Swedish Council for Planning and Co-ordination of Research.

1 For an assessment of the impact of gender equality reforms introduced since 1970 in the four countries, see Sainsbury, 1993b.

2 For a more detailed analysis of the four countries using mainstream dimensions of variation, see Sainsbury, 1991.

The Three Political Economies of the Welfare State*

The Legacy of Classical Political Economy

Most debates on the welfare state have been guided by two questions. First, will the salience of class diminish with the extension of social citizenship? In other words, can the welfare state fundamentally transform capitalist society? Second, what are the causal forces behind welfare-state development?

These questions are not recent. Indeed, they were formulated by the nineteenth-century political economists 100 years before any welfare state can rightly be said to have come into existence. The classical political economists – whether of liberal, conservative, or Marxist persuasion – were preoccupied with the relationship between capitalism and welfare. They certainly gave different (and usually normative) answers, but their analyses converged around the relationship between market (and property), and the state (democracy).

Contemporary neo-liberalism is very much an echo of classical liberal political economy. For Adam Smith, the market was the superior means for the abolition of class, inequality, and privilege. Aside from a necessary minimum, state intervention would only stifle the equalizing process of competitive exchange and create monopolies, protectionism, and inefficiency: the state upholds class; the market can potentially undo class society (Smith, 1961, II, esp. pp. 232–6).¹

Liberal political economists were hardly of one mind when it came

* This chapter is adapted from an article which previously appeared in the *Canadian Review of Sociology and Anthropology*, Vol. 26:2 (1989) under the title 'The three political economies of the welfare state'.

to policy advocacy. Nassau Senior and later Manchester liberals emphasized the *laissez-faire* element in Smith, rejecting any form of social protection outside the cash nexus. J. S. Mill and the 'reformed liberals', in turn, were proponents of a modicum of political regulation. Yet they all were agreed that the road to equality and prosperity should be paved with a maximum of free markets and a minimum of state interference.

Their enthusiastic embrace of market capitalism may now appear unjustified. But we must not forget that the reality they spoke of was a state upholding absolutist privileges, mercantilist protectionism, and pervasive corruption. What they attacked was a system of government that repressed their ideals of both freedom and enterprise. Hence, theirs was revolutionary theory, and from this vantage point, we can understand why Adam Smith sometimes reads like Karl Marx.²

Democracy became an Achilles' heel to many liberals. As long as capitalism remained a world of small property owners, property itself would have little to fear from democracy. But with industrialization, the proletarian masses emerged, for whom democracy was a means to curtail the privileges of property. The liberals rightly feared universal suffrage, for it would be likely to politicize the distributional struggle, pervert the market, and fuel inefficiencies. Many liberals discovered that democracy would usurp or destroy the market.

Both conservative and Marxist political economists understood this contradiction, but proposed, of course, opposite solutions. The most coherent conservative critique of *laissez-faire* came from the German historical school, in particular from Friedrich List, Adolph Wagner, and Gustav Schmoller. They refused to believe that the raw cash-nexus of the market was the only or the best guarantee of economic efficiency. Their ideal was the perpetuation of patriarchy and absolutism as the best possible legal, political, and social shell for a capitalism without class struggle.

One prominent conservative school promoted the 'monarchical welfare state', which would guarantee social welfare, class harmony, loyalty, and productivity. In this model, an efficient production system comes not from competition, but from discipline. An authoritarian state would be far superior to the chaos of markets in harmonizing the good of the state, community, and individual.³

Conservative political economy emerged in reaction to the French Revolution and the Paris Commune. It was avowedly nationalistic and anti-revolutionary, and sought to arrest the democratic impulse. It feared social leveling, and favored a society that retained both hierar-

chy and class. Status, rank, and class were natural and given; class conflicts, however, were not. If we permit democratic mass participation, and allow authority and status boundaries to dissolve, the result is a collapse of the social order.

Marxist political economy not only abhorred the market's atomizing effects, but also attacked the liberal claim that markets guarantee equality. Since, as Dobb (1946) puts it, capital accumulation disowns people of property, the end result will be ever-deeper class divisions. And as these generate sharpened conflicts, the liberal state will be forced to shed its ideals of freedom and neutrality, and come to the defence of the propertied classes. For Marxism this is the foundation of class dominance.

The central question, not only for Marxism but for the entire contemporary debate on the welfare state, is whether, and under what conditions, the class divisions and social inequalities produced by capitalism can be undone by parliamentary democracy.

Fearing that democracy might produce socialism, the liberals were hardly eager to extend it. The socialists, in contrast, suspected that parliamentarism would be little more than an empty shell or, as Lenin suggested, a mere 'talking shop' (Jessop, 1982). This line of analysis, echoed in much of contemporary Marxism, produced the belief that social reforms were little more than a dike in a steadily leaking capitalist order. By definition, they could not be a response to the desire of the working classes for emancipation.⁴

It took major extensions of political rights before the socialists could wholeheartedly embrace a more optimistic analysis of parliamentarism. The theoretically most sophisticated contributions came from the Austro-German Marxists such as Adler, Bauer, and Eduard Heimann. According to Heimann (1929), it may have been the case that conservative reforms were motivated by little else than a desire to repress labor mobilization. But once introduced, they become contradictory: the balance of class power is fundamentally altered when workers enjoy social rights, for the social wage lessens the worker's dependence on the market and employers, and thus turns into a potential power resource. To Heimann, social policy introduces an alien element into the capitalist political economy. It is a Trojan horse that can penetrate the frontier between capitalism and socialism. This intellectual position has enjoyed quite a renaissance in recent Marxism (Offe, 1985; Bowles and Gintis, 1986).

The social democratic model, as outlined above, did not necessarily abandon the orthodoxy that, ultimately, fundamental equality requires

economic socialization. Yet historical experience soon demonstrated that socialization was a goal that could not be pursued realistically through parliamentarism.⁵

Social democracy's embrace of parliamentary reformism as its dominant strategy for equality and socialism was premised on two arguments. The first was that workers require social resources, health, and education to participate effectively as socialist citizens. The second argument was that social policy is not only emancipatory, but is also a precondition for economic efficiency (Myrdal and Myrdal, 1936). Following Marx, in this argument the strategic value of welfare policies is that they help promote the onward march of the productive forces in capitalism. But the beauty of the social democratic strategy was that social policy would also result in power mobilization. By eradicating poverty, unemployment, and complete wage dependency, the welfare state increases political capacities and diminishes the social divisions that are barriers to political unity among workers.

The social democratic model, then, is father to one of the leading hypotheses of contemporary welfare-state debate: (parliamentary class-mobilization is a means for the realization of the socialist ideals of equality, justice, freedom, and solidarity.)

The Political Economy of the Welfare State

Our forebears in political economy defined the analytic basis of much recent scholarship. They isolated the key variables of class, state, market, and democracy, and they formulated the basic propositions about citizenship and class, efficiency and equality, capitalism and socialism. Contemporary social science distinguishes itself from classical political economy on two scientifically vital fronts. First, it defines itself as a positive science and shies away from normative prescription (Robbins, 1976). Second, classical political economists had little interest in historical variability: they saw their efforts as leading towards a system of universal laws. Although contemporary political economy sometimes still clings to the belief in absolute truths, the comparative and historical method that today underpins almost all good political economy is one that reveals variation and permeability.

Despite these differences, most recent scholarship has as its focal point the state-economy relationship defined by nineteenth-century political economists. And, given the enormous growth of the welfare state, it is understandable that it has become a major test case for contending theories of political economy.

We shall review below the contributions of comparative research on the development of welfare states in advanced capitalist countries. It will be argued that most scholarship has been misdirected, mainly because it became detached from its theoretical foundations. We must therefore recast both the methodology and the concepts of political economy in order to adequately study the welfare state. This will constitute the focus of the final section of this chapter.

Two types of approach have dominated in explanations of welfare states; one stresses structures and whole systems, the other, institutions and actors.

THE SYSTEMS/STRUCTURALIST APPROACH

Systems or structuralist theory seeks to capture the logic of development holistically. It is the system that 'wills', and what happens is therefore easily interpreted as a functional requisite for the reproduction of society and economy. Because its attention is concentrated on the laws of motion of systems, this approach is inclined to emphasize cross-national similarities rather than differences; being industrialized or capitalist over-determines cultural variations or differences in power relations.

One variant begins with a theory of industrial society, and argues that industrialization makes social policy both necessary and possible – necessary because pre-industrial modes of social reproduction, such as the family, the church, *noblesse oblige*, and guild solidarity are destroyed by the forces attached to modernization, such as social mobility, urbanization, individualism, and market dependence. The crux of the matter is that the market is no adequate substitute because it caters only to those who are able to perform in it. Hence, the 'welfare function' is appropriated by the nation-state.

The welfare state is also made possible by the rise of modern bureaucracy as a rational, universalist, and efficient form of organization. It is a means for managing collective goods, but also a center of power in its own right, and it will thus be inclined to promote its own growth. This kind of reasoning has informed the so-called 'logic of industrialism' perspective, according to which the welfare state will emerge as the modern industrial economy destroys traditional social institutions (Flora and Alber, 1981; Pryor, 1969). But the thesis has difficulties explaining why government social policy only emerged 50 and sometimes even 100 years after traditional community was effectively destroyed. The basic response draws on Wagner's Law of 1883 (Wagner, 1962) and on Alfred Marshall (1920) – namely that a certain

level of economic development, and thus surplus, is needed in order to permit the diversion of scarce resources from productive use (investment) to welfare (Wilensky and Lebeaux, 1958). In this sense, this perspective follows in the footsteps of the old liberals. Social redistribution endangers efficiency, and only at a certain economic level will a negative-sum trade-off be avoidable (Okun, 1975).

The new structuralist Marxism is strikingly parallel. Abandoning its classical forebears' strongly action-centered theory, its analytical starting-point is that the welfare state is an inevitable product of the capitalist mode of production. Capital accumulation creates contradictions that compel social reform (O'Connor, 1973). In this tradition of Marxism, as in its 'logic of industrialism' counterpart, welfare states hardly need to be promoted by political actors, whether they be unions, socialist parties, humanitarians, or enlightened reformers. The point is that the state, as such, is positioned in such a way that the collective needs of capital are served, regardless. The theory is thus premised on two crucial assumptions: first, that power is structural, and second, that the state is 'relatively' autonomous from class directives (Poulantzas, 1973; Block, 1977; for a recent critical assessment of this literature, see Therborn, 1986a; and Skocpol and Amenta, 1986).

The 'logic of capitalism' perspective invites difficult questions. If, as Przeworski (1980) has argued, working-class consent is assured on the basis of material hegemony, that is, self-willed subordination to the system, it is difficult to see why up to 40 percent of the national product must be allocated to the legitimization activities of a welfare state. A second problem is to derive state activities from a 'mode of production' analysis. Eastern Europe may perhaps not qualify as socialist, but neither is it capitalist. Yet there we find 'welfare states', too. Perhaps accumulation has functional requirements no matter how it proceeds? (Skocpol and Amenta, 1986; Bell, 1978).

THE INSTITUTIONAL APPROACH

The classical political economists made it clear why democratic institutions should influence welfare-state development. The liberals feared that full democracy might jeopardize markets and inaugurate socialism. Freedom, in their view, necessitated a defence of markets against political intrusion. In practice, this is what the laissez-faire state sought to accomplish. But it was this divorce of politics and economy which fuelled much institutionalist analysis. Represented best by Polanyi (1944), but also by a number of anti-democratic exponents of the historical school, the institutional approach insists that any effort to

isolate the economy from social and political institutions will destroy human society. The economy must be embedded in social communities in order for it to survive. Thus, Polanyi sees social policy as one necessary precondition for the reintegration of the social economy.

An interesting recent variant of institutional alignment theory is the argument that welfare states emerge more readily in small, open economies that are particularly vulnerable to international markets. As Katzenstein (1985) and Cameron (1978) show, there is a greater inclination to regulate class-distributional conflicts through government and interest concertation when both business and labor are captive to forces beyond domestic control.

The impact of democracy on welfare states has been argued ever since J. S. Mill and Alexis de Tocqueville. The argument is typically phrased without reference to any particular social agent or class. It is in this sense that it is institutional. In its classical formulation, the thesis was simply that majorities will favor social distribution to compensate for market weakness or market risks. If wage-earners are likely to demand a social wage, so are capitalists (or farmers) apt to demand protection in the form of tariffs, monopoly, or subsidies. Democracy is an institution that cannot resist majority demands.

In its modern formulations, the democracy thesis has many variants. One identifies stages of nation-building in which the extension of full citizenship must also include social rights (Marshall, 1950; Bendix, 1964; Rokkan, 1970). A second variant, developed by both pluralist and public-choice theory, argues that democracy will nurture intense party competition around the median voter which, in turn, will fuel rising public expenditure. Tufte (1978), for example, argues that major extensions of public intervention occur around elections as a means of voter mobilization.

This approach also faces considerable empirical problems (Skocpol and Amenta, 1986). When it holds that welfare states are more likely to develop the more democratic rights are extended, the thesis confronts the historical oddity that the first major welfare-state initiatives occurred prior to democracy and were powerfully motivated by the desire to arrest its realization. This was certainly the case in France under Napoleon III, in Germany under Bismarck, and in Austria under von Taaffe. Conversely, welfare-state development was most retarded where democracy arrived early, such as in the United States, Australia, and Switzerland. This apparent contradiction can be explained, but only with reference to social classes and social structure: nations with early democracy were overwhelmingly agrarian and dominated by small property owners who used their electoral powers

to reduce, not raise, taxes (Dich, 1973). In contrast, ruling classes in authoritarian polities were better positioned to impose high taxes on an unwilling populace.

Social Class as a Political Agent

We have noted that the case for a class-mobilization thesis flows from social democratic political economy. It differs from structuralist and institutional analyses in its emphasis on the social classes as the main agents of change, and in its argument that the balance of class power determines distributional outcomes. To emphasize active class-mobilization does not necessarily deny the importance of structured or hegemonic power (Korpi, 1983). But it is held that parliaments are, in principle, effective institutions for the translation of mobilized power into desired policies and reforms. Accordingly, parliamentary politics is capable of overriding hegemony, and can be made to serve interests that are antagonistic to capital. Further, the class-mobilization theory assumes that welfare states do more than simply alleviate the current ills of the system: a 'social democratic' welfare state will, in its own right, establish critical power resources for wage-earners, and thus strengthen labor movements. As Heimann (1929) originally held, social rights push back the frontiers of capitalist power.

The question of why the welfare state itself is a power resource is vital for the theory's applicability. The answer is that wage-earners in the market are inherently atomized and stratified – compelled to compete, insecure, and dependent on decisions and forces beyond their control. This limits their capacity for collective solidarity and mobilization. The social rights, income security, equalization, and eradication of poverty that a universalistic welfare state pursues are necessary preconditions for the strength and unity that collective power mobilization demands (Esping-Andersen, 1985a).

The single most difficult problem for this thesis is to specify the conditions for power mobilization. Power depends on the resources that flow from electoral numbers and from collective bargaining. Power mobilization, in turn, depends on levels of trade-union organization, share of votes, and parliamentary and cabinet seats held by left or labor parties. But the power of one agent cannot simply be indicated by its own resources: it will depend on the resources of contending forces, on the historical durability of its mobilization, and on patterns of power alliances.

There are several valid objections to the class-mobilization thesis. Three in particular are quite fundamental. One is that the locus of

decision-making and power may shift from parliaments to neo-corporatist institutions of interest intermediation (Shonfield, 1965; Schmitter and Lembruch, 1979). A second criticism is that the capacity of labor parties to influence welfare-state development is circumscribed by the structure of right-wing party power. Castles (1978; 1982) has argued that the degree of unity among the conservative parties is more important than is the activated power of the left. Other authors have emphasized the fact that denominational (usually social Catholic) parties in countries such as Holland, Italy, and Germany mobilize large sections of the working classes and pursue welfare-state programs not drastically at variance with their socialist competitors (Schmidt, 1982; Wilensky, 1981). The class-mobilization thesis has, rightly, been criticized for its Swedocentrism, i.e. its inclination to define the process of power mobilization too much on the basis of the rather extraordinary Swedish experience (Shalev, 1984).

These objections hint at a basic fallacy in the theory's assumptions about the class formation: we cannot assume that socialism is the natural basis for wage-earner mobilization. Indeed, the conditions under which workers become socialists are still not adequately documented. Historically, the natural organizational bases of worker mobilization were pre-capitalist communities, especially the guilds, but also the Church, ethnicity, or language. A ready-made reference to false consciousness will not do to explain why Dutch, Italian, or American workers continue to mobilize around non-socialist principles. The dominance of socialism among the Swedish working class is as much a puzzle as is the dominance of confessionalism among the Dutch.

The third and perhaps most fundamental objection has to do with the model's linear view of power. It is problematic to hold that a numerical increase in votes, unionization, or seats will translate into more welfare-statism. First, for socialist as for other parties, the magical '50 percent' threshold for parliamentary majorities seems practically insurmountable (Przeworski, 1985). Second, if socialist parties represent working classes in the traditional sense, it is clear that they will never succeed in their project. In very few cases has the traditional working class been numerically a majority; and its role is rapidly becoming marginal.⁶

Probably the most promising way to resolve the combined linearity and working-class minority problem lies in recent applications of Barrington Moore's path-breaking class-coalition thesis to the transformation of the modern state (Weir and Skocpol, 1985; Gourevitch, 1986; Esping-Andersen, 1985a; Esping-Andersen and Friedland,

1982). Thus, the origins of the Keynesian full-employment commitment and the social democratic welfare-state edifice have been traced to the capacity of (variably) strong working-class movements to forge a political alliance with farmer organizations; additionally, it is arguable that sustained social democracy has come to depend on the formation of a new-working-class-white-collar coalition.

The class-coalitional approach has additional virtues. Two nations, such as Austria and Sweden, may score similarly on working-class mobilization variables, and yet produce highly unequal policy results. This can be explained by differences in the history of coalition formation in two countries: the breakthrough of Swedish social democratic hegemony stems from its capacity to forge the famous 'red-green' alliance with the farmers; the comparative disadvantage of the Austrian socialists rests in the 'ghetto' status assigned to them by virtue of the rural classes being captured by a conservative coalition (Esping-Andersen and Korpi, 1984).

In summary, we have to think in terms of social relations, not just social categories. Whereas structural functionalist explanations identify convergent welfare-state outcomes, and class-mobilization paradigms see large, but linearly distributed, differences, an interactive model such as the coalition approach directs attention to distinct welfare-state regimes.

What is the Welfare State?

Every theoretical paradigm must somehow define the welfare state. How do we know when and if a welfare state responds functionally to the needs of industrialism, or to capitalist reproduction and legitimacy? And how do we identify a welfare state that corresponds to the demands that a mobilized working class might have? We cannot test contending arguments unless we have a commonly shared conception of the phenomenon to be explained.

A remarkable attribute of the entire literature is its lack of much genuine interest in the welfare state as such. Welfare-state studies have been motivated by theoretical concerns with other phenomena, such as power, industrialization, or capitalist contradictions; the welfare state itself has generally received scant conceptual attention. If welfare states differ, how do they differ? And when, indeed, is a state a welfare state? This turns attention straight back to the original question: what is the welfare state?

A common textbook definition is that it involves state responsibility

for securing some basic modicum of welfare for its citizens. Such a definition skirts the issue of whether social policies are emancipatory or not; whether they help system legitimation or not; whether they contradict or aid the market process; and what, indeed, is meant by 'basic'? Would it not be more appropriate to require of a welfare state that it satisfies more than our basic or minimal welfare needs?

The first generation of comparative studies started with this type of conceptualization. They assumed, without much reflection, that the level of social expenditure adequately reflects a state's commitment to welfare. The theoretical intent was not really to arrive at an understanding of the welfare state, but rather to test the validity of contending theoretical models in political economy. By scoring nations with respect to urbanization, level of economic growth, and the proportion of aged in the demographic structure, it was believed that the essential features of industrial modernization were properly considered. Alternatively, power-oriented theories compared nations on left-party strength or working-class power mobilization.

The findings of the first-generation comparativists are difficult to evaluate, since there is no convincing case for any particular theory. The shortage of nations for comparisons statistically restricts the number of variables that can be tested simultaneously. Thus, when Cutright (1965) or Wilensky (1975) find that economic level, with its demographic and bureaucratic correlates, explains most welfare-state variations in 'rich countries', relevant measures of working-class mobilization or economic openness are not included. Their conclusions in favor of a 'logic of industrialism' view are therefore in doubt. And, when Hewitt (1977), Stephens (1979), Korpi (1983), Myles (1984a), and Esping-Andersen (1985b) find strong evidence in favor of a working-class mobilization thesis, or when Schmidt (1982; 1983) finds support for a neo-corporatist, and Cameron (1978) for an economic openness argument, it is without fully testing against plausible alternative explanations.⁷

Most of these studies claim to explain the welfare state. Yet their focus on spending may be misleading. Expenditures are epiphenomenal to the theoretical substance of welfare states. Moreover, the linear scoring approach (more or less power, democracy, or spending) contradicts the sociological notion that power, democracy, or welfare are relational and structured phenomena. By scoring welfare states on spending, we assume that all spending counts equally. But some welfare states, the Austrian one, for example, spend a large share on benefits to privileged civil servants. This is normally not what we would consider a commitment to social citizenship and solidarity. Others spend disproportionately on means-tested social assistance. Few contemporary

analysts would agree that a reformed poor-relief tradition qualifies as a welfare-state commitment. Some nations spend enormous sums on fiscal welfare in the form of tax privileges to private insurance plans that mainly benefit the middle classes. But these tax expenditures do not show up on expenditure accounts. In Britain, total social expenditure has grown during the Thatcher period, yet this is almost exclusively a function of very high unemployment. Low expenditure on some programs may signify a welfare state more seriously committed to full employment.

Therborn (1983) is right when he holds that we must begin with a conception of state structure. What are the criteria with which we should judge whether, and when, a state is a welfare state? There are three approaches to this question. Therborn's proposal is to begin with the historical transformation of state activities. Minimally, in a genuine welfare state the majority of its daily routine activities must be devoted to servicing the welfare needs of households. This criterion has far-reaching consequences. If we simply measure routine activity in terms of spending and personnel, the result is that no state can be regarded as a real welfare state until the 1970s, and some that we normally label as welfare states will not qualify because the majority of their routine activities concern defence, law and order, administration, and the like (Therborn, 1983). Social scientists have been too quick to accept nations' self-proclaimed welfare-state status. They have also been too quick to conclude that if the standard social programs have been introduced, the welfare state has been born.

The second conceptual approach derives from Richard Titmuss's (1958) classical distinction between residual and institutional welfare states. In the former, the state assumes responsibility only when the family or the market fails; it seeks to limit its commitments to marginal and deserving social groups. The latter model addresses the entire population, is universalistic, and embodies an institutionalized commitment to welfare. It will, in principle, extend welfare commitments to all areas of distribution vital for societal welfare.

The Titmuss approach has fertilized a variety of new developments in comparative welfare-state research (Myles, 1984a; Korpi, 1980; Esping-Andersen and Korpi, 1984; 1986; Esping-Andersen, 1985b; 1987b). It is an approach that forces researchers to move from the black box of expenditures to the content of welfare states: targeted versus universalistic programs, the conditions of eligibility, the quality of benefits and services, and, perhaps most importantly, the extent to which employment and working life are encompassed in the state's extension of citizen rights. The shift to welfare-state typologies makes simple linear

welfare-state rankings difficult to sustain. Conceptually, we are comparing categorically different types of states.

The third approach is to theoretically select the criteria on which to judge types of welfare states. This can be done by measuring actual welfare states against some abstract model and then scoring programs, or entire welfare states, accordingly (Day 1978; Myles, 1984a). But this is ahistorical, and does not necessarily capture the ideals or designs that historical actors sought to realize in the struggles over the welfare state. If our aim is to test causal theories that involve actors, we should begin with the demands that were actually promoted by those actors that we deem critical in the history of welfare-state development. It is difficult to imagine that anyone struggled for spending *per se*.

A Re-Specification of the Welfare State

Few can disagree with T. H. Marshall's (1950) proposition that social citizenship constitutes the core idea of a welfare state. But the concept must be fleshed out. Above all, it must involve the granting of social rights. If social rights are given the legal and practical status of property rights, if they are inviolable, and if they are granted on the basis of citizenship rather than performance, they will entail a de-commodification of the status of individuals *vis-à-vis* the market. But the concept of social citizenship also involves social stratification: one's status as a citizen will compete with, or even replace, one's class position.

The welfare state cannot be understood just in terms of the rights it grants. We must also take into account how state activities are interlocked with the market's and the family's role in social provision. These are the three main principles that need to be fleshed out prior to any theoretical specification of the welfare state.

RIGHTS AND DE-COMMODIFICATION

In pre-capitalist societies, few workers were properly commodities in the sense that their survival was contingent upon the sale of their labor power. It is as markets become universal and hegemonic that the welfare of individuals comes to depend entirely on the cash nexus. Stripping society of the institutional layers that guaranteed social reproduction outside the labor contract meant that people were commodified. In turn, the introduction of modern social rights implies a loosening of the pure commodity status. De-commodification occurs

when a service is rendered as a matter of right, and when a person can maintain a livelihood without reliance on the market.

The mere presence of social assistance or insurance may not necessarily bring about significant de-commodification if they do not substantially emancipate individuals from market dependence. Means-tested poor relief will possibly offer a safety net of last resort. But if benefits are low and associated with social stigma, the relief system will compel all but the most desperate to participate in the market. This was precisely the intent of the nineteenth-century poor laws in most countries. Similarly, most of the early social-insurance programs were deliberately designed to maximize labor-market performance (Ogus, 1979).

There is no doubt that de-commodification has been a hugely contested issue in welfare state development. For labor, it has always been a priority. When workers are completely market-dependent, they are difficult to mobilize for solidaristic action. Since their resources mirror market inequalities, divisions emerge between the 'ins' and the 'outs', making labor-movement formation difficult. De-commodification strengthens the worker and weakens the absolute authority of the employer. It is for exactly this reason that employers have always opposed de-commodification.

De-commodified rights are differentially developed in contemporary welfare states. In social-assistance dominated welfare states, rights are not so much attached to work performance as to demonstrable need. Needs-tests and typically meager benefits, however, service to curtail the de-commodifying effect. Thus, in nations where this model is dominant (mainly in the Anglo-Saxon countries), the result is actually to strengthen the market since all but those who fail in the market will be encouraged to contract private-sector welfare.

A second dominant model espouses compulsory state social insurance with fairly strong entitlements. But again, this may not automatically secure substantial de-commodification, since this hinges very much on the fabric of eligibility and benefit rules. Germany was the pioneer of social insurance, but over most of the century can hardly be said to have brought about much in the way of de-commodification through its social programs. Benefits have depended almost entirely on contributions, and thus on work and employment. In other words, it is not the mere presence of a social right, but the corresponding rules and preconditions, which dictate the extent to which welfare programs offer genuine alternatives to market dependence.

The third dominant model of welfare, namely the Beveridge-type citizens' benefit, may, at first glance, appear the most de-commodifying.

It offers a basic, equal benefit to all, irrespective of prior earnings, contributions, or performance. It may indeed be a more solidaristic system, but not necessarily de-commodifying, since only rarely have such schemes been able to offer benefits of such a standard that they provide recipients with a genuine option to working.

De-commodifying welfare states are, in practice, of very recent date. A minimal definition must entail that citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary. With this definition in mind, we would, for example, require of a sickness insurance that individuals be guaranteed benefits equal to normal earnings, and the right to absence with minimal proof of medical impairment and for the duration that the individual deems necessary. These conditions, it is worth noting, are those usually enjoyed by academics, civil servants, and higher-echelon white-collar employees. Similar requirements would be made of pensions, maternity leave, parental leave, educational leave, and unemployment insurance.

Some nations have moved towards this level of de-commodification, but only recently, and, in many cases, with significant exemptions. In almost all nations, benefits were upgraded to nearly equal normal wages in the late 1960s and early 1970s. But in some countries, for example, prompt medical certification in case of illness is still required; in others, entitlements depend on long waiting periods of up to two weeks; and in still others, the duration of entitlements is very short. As we shall see in chapter 2, the Scandinavian welfare states tend to be the most de-commodifying; the Anglo-Saxon the least.

The Welfare State as a System of Stratification

Despite the emphasis given to it in both classical political economy and in T. H. Marshall's pioneering work, the relationship between citizenship and social class has been neglected both theoretically and empirically. Generally speaking, the issue has either been assumed away (it has been taken for granted that the welfare state creates a more egalitarian society), or it has been approached narrowly in terms of income distribution or in terms of whether education promotes upward social mobility. A more basic question, it seems, is what kind of stratification system is promoted by social policy. The welfare state is not just a mechanism that intervenes in, and possibly corrects, the structure of inequality; it is, in its own right, a system of stratification. It is an active force in the ordering of social relations.

Comparatively and historically, we can easily identify alternative systems of stratification embedded in welfare states. The poor-relief tradition, and its contemporary means-tested social-assistance offshoot, was conspicuously designed for purposes of stratification. By punishing and stigmatizing recipients, it promotes social dualisms and has therefore been a chief target of labor-movement attacks.

The social-insurance model promoted by conservative reformers such as Bismarck and von Taffe, was also explicitly a form of class politics. It sought, in fact, to achieve two simultaneous results in terms of stratification. The first was to consolidate divisions among wage-earners by legislating distinct programs for different class and status groups, each with its own conspicuously unique set of rights and privileges which was designed to accentuate the individual's appropriate station in life. The second objective was to tie the loyalties of the individual directly to the monarchy or the central state authority. This was Bismarck's motive when he promoted a direct state supplement to the pension benefit. This state-corporatist model was pursued mainly in nations such as Germany, Austria, Italy, and France, and often resulted in a labyrinth of status-specific insurance funds.

Of special importance in this corporatist tradition was the establishment of particularly privileged welfare provisions for the civil service (*Beamten*). In part, this was a means of rewarding loyalty to the state, and in part it was a way of demarcating this group's uniquely exalted social status. The corporatist status-differentiated model springs mainly from the old guild tradition. The neo-absolutist autocrats, such as Bismarck, saw in this tradition a means to combat the rising labor movements.

The labor movements were as hostile to the corporatist model as they were to poor relief – in both cases for obvious reasons. Yet the alternatives first espoused by labor were no less problematic from the point of view of uniting the workers as one solidaristic class. Almost invariably, the model that labor first pursued was that of self-organized friendly societies or equivalent union- or party-sponsored fraternal welfare plans. This is not surprising. Workers were obviously suspicious of reforms sponsored by a hostile state, and saw their own organizations not only as bases of class mobilization, but also as embryos of an alternative world of solidarity and justice; as a microcosm of the socialist haven to come. Nonetheless, these micro-socialist societies often became problematic class ghettos that divided rather than united workers. Membership was typically restricted to the strongest strata of the working class, and the weakest – who most needed protection – were

most likely excluded. In brief, the fraternal society model frustrated the goal of working-class mobilization.

The socialist 'ghetto approach' was an additional obstacle when socialist parties found themselves forming governments and having to pass the social reforms they had so long demanded. For political reasons of coalition-building and broader solidarity, their welfare model had to be recast as welfare for 'the people'. Hence, the socialists came to espouse the principle of universalism; borrowing from the liberals, their program was, typically, designed along the lines of the democratic flat-rate, general revenue-financed Beveridge model.

As an alternative to means-tested assistance and corporatist social insurance, the universalistic system promotes equality of status. All citizens are endowed with similar rights, irrespective of class or market position. In this sense, the system is meant to cultivate cross-class solidarity, a solidarity of the nation. But the solidarity of flat-rate universalism presumes a historically peculiar class structure, one in which the vast majority of the population are the 'little people' for whom a modest, albeit egalitarian, benefit may be considered adequate. Where this no longer obtains, as occurs with growing working-class prosperity and the rise of the new middle classes, flat-rate universalism inadvertently promotes dualism because the better-off turn to private insurance and to fringe-benefit bargaining to supplement modest equality with what they have decided are accustomed standards of welfare. Where this process unfolds (as in Canada or Great Britain), the result is that the wonderfully egalitarian spirit of universalism turns into a dualism similar to that of the social-assistance state: the poor rely on the state, and the remainder on the market.

It is not only the universalist but, in fact, all historical welfare-state models which have faced the dilemma of changes in class structure. But the response to prosperity and middle-class growth has been varied, and so, therefore, has been the outcome in terms of stratification. The corporatist insurance tradition was, in a sense, best equipped to manage new and loftier welfare-state expectations since the existing system could technically be upgraded quite easily to distribute more adequate benefits. Adenauer's 1957 pension-reform in Germany was a pioneer in this respect. Its avowed purpose was to restore status differences that had been eroded because of the old insurance system's incapacity to provide benefits tailored to expectations. This it did simply by moving from contribution- to earnings-graduated benefits without altering the framework of status-distinctiveness.

In nations with either a social-assistance or a universalistic Beveridge-

type system, the option was whether to allow the market or the state to furnish adequacy and satisfy middle-class aspirations. Two alternative models emerged from this political choice. The one typical of Great Britain and most of the Anglo-Saxon world was to preserve an essentially modest universalism in the state, and allow the market to reign for the growing social strata demanding superior welfare. Due to the political power of such groups, the dualism that emerges is not merely one between state and market, but also between forms of welfare-state transfers: in these nations, one of the fastest growing components of public expenditure is tax subsidies for so-called 'private' welfare plans. And the typical political effect is the erosion of middle-class support for what is less and less a universalistic public-sector transfer system.

Yet another alternative has been to seek a synthesis of universalism and adequacy outside of the market. This road has been followed in countries where, by mandating or legislation, the state incorporates the new middle classes within a luxurious second-tier, universally inclusive, earnings-related insurance scheme on top of the flat-rate egalitarian one. Notable examples are Sweden and Norway. By guaranteeing benefits tailored to expectations, this solution reintroduces benefit inequalities, but effectively blocks off the market. It thus succeeds in retaining universalism and also, therefore, the degree of political consensus required to preserve broad and solidaristic support for the high taxes that such a welfare-state model demands.

Welfare-State Regimes

As we survey international variations in social rights and welfare-state stratification, we will find qualitatively different arrangements between state, market, and the family. The welfare-state variations we find are therefore not linearly distributed, but clustered by regime-types.

In one cluster we find the 'liberal' welfare state, in which means-tested assistance, modest universal transfers, or modest social-insurance plans predominate. Benefits cater mainly to a clientele of low-income, usually working-class, state dependents. In this model, the progress of social reform has been severely circumscribed by traditional, liberal work-ethic norms: it is one where the limits of welfare equal the marginal propensity to opt for welfare instead of work. Entitlement rules are therefore strict and often associated with stigma; benefits are typically modest. In turn, the state encourages the market, either

passively – by guaranteeing only a minimum – or actively – by subsidizing private welfare schemes.

The consequence is that this type of regime minimizes de-commodification-effects, effectively contains the realm of social rights, and erects an order of stratification that is a blend of a relative equality of poverty among state-welfare recipients, market-differentiated welfare among the majorities, and a class-political dualism between the two. The archetypical examples of this model are the United States, Canada and Australia.

A second regime-type clusters nations such as Austria, France, Germany, and Italy. Here, the historical corporatist-statist legacy was upgraded to cater to the new 'post-industrial' class structure. In these conservative and strongly 'corporatist' welfare states, the liberal obsession with market efficiency and commodification was never preeminent and, as such, the granting of social rights was hardly ever a seriously contested issue. What predominated was the preservation of status differentials; rights, therefore, were attached to class and status. This corporatism was subsumed under a state edifice perfectly ready to displace the market as a provider of welfare; hence, private insurance and occupational fringe benefits play a truly marginal role. On the other hand, the state's emphasis on upholding status differences means that its redistributive impact is negligible.

But the corporatist regimes are also typically shaped by the Church, and hence strongly committed to the preservation of traditional familyhood. Social insurance typically excludes non-working wives, and family benefits encourage motherhood. Day care, and similar family services, are conspicuously underdeveloped; the principle of 'subsidiarity' serves to emphasize that the state will only interfere when the family's capacity to service its members is exhausted.

The third, and clearly smallest, regime-cluster is composed of those countries in which the principles of universalism and de-commodification of social rights were extended also to the new middle classes. We may call it the 'social democratic' regime-type since, in these nations, social democracy was clearly the dominant force behind social reform. Rather than tolerate a dualism between state and market, between working class and middle class, the social democrats pursued a welfare state that would promote an equality of the highest standards, not an equality of minimal needs as was pursued elsewhere. This implied, first, that services and benefits be upgraded to levels commensurate with even the most discriminating tastes of the new middle classes; and, second, that equality be furnished by guaranteeing workers full participation in the quality of rights enjoyed by the better-off.

This formula translates into a mix of highly de-commodifying and universalistic programs that, nonetheless, are tailored to differentiated expectations. Thus, manual workers come to enjoy rights identical to those of salaried white-collar employees or civil servants; all strata are incorporated under one universal insurance system, yet benefits are graduated according to accustomed earnings. This model crowds out the market, and consequently constructs an essentially universal solidarity in favor of the welfare state. All benefit; all are dependent; and all will presumably feel obliged to pay.

The social democratic regime's policy of emancipation addresses both the market and the traditional family. In contrast to the corporatist-subsidiarity model, the principle is not to wait until the family's capacity to aid is exhausted, but to preemptively socialize the costs of familyhood. The ideal is not to maximize dependence on the family, but capacities for individual independence. In this sense, the model is a peculiar fusion of liberalism and socialism. The result is a welfare state that grants transfers directly to children, and takes direct responsibility of caring for children, the aged, and the helpless. It is, accordingly, committed to a heavy social-service burden, not only to service family needs but also to allow women to choose work rather than the household.

Perhaps the most salient characteristic of the social democratic regime is its fusion of welfare and work. It is at once genuinely committed to a full-employment guarantee, and entirely dependent on its attainment. On the one side, the right to work has equal status to the right of income protection. On the other side, the enormous costs of maintaining a solidaristic, universalistic, and de-commodifying welfare system means that it must minimize social problems and maximize revenue income. This is obviously best done with most people working, and the fewest possible living off of social transfers.

Neither of the two alternative regime-types espouse full employment as an integral part of their welfare-state commitment. In the conservative tradition, of course, women are discouraged from working; in the liberal ideal, concerns of gender matter less than the sanctity of the market.

In the chapters to follow, we show that welfare states cluster, but we must recognize that there is no single pure case. The Scandinavian countries may be predominantly social democratic, but they are not free of crucial liberal elements. Neither are the liberal regimes pure types. The American social-security system is redistributive, compulsory, and far from actuarial. At least in its early formulation, the New Deal was as social democratic as was contemporary Scandinavian social democracy.

And European conservative regimes have incorporated both liberal and social democratic impulses. Over the decades, they have become less corporatist and less authoritarian.

Notwithstanding the lack of purity, if our essential criteria for defining welfare states have to do with the quality of social rights, social stratification, and the relationship between state, market, and family, the world is obviously composed of distinct regime-clusters. Comparing welfare states on scales of more or less or, indeed, of better or worse, will yield highly misleading results.

The Causes of Welfare-State Regimes

If welfare states cluster into three distinct regime-types, we face a substantially more complex task of identifying the causes of welfare-state differences. What is the explanatory power of industrialization, economic growth, capitalism, or working-class political power in accounting for regime-types? A first superficial answer would be: very little. The nations we study are all more or less similar with regard to all but the variable of working-class mobilization. And we find very powerful labor movements and parties in each of the three clusters.

A theory of welfare-state developments must clearly reconsider its causal assumptions if it wishes to explain clusters. The hope of finding one single powerful causal force must be abandoned; the task is to identify salient interaction-effects. Based on the preceding arguments, three factors in particular should be of importance: the nature of class mobilization (especially of the working class); class-political coalition structures; and the historical legacy of regime institutionalization.

As we have noted, there is absolutely no compelling reason to believe that workers will automatically and naturally forge a socialist class identity; nor is it plausible that their mobilization will look especially Swedish. The actual historical formation of working-class collectivities will diverge, and so also will their aims, ideology, and political capacities. Fundamental differences appear both in trade-unionism and party development. Unions may be sectional or in pursuit of more universal objectives; they may be denominational or secular; and they may be ideological or devoted to business-unionism. Whichever they are, it will decisively affect the articulation of political demands, class cohesion, and the scope for labor-party action. It is clear that a working-class mobilization thesis must pay attention to union structure.

The structure of trade-unionism may or may not be reflected in labor-party formation. But under what conditions are we likely to

expect certain welfare-state outcomes from specific party configurations? There are many factors that conspire to make it virtually impossible to assume that any labor, or left-wing, party will ever be capable, single-handedly, of structuring a welfare state. Denominational or other divisions aside, it will be only under extraordinary historical circumstances that a labor party alone will command a parliamentary majority long enough to impose its will. We have noted that the traditional working class has hardly ever constituted an electoral majority. It follows that a theory of class mobilization must look beyond the major leftist parties. It is a historical fact that welfare-state construction has depended on political coalition-building. The structure of class coalitions is much more decisive than are the power resources of any single class.

The emergence of alternative class coalitions is, in part, determined by class formation. In the earlier phases of industrialization, the rural classes usually constituted the largest single group in the electorate. If social democrats wanted political majorities, it was here that they were forced to look for allies. One of history's many paradoxes is that the rural classes were decisive for the future of socialism. Where the rural economy was dominated by small, capital-intensive family farmers, the potential for an alliance was greater than where it rested on large pools of cheap labor. And where farmers were politically articulate and well-organized (as in Scandinavia), the capacity to negotiate political deals was vastly superior.

The role of the farmers in coalition formation and hence in welfare-state development is clear. In the Nordic countries, the necessary conditions obtained for a broad red-green alliance for a full-employment welfare state in return for farm-price subsidies. This was especially true in Norway and Sweden, where farming was highly precarious and dependent on state aid. In the United States, the New Deal was premised on a similar coalition (forged by the Democratic Party), but with the important difference that the labor-intensive South blocked a truly universalistic social security system and opposed further welfare-state developments. In contrast, the rural economy of continental Europe was very inhospitable to red-green coalitions. Often, as in Germany and Italy, much of agriculture was labor-intensive; hence the unions and left-wing parties were seen as a threat. In addition, the conservative forces on the continent had succeeded in incorporating farmers into 'reactionary' alliances, helping to consolidate the political isolation of labor.

Political dominance was, until after World War II, largely a question of rural class politics. The construction of welfare states in this period

was, therefore, dictated by whichever force captured the farmers. The absence of a red-green alliance does not necessarily imply that no welfare-state reforms were possible. On the contrary, it implies which political force came to dominate their design. Great Britain is an exception to this general rule, because the political significance of the rural classes eroded before the turn of the century. In this way, Britain's coalition-logic showed at an early date the dilemma that faced most other nations later; namely, that the rising white-collar strata constitute the linchpin for political majorities. The consolidation of welfare states after World War II came to depend fundamentally on the political alliances of the new middle classes. For social democracy, the challenge was to synthesize working-class and white-collar demands without sacrificing the commitment to solidarity.

Since the new middle classes have, historically, enjoyed a relatively privileged position in the market, they have also been quite successful in meeting their welfare demands outside the state, or, as civil servants, by privileged state welfare. Their employment security has traditionally been such that full employment has been a peripheral concern. Finally, any program for drastic income-equalization is likely to be met with great hostility among a middle-class clientele. On these grounds, it would appear that the rise of the new middle classes would abort the social democratic project and strengthen a liberal welfare-state formula.

The political leanings of the new middle classes have, indeed, been decisive for welfare-state consolidation. Their role in shaping the three welfare-state regimes described earlier is clear. The Scandinavian model relied almost entirely on social democracy's capacity to incorporate them into a new kind of welfare state: one that provided benefits tailored to the tastes and expectations of the middle classes, but nonetheless retained universalism of rights. Indeed, by expanding social services and public employment, the welfare state participated directly in manufacturing a middle class instrumentally devoted to social democracy.

In contrast, the Anglo-Saxon nations retained the residual welfare-state model precisely because the new middle classes were not wooed from the market to the state. In class terms, the consequence is dualism. The welfare state caters essentially to the working class and the poor. Private insurance and occupational fringe benefits cater to the middle classes. Given the electoral importance of the latter, it is quite logical that further extensions of welfare-state activities are resisted.

The third, continental European, welfare-state regime has also been patterned by the new middle classes, but in a different way. The cause is historical. Developed by conservative political forces, these regimes

institutionalized a middle-class loyalty to the preservation of both occupationally segregated social-insurance programs and, ultimately, to the political forces that brought them into being. Adenauer's great pension-reform in 1957 was explicitly designed to resurrect middle-class loyalties.

Conclusion

We have here presented an alternative to a simple class-mobilization theory of welfare-state development. It is motivated by the analytical necessity of shifting from a linear to an interactive approach with regard to both welfare states and their causes. If we wish to study welfare states, we must begin with a set of criteria that define their role in society. This role is certainly not to spend or tax; nor is it necessarily that of creating equality. We have presented a framework for comparing welfare states that takes into consideration the principles for which the historical actors have willingly united and struggled. When we focus on the principles embedded in welfare states, we discover distinct regime-clusters, not merely variations of 'more' or 'less' around a common denominator.

The historical forces behind the regime differences are interactive. They involve, first, the pattern of working-class political formation and, second, political coalition-building in the transition from a rural economy to a middle-class society. The question of political coalition-formation is decisive. Third, past reforms have contributed decisively to the institutionalization of class preferences and political behavior. In the corporatist regimes, hierarchical status-distinctive social insurance cemented middle-class loyalty to a peculiar type of welfare state. In liberal regimes, the middle classes became institutionally wedded to the market. And in Scandinavia, the fortunes of social democracy over the past decades were closely tied to the establishment of a middle-class welfare state that benefits both its traditional working-class clientele and the new white-collar strata. The Scandinavian social democrats were able to achieve this in part because the private welfare market was relatively undeveloped and in part because they were capable of building a welfare state with features of sufficient luxury to satisfy the wants of a more discriminating public. This also explains the extraordinarily high cost of Scandinavian welfare states.

But a theory that seeks to explain welfare-state growth should also be able to understand its retrenchment or decline. It is generally believed that welfare-state backlash movements, tax revolts, and roll-backs are

ignited when social expenditure burdens become too heavy. Paradoxically, the opposite is true. Anti-welfare-state sentiments over the past decade have generally been weakest where welfare spending has been heaviest, and vice versa. Why?

The risks of welfare-state backlash depend not on spending, but on the class character of welfare states. Middle-class welfare states, be they social democratic (as in Scandinavia) or corporatist (as in Germany), forge middle-class loyalties. In contrast, the liberal, residualist welfare states found in the United States, Canada and, increasingly, Britain, depend on the loyalties of a numerically weak, and often politically residual, social stratum. In this sense, the class coalitions in which the three welfare-state regime-types were founded, explain not only their past evolution but also their future prospects.

Notes

- 1 Adam Smith is often cited but rarely read. A closer inspection of his writings reveals a degree of nuance and a battery of reservations that substantially qualify a delirious enthusiasm for the blessings of capitalism.
- 2 In *The Wealth of Nations* (1961, II, p. 236), Smith comments on states that uphold the privilege and security of the propertied as follows: 'civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all.'
- 3 This tradition is virtually unknown to Anglo-Saxon readers since so little has been translated into English. A key text which greatly influenced public debate and later social legislation was Adolph Wagner's *Rede Ueber die Soziale Frage* (1872). For an English language overview of this tradition of political economy, see Schumpeter (1954), and especially Bower (1947).
From the Catholic tradition, the fundamental texts are the two Papal Encyclicals, *Rerum Novarum* (1891) and *Quadregesimo Anno* (1931). The social Catholic political economy's main advocacy is a social organization where a strong family is integrated in cross-class corporations, aided by the state in terms of the subsidiarity principle. For a recent discussion, see Richter (1987).
- 4 Like the liberals, the conservative political economists also have their contemporary echoes, although substantially fewer in number. A revival occurred with Fascism's concept of the corporative (*Ständische*) state of Ottmar Spann in Germany. The subsidiarity principle still guides much of German Christian Democratic politics (see Richter, 1987).
- 4 Chief proponents of this analysis are the German 'state derivation' school (Muller and Neuss, 1973); Offe (1972); O'Connor (1973); Gough (1979); and also the work of Poulantzas (1973). As Skocpol and Amenta (1986) note

in their excellent overview, the approach is far from one-dimensional. Thus, Offe, O'Connor and Gough identify the function of social reforms as also being concessions to mass demands and as potentially contradictory.

Historically, socialist opposition to parliamentary reforms was motivated less by theory than by reality. August Bebel, the great leader of German social democracy, rejected Bismarck's pioneering social legislation not because he did not favor social protection, but because of the blatantly anti-socialist and divisionary motives behind Bismarck's reforms.

- 5 This realization came from two types of experiences. One, typified by Swedish socialism in the 1920s, was the discovery that not even the working-class base showed much enthusiasm for socialization. In fact, when the Swedish socialists established a special commission to prepare plans for socialization, it concluded after ten years of exploration that it would be quite impossible to undertake practically. A second kind of experience, typified by the Norwegian socialists and Blum's Popular Front government in 1936, was the discovery that radical proposals could easily be sabotaged by the capitalists' capacity to withhold investments and export their capital abroad.
- 6 This is obviously not a problem for the parliamentary class hypothesis alone; structural Marxism faces the same problem of specifying the class character of the new middle classes. If such a specification fails to demonstrate that it constitutes a new working class, both varieties of Marxist theory face severe (although not identical) problems.
- 7 This literature has been reviewed in great detail by a number of authors. See, for example, Wilensky et al. (1985). For excellent and more critical evaluations, see Uusitalo (1984), Shalev (1983), and Skocpol and Amenta (1986).

2

De-Commodification in Social Policy

The mainsprings of modern social policy lie in the process by which both human needs and labor power became commodities and, hence, our well-being came to depend on our relation to the cash nexus. This is not to say that social policy was unknown prior to the onslaught of modern capitalism, only that its nature and organization became transformed. Traditional social welfare spoke to a world that was only very imperfectly commodified. Thus, in the Middle Ages it was not the labor contract, but the family, the church, or the lord that decided a person's capacity for survival.

The blossoming of capitalism came with the withering away of 'pre-commodified' social protection. When the satisfaction of human wants came to imply the purchase of commodities, the issue of purchasing-power and income distribution became salient. When, however, labor power also became a commodity, peoples' rights to survive outside the market are at stake. It is this which constitutes the single most conflictual issue in social policy. The problem of commodification lay at the heart of Marx's analysis of class development in the accumulation process: the transformation of independent producers into propertyless wage-earners. The commodification of labor power implied, for Marx, alienation.

Labor's commodity form has been a central concern of modern philosophy, ideology, and social theory. The classical laissez-faire liberals opposed alternatives to the pure cash-nexus because they would disturb and even thwart the sacred equilibrium of supply and demand. They held, like their contemporary followers, that a minimum social

wage would not eradicate poverty but, indeed, actively contribute to its perpetuation. Marxism, in turn, was always ambivalent, in some cases arguing that genuine human welfare could only occur with the complete abolition of wage labor, in other cases believing that social amelioration would bring about decisive change. The latter view was not merely an invention of reformist social democrats, but was voiced in the *Communist Manifesto* and in Marx's analyses of the English Factory Acts. T. H. Marshall's (1950) view was that the rights of social citizenship essentially resolved the problem of commodification and that they therefore helped erode the salience of class. Finally, traditional conservatism opposed outright the principle of commodifying humanity because it would jeopardize authority and social integration; conservatives feared that it would lend a fatal blow to the perpetuation of the old order.

In *The Great Transformation*, Polanyi (1944) identifies a fundamental contradiction in laissez-faire capitalism's drive to commodify labor power completely. While the system itself can only evolve by commodifying labor, by doing so it also sows the seeds of its own self-destruction: if labor power is nothing more than a commodity, it will likely destruct.

With reference to Britain, Polanyi held that the pre-industrial Speenhamland system of income security prohibited the transformation of labor power into a pure commodity. Since the system guaranteed a *de facto* social wage, it alleviated the kind of dire need that would have forced the landless workers to move to the new mill towns. Hence, until replaced by the new Poor Laws in 1834, Speenhamland was a fetter on British capitalism.

They may not have appeared as such, but the new Poor Laws were an active social policy designed to make wage employment and the cash nexus the linchpin of a person's very existence. Welfare, if not survival, came to depend on the willingness of someone to hire one's labor power. We might say that Speenhamland espoused principles of pre-commodification since it adhered to traditional guarantees of feudal society. The Poor Laws of laissez-faire appear at first as an extreme case of government passivity. Yet behind this facade we must recognize the heavy hand of an active social policy designed to establish market hegemony in the distribution of welfare. With no recourse to property, and no state to which human needs can be directed, the market becomes to the worker a prison within which it is imperative to behave as a commodity in order to survive.

The commodification of both wants and people may strengthen the engine of capitalist accumulation, but it weakens the individual worker. Within the market the liberal dogma of freedom appears justified: the

worker can freely choose between alternative utilities, jobs, employers, and leisure trade-offs. But Marx and Polanyi and, more recently, Lindblom (1977) are correct in arguing that it is a freedom behind prison walls, and hence fictitious. Workers are not commodities like others because they must survive and reproduce both themselves and the society they live in. It is possible to withhold washing-machines from the market until the price is agreeable; but labor is unable to withhold itself for long without recourse to alternative means of subsistence.

The politics of commodifying workers was bound to breed its opposite. As commodities, people are captive to powers beyond their control; the commodity is easily destroyed by even minor social contingencies, such as illness, and by macro-events, such as the business cycle. If workers actually do behave as discrete commodities, they will by definition compete; and the fiercer the competition, the cheaper the price. As commodities, workers are replacable, easily redundant, and atomized. De-commodification is therefore a process with multiple roots. It is, as Polanyi argued, necessary for system survival. It is also a precondition for a tolerable level of individual welfare and security. Finally, without de-commodification, workers are incapable of collective action; it is, accordingly, the alpha and omega of the unity and solidarity required for labor-movement development.

The variability of welfare-state evolution reflects competing responses to pressures for de-commodification. To understand the concept, de-commodification should not be confused with the complete eradication of labor as a commodity; it is not an issue of all or nothing. Rather, the concept refers to the degree to which individuals, or families, can uphold a socially acceptable standard of living independently of market participation. In the history of social policy, conflicts have mainly revolved around what degree of market immunity would be permissible; i.e. the strength, scope, and quality of social rights. When work approaches free choice rather than necessity, de-commodification may amount to de-proletarianization.

It was the commodity status of labor that lay at the heart of the nineteenth-century debates and conflicts over the 'social question' or, as it was most commonly termed in Germany, the *Arbeiterfrage*. It is, of course, unlikely that the pure commodity-status of the worker ever really existed. Even at the apex of laissez-faire, pre-capitalist residues of communalism persisted, and novel mechanisms of protection emerged. For analytical purposes, however, it is fruitful to treat the pure case of laissez-faire as an ideal type from which we can more clearly identify the main deviations. Since, in the nineteenth century, traditional conservatism, by upholding pre-capitalist norms, constituted the single major

force against commodification, and since this significantly influenced social-policy development, we should properly begin our treatment with the legacy of 'pre-commodification'.

Pre-Commodification and the Legacy of Conservatism

We should not confuse pre-capitalist society with the absence of the commodity form. Feudal agriculture typically produced cash crops, and the medieval towns were heavily engaged in the production and exchange of commodities. The manorial or absolutist economy required taxation which, in turn, required the sale of commodities. It was the commodity form of labor which was undeveloped.

It was certainly not the case that the pre-capitalist producers, peasants, serfs, or journeymen could count on a lot of welfare irrespective of their work performance. One could not make many claims to subsistence independently of one's labors. Yet, the commodity form was absent in the sense that the majority of people were not dependent entirely on wage-type income for their survival. Households often remained fairly self-sufficient; feudal servitude also assumed a degree of reciprocity and paternal aid on the part of the lord; the urban producer was generally a compulsory member of a guild or fraternal association; and the destitute could normally approach the Church. Thus, in contrast to the naked commodity-logic of capitalism, the majority could count on prevailing norms and communal organizations for subsistence. And, in comparison to *laissez-faire* poor relief, 'pre-capitalist' social aid was generous and benign.

A hallmark of conservative ideology is its view that the commodification of individuals is morally degrading, socially corrupting, atomizing, and anomic. Individuals are not meant to compete or struggle, but to subordinate self-interest to recognized authority and prevailing institutions. How, in practice, has conservatism addressed the problem of commodification? We can distinguish several models: the first is largely feudal; the second, corporatist; and the third is etatist.

Feudal ideals are strongly antagonistic to the commodity status; markets do not matter and wage labor is only marginally important for human well-being. A (true) story illustrates the logic well: a typical American corporation (textiles) decided in the 1970s to start production in Haiti, attracted by the prospects of extraordinarily low wage-costs. Upon completion of the plant, the firm's managers, all Americans, decided to lure the island's best workers by offering a marginally higher wage. Of course, on the opening day, the unemployed came by the

thousands to offer their services, and management had no difficulty in selecting a choice workforce. Yet, after only a few months, the plant was closed down. Why? The reason was simply that American management had failed to reckon with feudal welfare arrangements which provide that when a worker's mother's house burnt down, it was the boss's (in Haiti, workers call him Papa) obligation to repair it, or when a child needed medical attention or a brother was getting married, again it was Papa's obligation to help. Obviously, the Americans assumed wrongly when they accepted the market wage as the real wage. Where workers are genuinely commodified, the manager is no Papa.

We should not dismiss the feudal paternalism of Haiti as a relic of our own distant past. Patronage and clientelism are modern versions of the same phenomenon, and have been extraordinarily influential in taming the brutal world of commodification. In the United States, the urban machine became the mechanism through which ethnic immigrants could integrate wage-work and welfare; in Italy, Christian Democracy's post-war power owes much to its welfare-clientelism, especially in the distribution of jobs and invalid pensions. Even more relevant are the early employer occupational fringe-benefit schemes that emerged in Europe and the United States. They were typically discretionary and awarded benefits to especially favored employees. In the United States, the American Express Company (then a shipping firm) was the forerunner, but this style of paternal, clientelistic largesse remained a typical feature of private corporations well into the post-war era (Weaver, 1982).

Corporate societies are a second variant of pre-capitalist and pre-commodified arrangements. They emerged in the towns among artisans and craftsmen as a means to close ranks and monopolize entry, membership, prices, and production. The guilds and fraternal associations also integrated pay and social welfare, taking care of disabled members, widows, and orphans. Their members were not commodities, and not in the market, but were defined by their corporate status. Significantly, the guilds merged masters and journeymen, and accepted rank and hierarchy but not class. When the guilds were abolished, they were often transformed into mutual societies. In Germany, the mutual societies and the subsequent social-insurance laws were endowed with much of the old feudal spirit, as was seen in their ideas of compulsory membership for certain groups, and in the principle of corporative self-administration (Neumann and Schapter, 1982).

The corporate model was one of the early and most prevalent responses to commodification. It clearly penetrated the infant working-class friendly societies, offering a closed world of services and protection

for members; not surprisingly, the friendly societies predominantly addressed privileged craft-workers.

But the corporate model was mainly favored by the conservative ruling circles in continental Europe. They perceived it as a way to uphold traditional society in the unfolding capitalist economy; as a means to integrate the individual into an organic entity, protected from the individualization and competitiveness of the market, and removed from the logic of class opposition. Corporatist welfare became the dogma of the Catholic Church and was actively espoused in the two major Papal Encyclicals on the social question: *Rerum Novarum* (1891) and *Quadregesimo Anno* (1931) (Messner, 1964). The corporatist element was especially strong in the latter, and was in line with current Fascist ideology. In Germany, as in Italy, Fascism was not particularly keen on nurturing a workforce of atomized commodities, but wanted to reinstall the principle of moral desert. Thus, its social policy was positively in favor of granting an array of social rights. These rights, nonetheless, were conditional upon appropriate loyalty and morality; they were seen as part and parcel of the new Fascist man (Rimlinger, 1987; Guillebaud, 1941; Preusser, 1982).

The readiness of conservatism to grant social rights, albeit conditional upon morals, loyalties, or convention, is also evident in the etatist tradition, historically perhaps best exemplified in the regimes of Germany under Bismarck, and von Taaffe's Austria. As in the case of corporativism, the ulterior motives were social integration, the preservation of authority, and the battle against socialism. It was also motivated by an equally strong opposition to individualism and liberalism. Intellectually guided by conservative academicians such as Gustav Schmoller and Adolph Wagner, and the Catholic teachings, such as Bishop Ketteler's, there emerged the principle of 'monarchical socialism', an absolutist model of paternal-authoritarian obligation for the welfare of its subjects.

Etatist conservatism saw in social rights the solution to the 'social question'. When Bismarck and von Taaffe pioneered modern social insurance, they were in fact following the lead of Napoleon III in France. But Bismarck wanted to go further, and even contemplated legislating the right (or obligation, if you wish) to employment as part and parcel of his larger vision of *Soldaten der Arbeit*: workers as soldiers in an economy functioning like the army (Preller, 1949; 1970; Briggs, 1961). In the 1930s, the Nazis actually began implementing Bismarck's old notion of militarized labor, through work conscription, a policy against women's employment, and compulsory membership in Robert Ley's hyper-corporatist Labor Front (Rimlinger, 1987). In conserva-

tive social policy, the boundary between duties and rights is often very blurred.

Our lengthy excursion into the conservative foundations of social rights was necessary because they are, indeed, the historical origins of modern social policy. In almost every country, be it in Scandinavia, Britain, or on the European continent, it was the conservative tradition that gave rise to the first systematic and deliberate attacks on the commodification of labor. The reasons are not especially difficult to discern. First, these conservative forces feared, quite correctly, that the onward march of liberalism, democracy, and capitalism would destroy the institutions upon which their power and privileges were based. Labor as a commodity clearly would tear asunder feudal and absolutist systems of labor control.

Second, the pre-commodified status of workers was a model that was already available and typically also present in the heyday of laissez-faire; it was a response that came naturally, and which could claim considerable legitimacy. The guilds may have been abolished, but lingered on as mutual benefit societies; the capitalist company (as well as the state) offered a menu of social benefits outside of the work contract; and paternalism was not something that seemed especially contradictory to the entrepreneurial spirit. As Schumpeter (1970) argued so eloquently, the capitalist order worked because it was ruled and organized by the protective strata of an earlier era. The social policy of 'pre-commodification' was, so to speak, one of the 'flying buttresses that prevented capitalism's collapse' (Schumpeter, 1970, p. 139). It was also one of the cornerstones of what we today consider the modern welfare state.

The Liberal Response to the Dilemmas of Commodification

The pure and undiluted labor commodity that we associate with laissez-faire probably never existed in real life. Neither did it, in fact, in any serious theory of laissez-faire. Theorists like Adam Smith or Nassau Senior were not advocating a political economy in which the state withholds any form of social protection. But this does not imply that the problem is reduced to a historical phantom. Some labor markets do resemble the pure case, as is illustrated by the street-corner labor auctions that take place in Texas. And in respectable theory, the state was meant to be absolutely minimalist, to be called upon only in situations of genuine human crisis.

It was among the laissez-faire popularizers, such as Smiley or

Martineau, that the pure commodity-form was sanctified. From a welfare perspective, their argument was a double one. First, they held that a guaranteed social minimum would cause poverty and unemployment, not eradicate it – an argument that has found new life in recent neo-liberalism. Second, to them, social protection caused moral corruption, thriftlessness, idleness, and drunkenness. The morals of liberalism and conservatism were clearly at odds.

The general assumption in liberalism is that the market is emancipatory, the best possible shell for self-reliance and industriousness. If not interfered with, its self-regulatory mechanisms will ensure that all who want to work will be employed, and thus be able to secure their own welfare. Private life may be wrought with insecurity, danger, and pitfalls; and poverty or helplessness is in principle not unlikely to occur. Yet, this is not a fault of the system, but solely a consequence of an individual's lack of foresight and thrift.

This raw model of the liberal 'good society' contains a number of obvious and well-known weaknesses. It assumes that all individuals are indeed capable of market participation, something which of course they are not. The old, the infirm, the blind, and the crippled are forced into family dependency which, in turn, constrains the family's capacity to supply its labor in the market. Saving for future social catastrophies may not be possible when wages approximate the minimum for survival. And almost no individual can safeguard himself against a prolonged crisis.

In all such cases, the liberal dogma is forced to seek recourse in pre-capitalist institutions of social aid, such as the family, the church, and the community. And in doing so, it contradicts itself, because these institutions cannot play the game of the market if they are saddled with social responsibilities.

Liberalism recognized in the principle of public good a rationale for social intervention. Merchant ships would run aground without lighthouses, and the population similarly would die out without public sanitation. It was mainly in the force of circumstance that liberalism came to accept the must of social rights. As the British discovered in the Boer War, an empire is difficult to sustain without an army of healthy and educated soldiers. Likewise, the performance of a poverty-stricken and destitute English working class seemed to compare unfavorably on efficiency terms with the industrial parvenues, such as Germany. How, then, did liberalism come to terms with the dilemmas of labor commodification?

Liberalism found two acceptable answers. One was to transfer a modified version of the 'less eligibility' principle from the old poor laws into a framework of means-tested social assistance. In this way, the

extension of unconditional social rights was avoided, and government largesse was limited to the certifiably needy and would not induce workers to choose welfare instead of work. A means-tested assistance system is, in a sense, a way of ensuring that non-market income is reserved for those who are unable to participate in the market anyhow. Titmuss's (1974) concept of the residual, or marginal, welfare state tries to capture exactly this property of the liberal paradigm; namely, that public obligation enters only where the market fails: the commodity-logic is supreme.

The social-assistance model mainly found its way into the more liberally dominated Anglo-Saxon and early Scandinavian social policies. Well into this century, and sometimes even after World War II, it was often strictly conditional upon proper 'commodified' (and sometimes also moral) behavior. In Denmark, for example, the means-tested assistance pension was denied persons who had failed to repay to the state previously received poor relief. In New Zealand, social assistance has been refused to persons of 'amoral' marital conduct, i.e. divorce.

It is the same philosophy which informs the second approach. Even the purest form of liberalism never objected to charity or insurance *per se*. What matters is that charity, or any kind of insurance, be based on voluntarism and that, moreover, insurance arrangements be soundly contractual and actuarial. Since there is no such thing as a free lunch, rights and benefits must reflect contributions. Once liberalism came to accept the principle of unionism, it was also perfectly capable of extending the idea of individual insurance to collectively bargained social benefits. Indeed, the latter came to inspire the whole ideology of welfare capitalism that so enthused American liberalism between the wars (Brandes, 1976). The idea here was that the United States could be spared the 'socialistic' flavor of state social insurance by encouraging company-based welfare schemes.

Liberalism's preference is obviously for privately organized insurance in the market. But, as Ogus (1979) has noted, the idea of public social insurance was not as difficult to reconcile with the commodity-logic of labor as purist ideology assumed. Social insurance, like its private-sector kin, pegs entitlements and benefits to employment, work performance, and contributions. It should therefore strengthen the work incentive and productivity. If built on an actuarial basis, it also retains the pure exchange nexus of welfare. And, as Graebner (1980) has argued, old-age pensions even came to be regarded by the business community as a means to make the labor market more flexible: with pensions, employers could – at others' expense – rid themselves more easily of the older, less efficient workers. Even the idea of compulsory social

insurance could be accommodated to liberal dogma. For, if some groups were to be covered and others not, the result would be unfair competition. It was clearly this, and not ideals of social solidarity, which motivated a universally compulsory unemployment insurance in the United States. The tendency in liberalism to favor universal solutions once social insurance becomes inescapable is therefore not an accident.

In summary, liberalism's accommodation of social protection is in practice much more elastic than is normally thought, precisely because under certain conditions it promises to actually strengthen the commodity status of labor without adverse social effects.

De-Commodification as the Politics of Socialism

Socialism, whether as a theory, an ideology, or a political strategy, emerged very much in response to capitalism's commodification of labor power. To socialism the commodification of labor is an integral element in the process of alienation and class; it is the condition under which workers abandon control over their work in return for wages; the condition under which their dependence on the market is affirmed, and, therefore, also a key source of employer control. It is, moreover, a cause of class division and an obstacle to collective unity. Simply by definition, commodities compete, and the fiercer the competition, the cheaper the price. It is therefore natural that the workers' desire for de-commodification became the guiding principle of labor-movement policy. Be it the worker's welfare or the movement's power, both depend on lessening the individual's enslavement in the cash nexus.

Classical socialist theory is often depicted as advocating an all-out destruction of the commodity-logic of labor.¹ Certainly this is true in terms of the end-goal, but not with regard to practical analysis. In *Capital*, Marx hailed the British Factory Acts because they helped lessen the powerlessness of workers. In the *Communist Manifesto*, the concluding chapter propagates a series of ameliorative social reforms that would augment the workers' resources and strengthen their position *vis-à-vis* the market. And both Karl Kautsky and Rosa Luxemburg actively promoted the social wage. In general, revolutionary and reformist theories both agreed on the necessity and desirability of struggling for the right to a social income outside of wage labor. What divided the reformist and revolutionary wings of socialism was mainly the issue of strategy.

The embryonic policies of de-commodification had a close kinship with the corporative conservative tradition. This comes as no surprise,

since the early labor movements were largely built around restrictive crafts unions, mutual-aid societies, and sometimes a political party. One weakness of these schemes was, of course, their modest benefits and limited reach among the most vulnerable members of the working classes. It was the unorganized, the 'slum proletariat', that posed the greatest threat to labor unity. These were the workers that needed to be empowered, but micro-socialist welfare societies had difficulty reaching them. Thus evolved the debate on whether to support the extension of social rights in the bourgeois state.

This was a dilemma that severely stifled socialists' capacity to act. Until after World War I, the state in virtually all nations was controlled by conservative or liberal forces, and the socialists saw few alternatives but to oppose what they perceived as harmful social pacification. This certainly was the dominant response in German social democracy until well into the twentieth century. Nonetheless, the schism between socialists and conservatives was not necessarily that deep on the question of social rights. This was gradually realized by important socialist figures, such as Branting in Sweden and Heiman and Kalecki in Germany, and it fell neatly in place with the emerging paradigm of the 'slow revolution' espoused in Austrian and German social democracy.

These socialists, then, reconciled conservative reformism with socialist objectives. For Lederer and Marshack (1926), two prominent German social democrats, worker protection advanced the cause of labor because it would inevitably restrict the employers' scope of control. To Eduard Heiman (1929), one of the foremost theoreticians among his contemporaries, social policy was Janus-faced: it may very well be a means to prop up and save the capitalist system, but at the same time it is also a foreign body, threatening to emasculate the rule of capital. Armed with this kind of analysis, socialism could also defend the gradualist strategy against the more apocalyptic scenario presented in revolutionary communist dogma. Where the latter believed that the roots of revolution lay in crisis and collapse, the reformists realized that the human misery that crises bred would only weaken the socialist project. Hence, a gradual augmentation of the scope and quality of social rights was seen as the precondition for the larger struggle, not merely the fruits of its final success. It was through this strategic realignment that socialism eventually embraced the welfare state as the focus for its long-term project. It is in this sense that social democracy becomes synonymous with welfare-statism.

It would be absolutely wrong to believe that the socialists had a blueprint for de-commodification. Even the illustrious Swedish socialists fumbled between a variety of policies, many of which were objectively

on unsound socialist footing. The source of confusion was twofold. One source had to do with an interpretation of the 'ability-needs' nexus, so central to classical Marxism. If social amelioration was to be a function of need, the socialists easily found themselves operating in the largely liberal mold of means-tests and benefit standards tailored to the living conditions of the poor. In many cases, such as Australia and Denmark, the social-assistance model was embraced by the labor movements on such grounds. The socialists struggled, perhaps, to upgrade benefits and minimize social stigma, but they saw the assistance type of scheme as clearly the most egalitarian: helping the really needy.

Another source of confusion had to do with the clientele for de-commodification. Until World War II, labor parties were strongly 'workerist', seeing themselves as the defenders of the industrial working class. Under such conditions, it was natural to espouse class-exclusive schemes. But, where the socialists moved towards the broader image of embracing 'all the little people', they were politically compelled to approach rights in terms of universal coverage. This, as we discuss in chapter 3, was the root of universalist solidarity in socialist social policy.

What characterizes almost all early socialist social policy is the notion of basic, or minimal, social rights: the idea was to install strong entitlements, but at fairly modest benefit levels, and typically limited to the core areas of human need (old-age pensions, accident insurance, unemployment and sickness benefits). Financial constraints surely played a role, but the modesty in their approach can also be seen as a reflection of how early socialists defined the problem – they saw the issue in workerist terms, in terms of providing a basic floor beneath which no one would be allowed to fall. Indeed, until the 1950s and 1960s, the social programs of the labor parties were almost universally of modest scope and quality, although providing for very generous eligibility criteria. The goal was to stave off poverty, not really to emancipate workers from market dependency. To do so would have required a major realignment of social policy, including two basic changes: first, the extension of rights beyond the narrow terrain of absolute need; and second, the upgrading of benefits to match normal earnings and average living standards in the nation. In reference to the former, what mattered especially was the introduction of a variety of schemes that permit employees to be paid while pursuing activities other than working, be they child-bearing, family responsibilities, re-education, organizational activities, or even leisure. Such programs are, in spirit, truly de-commodifying. With respect to the latter, the crucial issue was that the status of welfare client should impose no decline in living standards, even over an extended time.

In sum, the gist of de-commodification in the socialist paradigm is the emancipation from market dependency. It is in the quality and arrangement of social rights, not in their existence *per se*, that we can identify a distinct socialist approach. In contrast to the conservative models, dependence on family, morality, or authority is not the substitute for market dependence; the notion is rather that of individual independence. And, in contrast to liberalism, socialism's aim is to maximize and institutionalize rights. Where the fully developed socialist paradigm is pursued, it should, in principle, facilitate a de-proletarianization of the worker's status: the worker's relationship to work will begin to approximate what privileged strata (such as the civil service) had enjoyed for decades and even centuries.

Welfare States and De-Commodification in the Real World

Variations in the de-commodifying potential of social policies should be empirically identifiable across time and nations. This potential can clearly not be captured solely by social expenditure levels, but requires analysis of the rules and standards that pertain to actual welfare programs. The question is how we adequately operationalize the crucial dimensions.

One set of dimensions must speak to the rules that govern peoples' access to benefits: eligibility rules and restrictions on entitlements. A program can be seen to harbor greater de-commodification potential if access is easy, and if rights to an adequate standard of living are guaranteed regardless of previous employment record, performance, needs-test, or financial contribution. The other side of the coin of 'entry' is exit. If programs provide benefits for only limited duration, clearly their capacity to de-commodify is diminished.

A second set of dimensions has to do with income replacement, for if benefit levels fall substantially below normal earnings or the standard of living considered adequate and acceptable in the society, the likely result is to drive the recipient back to work as soon as possible. We will therefore have to consider the levels of income replacement.

Thirdly, the range of entitlements provided for is of utmost importance. Almost all advanced capitalist countries recognize some form of social right to protection against the basic social risks: unemployment, disability, sickness, and old age. A highly advanced case would be where a social wage is paid to citizens regardless of cause. The idea of a *de facto* guaranteed citizens' wage, as has been under discussion in Scandinavia and the Netherlands, and with more modest aspirations in

the case of the American negative income-tax proposal, comes close to this scenario.

CONDITIONS FOR ENTITLEMENTS

Social rights are hardly ever unconditional. Claimants will at least have to satisfy the condition of being ill, old, or unemployed to receive the benefits. Beyond the mere presence of a problem, however, conditions are usually linked to type of social security arrangement.

We may in general distinguish three kinds of arrangements, each one with its own peculiar effect on de-commodification. One type of system, historically most pronounced in the Anglo-Saxon nations, builds entitlements around demonstrable and abject need. With its mainsprings in the poor-law tradition, the social-assistance tradition is characterized by the application of a means- or income-test with varying degrees of stringency. These systems do not properly extend citizen rights. The main examples of this tradition are the early pension schemes in Scandinavia, the British scheme of supplementary benefits, the American SSI, and virtually the entire Australian welfare system. Every nation has some type of means-tested social assistance or poor-relief arrangement. What counts most heavily in this type of regime are the restrictiveness of means/incomes tests and the generosity of benefits.

A second type of system extends entitlements on the basis of work performance. This variant has its roots in the insurance tradition that was most consistently developed first in Germany, and then across the European continent. Rights here are clearly conditional upon a blend of labor-market attachment and financial contributions, and have usually been subjected to a logic of actuarialism; i.e. the idea that the individual has a personal entitlement of a contractual nature. The degree to which this kind of regime offers opportunities for de-commodification depends largely on how much it relaxes the actuarial principle: how much a person will have to have worked or contributed to qualify, and how strict is the relationship between prior performance and benefits.

The third type of system springs from the Beveridge principle of universal rights of citizenship, regardless of degree of need or extent of work performance. Eligibility rests instead on being a citizen or long-time resident of the country. Invariably, these types of programs are built on the flat-rate benefit principle. In principle, this 'people's welfare' approach has a strong de-commodifying potential, but obviously circumscribed by the largesse of the benefits. The people's-welfare system has taken strongest hold in the Scandinavian nations, and has been a long-standing principle in the socialist tradition of social policy.

Although never implemented, it has been a perennial ideal in German social democracy.

To an extent the three system-types mirror Titmuss's well-known trichotomy of residual, industrial-achievement, and institutional welfare states (Titmuss, 1958). In reality, however, there are no one-dimensional nations in the sense of a pure case. In the Anglo-Saxon countries, such as Australia, Canada, and the United States, the social-assistance system may be dominant, but is complemented by alternative programs. In the United States, the social security system falls into the social-insurance category; Canada has a blend of a people's pension and a social-insurance based pension, and even Australia is approaching the principle of a people's pension. In the continental European nations, where the social-insurance tradition is strongest, a host of alternatives has emerged over the years: in Italy, the social pension; in France, the 'solidarity funds'. And, finally, almost all countries dominated by a people's-welfare approach have developed earnings- and work-related schemes to complement the usually modest benefits awarded by the flat-rate universal plans. In short, every country today presents a system mix.

Despite the complexity this involves, it is possible to empirically distinguish welfare states' variable capacity to de-commodify. We will here present combined scores of de-commodification for the three most important social-welfare programs: pensions, sickness, and unemployment cash benefits. The scores summarize an array of variables that illustrate the ease with which an average person can opt out of the market: first, the prohibitiveness of conditions for eligibility, such as work experience, contributions, or means-tests; second, the strength of in-built disincentives (such as waiting days for cash benefits) and maximum duration of entitlements; and third, the degree to which benefits approximate normal expected earnings-levels. The overall de-commodification scores are weighted by the percent of the relevant population covered by the social security program. This reflects the probability that any given person will possess the right to a transfer. A program may very well offer luxurious benefits and liberal conditions, but if it addresses solely a small clientele, it has obviously a limited capacity to de-commodify.

Table 2.1 presents de-commodification indices for the leading 18 industrial democracies in terms of old-age pensions. We have used five variables to construct the index for pensions: 1) the minimum pension as a percent of a normal worker earnings (replacement rate net of taxes) for a single person; 2) the standard pension replacement rate (net) for a single person; 3) number of years of contributions required to qualify;

TABLE 2.1 The degree of de-commodification in old-age pensions, sickness benefits, and unemployment insurance, 1980

	<i>Pensions</i>	<i>Sickness</i>	<i>Unemployment</i>
Australia	5.0	4.0	4.0
Austria	11.9	12.5	6.7
Belgium	15.0	8.8	8.6
Canada	7.7	6.3	8.0
Denmark	15.0	15.0	8.1
Finland	14.0	10.0	5.2
France	12.0	9.2	6.3
Germany	8.5	11.3	7.9
Ireland	6.7	8.3	8.3
Italy	9.6	9.4	5.1
Japan	10.5	6.8	5.0
Netherlands	10.8	10.5	11.1
New Zealand	9.1	4.0	4.0
Norway	14.9	14.0	9.4
Sweden	17.0	15.0	7.1
Switzerland	9.0	12.0	8.8
United Kingdom	8.5	7.7	7.2
United States	7.0	0.0 ^a	7.2
Mean	10.7	9.2	7.1
S. D.	3.4	4.0	1.9

The higher the score the greater is the degree of de-commodification. For scoring procedure, see appendix to this chapter.

^a Program non-existent and therefore scored 0.

Source: SSIB data files

4) the share of total pension finance paid by individuals. The scores for these four variables are added, and then weighted by 5) the percent of persons above pension age actually receiving a pension (the take-up rate). For sickness and unemployment benefits, the procedure is almost identical, with the following exceptions: here we include only the replacement rate (net) for standard benefits, omit share of individual financing, and include data on number of waiting days to receive benefits and number of weeks of benefit duration. For all three programs, we have scored the benefits double, since for any given person's work/welfare decision, expected income-levels will be absolutely decisive.

To prevent any misunderstanding, it must be clear that we are trying to measure a program's potential for de-commodification, and not its general qualities. We are capturing the degree of market-independence for an average worker. Thus, it is possible for a country normally regarded as having a first-rate pension system (like Germany) to score

low. Indeed, in this case, Germany scores low because it requires long periods of contribution and a large individual financial contribution, and because its pension benefits are relatively modest. Australia and New Zealand score exceedingly low on both sickness and unemployment because they offer only means-tested benefits.

In table 2.1 we see that the three programs differ considerably in their degree of de-commodification potential. Invariably, unemployment insurance is associated with greater disincentive effects. Table 2.1 also indicates that there is a substantial variation among the advanced welfare states with regard to de-commodification. Some nations score consistently low on all programs, while others are strongly de-commodifying across the board. Thus, we confront a situation in which national welfare systems appear to harbor systematic traits. The Nordic countries are, in particular, consistently de-commodifying, while the Anglo-Saxon countries tend to be consistently least so. This is precisely what we would have expected in terms of our typology of welfare-state regimes.

The idea that welfare states cluster into distinct groups becomes more evident when we examine table 2.2. Here we present the total combined de-commodification score for the three programs in the same 18 nations. Based roughly on how nations cluster around the mean, we can distinguish three groups of countries: the Anglo-Saxon 'new' nations are all concentrated at the bottom of our index; the Scandinavian countries at the top. In between these two extremes, we find the continental European countries, some of which (especially Belgium and the Netherlands) fall close to the Nordic cluster.

Even if table 2.2 shows a number of borderline cases, the clustering remains strong. And the clusters bring together the countries which, *a priori*, we expected would look similar in terms of our welfare-state regime arguments. We would anticipate a very low level of de-commodification in the nations with a history dominated by liberalism. And this we find in the first cluster. And in the 'high de-commodification' cluster we find the social democratically dominated welfare states, exactly as we would have expected. Finally, the continental European countries, with their powerful Catholic and etatist influence, tend to occupy the middle group – prepared to extend a considerable modicum of rights outside the market, but nonetheless with a stronger accent on social control than is the case within social democracy.

How do we account for cross-national differences in de-commodifying capabilities of welfare states? As we have already discussed, a simple explanation in terms of economic development or working-class power

TABLE 2.2 The rank-order of welfare states in terms of combined de-commodification, 1980

<i>De-commodification score</i>	
Australia	13.0
United States	13.8
New Zealand	17.1
Canada	22.0
Ireland	23.3
United Kingdom	23.4
Italy	24.1
Japan	27.1
France	27.5
Germany	27.7
Finland	29.2
Switzerland	29.8
Austria	31.1
Belgium	32.4
Netherlands	32.4
Denmark	38.1
Norway	38.3
Sweden	39.1
Mean	27.2
S. D.	7.7

For scoring procedure, see appendix to this chapter.

Source: SSIB data files

mobilization will hardly suffice. As we shall examine more closely in chapter 5, level of economic development is negatively correlated with de-commodification, and has no explanatory power.

As we will see, the degree of left power has a fairly strong and positive influence on de-commodification, explaining about 40 percent of the variance. Yet, the non-explained residual is large and must be uncovered in order fully to understand how and why welfare-state variations have evolved to the point they have. This issue will be taken up in chapter 5; at this point it will suffice to say that the explanation will be found in the interaction between political-power variables and nations' historical legacy. The relatively high de-commodification scores found in the continental European countries are not solely the product of left political mobilization, but also of a long tradition of conservative and Catholic reformism. In converse, the exceedingly low de-commodification scores found in countries with comparatively powerful labor movements, like Australia and New Zealand, can find an explana-

tion in the historically dominant legacy of institutionalized liberalism.

The fruitfulness of a more historically grounded account of welfare-state clusters is evident when we examine how the different countries clustered in earlier epochs, in particular prior to the advent of left or labor-party influence, on social-policy legislation. In this way, we can hold constant the 'social democracy' effect. In both 1930 and 1950, the low de-commodification group included most of the countries included in 1980: Canada, the United States, New Zealand, and (in 1950) Australia. It also included Italy and Japan, both nations under prolonged Fascist rule, and Finland. Finland's post-war rise in de-commodification can be seen as a case of social democratization; that of the two others cannot. In turn, the Scandinavian high de-commodification cluster of 1980 is nowhere to be found prior to 1950, again a case in favor of the influence of post-war social democratic power. Most significant, however, is the consistent historical position of the 'conservative-Catholic', or etatist, regimes of continental Europe like Germany, Austria, and France, all of which consistently score medium to high in the 1930s, in 1950, and in 1980. We may, on this basis, offer the following guiding hypotheses, to be further explored in later chapters.

1 Nations with a long historical legacy of conservative and/or Catholic reformism are likely to develop a fair degree of de-commodified social policy at an early date. Their welfare states, nonetheless, circumscribe the loosening of the market's bonds with powerful social-control devices, such as a proven record of strong employment attachment or strong familial obligations. The superior performance on de-commodification that we find in countries such as Austria, Belgium, and the Netherlands after 1950 can probably best be ascribed to the strong political position of the social democratic labor movements.

2 Nations with a powerful liberalist legacy will bifurcate, depending on the structuration of political power. Where social democracy comes to political dominance, as in Denmark, Norway, and Sweden, the liberal mold is broken and replaced with a highly de-commodifying social democratic welfare-state regime. Where, on the other hand, labor fails to realign the nation's political economy and assert dominance, the result is continuously low or, at most, moderate de-commodification. This is exemplified by Great Britain at one end, and by Canada and the United States at the other end. The Labour Party's breakthrough in Britain is evidenced by the fact that Britain scored in the top de-commodification group in 1950: the universalist social citizenship

of the Beveridge model that was launched after the war placed Britain as the highest scoring nation internationally. The system certainly was not undone by the 1980s, but it failed to progress further; Labour's record of post-war power was too weak and interrupted to match the accomplishments in Scandinavia. The United States and Canada, in turn, are the 'pure' cases of liberal hegemony, virtually unchallenged by the paradigmatic alternatives of socialism or, for that matter, conservative reformism.

Appendix Scoring procedure for indices of de-commodification

PENSIONS

De-commodification in old-age pensions is measured in terms of the additive qualities of 1) minimum pension benefits for a standard production worker earning average wages. The replacement rate here (as elsewhere) is the ratio of the benefit to normal worker earnings in that year, both benefits and earnings net of taxes; 2) standard pension benefits for a normal worker, calculated as above; 3) contribution period, measured as number of years of contributions (or employment) required to qualify for a standard pension (scored inversely); 4) individual's share of pension financing. On the basis of the values on each of these four indicators for the 18 nations, we have given a score of 1 for low de-commodification; 2 for medium; and 3 for high de-commodification. The classification into the three scores has been done on the basis of one standard deviation from the mean, in a few cases adjusted for extreme outliers. Finally, the scores have been weighted by the percent of the (relevant) population covered by the program (for pensions, the take-up rate). Where, as in Australia, the pensions are based on a means-test, we have scored 0 for contribution period, and have given the weight of 0.5 for population covered. This 'negative' scoring reflects the fact that means-tested programs are highly conditional in terms of offering rights. To take into account the singular importance of replacement rates for people's welfare-work choices, we have given extra weight to these variables (multiplied by the factor of 2).

SICKNESS AND UNEMPLOYMENT CASH BENEFITS

In sickness and unemployment programs, we have measured de-commodification in terms of 1) benefit replacement rates (net) for a standard worker during the first 26 weeks of illness/unemployment; 2) number of weeks of employment required prior to qualification; 3) number of waiting days before benefits are paid; 4) number of weeks in which a benefit can be maintained. As with pensions, we have given scores of 1, 2, or 3 on the basis of the standard deviation to develop a summary de-commodification index. This, subsequently, has been weighted by the (relevant) population covered as a percent of the labor force. Means-tested programs have been dealt with as described under pensions. As with pensions, replacement rates have been multiplied by a factor of 2.

3

The Welfare State as a System of Stratification

The welfare state may provide services and income security, but it is also, and always has been, a system of social stratification. Welfare states are key institutions in the structuring of class and the social order. The organizational features of the welfare state help determine the articulation of social solidarity, divisions of class, and status differentiation.

That the welfare state as an agent of stratification is well recognized, but, unfortunately, usually in a narrow and often mis-specified way. It is an aspect that has remained severely neglected, both theoretically and empirically. At the theoretical level, two views have dominated; one, common to a good deal of neo-Marxism, typically argues that even the advanced welfare state merely reproduces (and perhaps even nurtures) existing class society (Offe, 1972; O'Connor, 1973; Muller and Neuss, 1973). Thus, O'Connor's argument is that welfare policies provide the legitimacy and social calm required by monopoly capitalism. In Piven and Cloward's (1971) study, government's willingness to provide relief to the poor depends less on acute need than on perceived threats to social stability.

The second view follows in the footsteps of T. H. Marshall and, to a degree, his pre-war forebears like Heimann. It sees welfare reforms as a major contribution to the declining salience of class (Lipset, 1960; Crosland, 1967; Parkin, 1979). Here, the argument is that welfare eliminates the essential causes of class struggle, incorporates the working classes, and democratizes popular access to the state; or, as Parkin argues, it transforms class conflict into status competition.

Empirically, the literature has almost exclusively focused on income redistribution. The issue is of course not whether overall inequality of income has declined – a fairly indisputable fact – but to what extent the tax/expenditure nexus of the welfare state plays a decisive role. As Kraus (1981) has shown, the empirical and methodological problems of answering such a question are severe, if not prohibitive, and so both cross-sectional and longitudinal research findings remain little more than speculative. Nonetheless, most studies come to rather similar conclusions. When studied cross-sectionally, we find tremendous national variation in the welfare state's equalizing capacity. In some countries, like Germany and France, the welfare state's redistributive effect appears quite miniscule; in contrast, its effect in Scandinavia is substantial (Sawyer, 1976; Hewitt, 1977; Stephens, 1979; Cameron, 1987; O'Higgins, 1985; Ringen, 1987; Ringen and Uusitalo, forthcoming, 1990).

These studies have been less concerned with the welfare state's impact as such than with theories of power and equality. Hence, why welfare-state structures have such different distributional consequences is left largely unexplained. And when the welfare state is brought into the analysis, as in Cameron's study, it is identified in a vague manner as levels of social expenditure. O'Higgins' and Ringen's studies are two of the few in which distribution outcomes are related more directly to the programmatic components of welfare states.

When the question is studied longitudinally over many years, the conclusions tend to be very different. Several studies conclude that the welfare state's redistributive capacity has increased only slightly, notwithstanding its phenomenal growth (Sawyer, 1982; Kenneth Hansen, 1987). It appears that the role of tax systems is gradually replaced by social transfers as the major weapon for redistribution. This is a trend clearly evident in the Scandinavian welfare states (Esping-Andersen, 1985a; Kenneth Hansen, 1987). The reasons for this shift are fairly straightforward: as welfare states get large, their financial requirements are such that they need to impose heavy taxes, even on modest-income households. As a result, the net redistributive impact of welfare states comes to depend mostly on the structuration of their social transfers. Paradoxically, one explanation is that the large welfare state therefore loses its tax-redistributive capability. And with reference to transfers, the egalitarian impulse may be blocked by the probability that the middle classes profit disproportionately (Le Grand, 1982). The middle-class bias is something that is likely to vary across nations but, as yet, we lack comparative evidence. The direct impact of welfare-state structures on equality is an issue that we shall explore in more detail below.

Instead of focusing on aggregate income distribution, a number of recent comparative studies have begun to rephrase the question in more fruitful ways. The Luxembourg Income Study, which hosts the world's only truly comparable income-distribution data at the micro-level, has produced a series of analyses on welfare states' ability to reduce or eliminate poverty, among key social groups. Hedstrom and Ringen (1985) and Smeeding, Torrey, and Rein (1988) find startling cross-national differences: the percentage of the aged in poverty ranges from 29 percent in the UK, and 24 percent in the United States, to 11 percent in Germany and less than 1 percent in Sweden. Parallel discrepancies were found with respect to families with children. Since the aged and families with children are particularly dependent on transfer incomes, these studies are able to directly identify different welfare systems' impact on stratification.

A second pathbreaking deviation from the standard income-distribution approach are the 'level of living' studies, so far limited to the Scandinavian countries. The idea here is that incomes alone provide too narrow a basis for portraying the structure of opportunities and inequality. Instead, the concept of resources is widened to include health, housing, working life, education, social and political efficacy, and other components vital to human reproduction. National surveys are used to measure the distribution-of-resource command among the population. Begun in Sweden in 1968, and subsequently carried out in Denmark and Norway, the studies have been replicated in later years, making it possible to monitor changes over time in the distribution of resources. The Swedish and Danish data offer the most interesting basis for evaluating the welfare state's distributive effects because they have surveyed the same people over many years, and because the studies span the long era of rising unemployment and economic stagnation. What they find is that, despite worsening economic conditions (particularly in Denmark), living conditions have improved overall, hard-core resource poverty has declined, and the trend towards greater equality continues (Erikson and Aaberg, 1984; Hansen, 1988). It is therefore quite evident that, for Scandinavia at least, the welfare state is a mighty opponent to the economy's inegalitarian thrust.

In any case, poverty and income distribution constitute only one (albeit important) aspect of welfare-state stratification. Even if inequalities in living standards decline, it may still be the case that essential class or status cleavages persist. What concerns us here is not so much incomes as how nations differ in the structuring of social citizenship.

What, then, constitute salient dimensions of welfare-state stratification? Apart from its purely income-distributive role, the welfare state

shapes class and status in a variety of ways. The education system is an obvious and much-studied instance, in which individuals' mobility chances not only are affected, but from which entire class structures evolve. As we will see in Part II of this book, the organization of social services, particularly for women, is decisive for a nation's employment structure. At this point, we will confine our attention to the stratification impact of the welfare state's traditional, and still dominant, activity: income maintenance.

Lord Beveridge and T. H. Marshall have exhorted to the world the peculiar and essentially ethnocentric assumption that universalism is the hallmark of an advanced welfare state. It was the implied universalism of post-war British reforms that informed the theory of the declining significance of class. Yet, one does not have to travel far to discover completely different organizational features of social security. In some countries, coverage may be quite comprehensive; yet, from pensions to sick-pay, the system is built around a myriad of occupationally distinct schemes, explicitly designed so as to recognize and uphold old status distinctions. In some nations, key social groups are given special privileged status – the civil service, for example. In yet other countries, social insurance is organized so as to nurture individualism and self-reliance rather than collective solidarity. And, in still others, social programs are primarily targeted at the really needy, thus cultivating a dualism between the poor (who depend on the welfare state) and the middle classes (who mainly insure themselves in the market).

In other words, welfare states may be equally large or comprehensive, but with entirely different effects on social structure. One may cultivate hierarchy and status, another dualisms, and a third universalism. Each case will produce its own unique fabric of social solidarity. We can identify three models, or ideal types, of stratification and solidarity that closely parallel the regime-types we identified with respect to de-commodification.

Stratification in Conservative Social Policy

Traditional conservatism, as we have seen, embodies a number of divergent models of the ideal social order. What unites them, as in the case of social rights, is a loathing of the combined social leveling and class antagonisms brought about by capitalism. Be it in favor of strict hierarchy, corporatism, or of familialism, the unifying theme is that traditional status relations must be retained for the sake of social integration.

Authoritarian paternalist conservatism has been historically important in the development of welfare-state structures. With its origins in feudal manorial society and in the absolutist monarchical regimes of Europe and Russia, the guiding principles are hierarchy, authority, and direct subordination of the individual (or family) to the patriarch or state. Inspired by Hegel's theory of the state, these organizational notions were enthusiastically promoted by nineteenth-century academicians, social reformers, and politicians, especially in countries like Germany and Austria (Bower, 1947). Adolph Wagner's idea of a *Staatswirtschaftliche Oekonomie* was that the state should directly guide and organize all economic activity. Bismarck's notion of the *Soldaten der Arbeit* was borrowed from the military, the idea being to organize workers (as footsoldiers) on a company basis under the direct authority of the manager (as captain) who, in turn, was answerable to the state (as general) (Guillebaud, 1941).

When Bismarck promoted his first social-insurance schemes, he had to battle on two fronts: on one side against the liberals, who preferred market solutions, and on the other side against conservatives who sponsored the guild-model or familialism. Bismarck desired the primacy of etatism. By insisting on direct state financing and distribution of social benefits, Bismarck's aim was to chain the workers directly to the paternal authority of the monarchy rather than to either the occupational funds, or the cash nexus. In reality, his project was strongly compromised, and Bismarck's pension-legislation of 1891 retained only a fraction of the state largesse he had sought (Rimlinger, 1971). Indeed, the subsequent pension-system, as with most of the Wilhelmine social programs, can be interpreted as an etatism with partial concessions to liberalism (actuarialism), and to conservative corporativism (compulsory occupationally distinct schemes).

Etatist paternalism has left an especially strong mark on two areas of social policy. One is the tradition in some nations, such as Austria, Germany, and France, of endowing civil servants with extraordinarily lavish welfare provisions. The motive may have been to reward, or perhaps guarantee, proper loyalties and subservience, but there is also evidence that regimes deliberately wished to mold the class structure with their social-policy initiatives. Kocka (1981) shows how pension policy in Imperial Germany served to create, as special classes, both the civil servants (*Beamten*) and the private-sector salaried employees (*Privatbeamten*). Parallel policies were pursued in Austria (Otruba, 1981). The result is an especially recognizable status-barrier between the servants of the state and its subjects, and between workers and the more elevated 'estates'. We can here recognize a close affinity between

etatism and the legacy of corporatism.

The second chief legacy of paternalism is found in the evolution of social assistance. As many authors recognize, poor relief was considerably more humane and generous under aristocratic regimes such as Disraeli's in Britain, Bismarck's in Germany, and Estrup's in Denmark than under liberal regimes (Briggs, 1961; Rimlinger, 1971; Evans, 1978; Viby Morgensen, 1973). Akin to their inclination to extend basic guarantees of income protection, the conservatives' readiness to grant relief was informed by the age-old principle of *noblesse oblige*.

Corporatism has always been a major conservative alternative to etatism. It springs from the tradition of the estates, guilds, monopolies, and corporations that organized social and economic life in the medieval city economy. While the guilds were being dismantled in the eighteenth and nineteenth centuries, their underlying principles were incorporated into the ideologies of corporate associationalism and mutualism. Corporatism evolved as a major conservative response to the social fragmentation and individualization brought forth by markets and industry. It was a central theme in Durkheim's analyses of how to combat anomie; it emerged as a cornerstone of Papal and Catholic social policy; and it found its greatest expression in Fascist ideology.

The unifying principles of corporatism are a fraternity based on status identity, obligatory and exclusive membership, mutualism, and monopoly of representation. Carried over into modern capitalism, corporatism was typically built around occupational groupings seeking to uphold traditionally recognized status distinctions and used these as the organizational nexus for society and economy. Often modelled directly on the old guilds, such corporate entities as mutual associations and friendly societies emerged among the more privileged workers, such as plumbers or carpenters. In other cases, corporative social welfare was erected with state participation, as occurred often among miners and seamen. As the pace of social legislation quickened in the latter part of the nineteenth century, the proliferation of corporatism often did also.

Either because of state recognition of particular status privileges, or because organized groups refused to be part of a more status-inclusive legislation, there emerged the tradition of constructing a myriad of status-differentiated social-insurance schemes – each with its peculiar rules, finances, and benefit structure; each tailored to exhibit its clientele's relative status position. Hence, Bismarck's pension for workers was not to be blended with that for miners and certainly not with the social policy for civil servants or for white-collar employees (Kocka, 1981). In Austria, the corporative principle was carried somewhat further with the official recognition that notarians enjoyed a status

privilege that had to be matched by their own pension plan. A similar evolution occurred in French pension-legislation after World War II as a variety of salaried groups ('cadres') successfully claimed status uniqueness in social protection. Italy's labyrinth of pensions can probably make claim to be an international corporative leader, with its more than 120 occupationally distinct pension funds (Fausto, 1978).

Corporatism took strongest hold in the continental European nations. The reasons for this are not difficult to trace. First, these were late-industrializing nations, in which traditional guild-traditions were preserved until quite late. During the embryonic era of social protection, therefore, a viable model for programmatic development already existed. Second, and partially as a consequence of the former, the force of status distinction, hierarchy, and privilege has been unusually strong. And, third, it was in these nations that the Catholic Church succeeded in playing an instrumental role in social reform. In the late nineteenth century, the Papal Encyclical, *Rerum Novarum*, advocated a blend of etatism and corporatism; in the 1931 Encyclical, *Quadregesimo Anno*, the corporatist element is even stronger.

For the Catholic Church, corporatism was a natural response to its preoccupation with preserving the traditional family, its search for viable alternatives to both socialism and capitalism, and its belief in the possibility of organizing harmonious relations between the social classes. Corporatism inserted itself easily into Catholicism's 'subsidiarity' principle, the idea that higher and larger levels of social collectivity should only intervene when the family's capacity for mutual protection was rendered impossible. The collective solidarity of a guild, fraternity, or mutuality was clearly closer to the family unit, and hence more capable of serving its needs, than was the more remote central state (Messner, 1964; Richter, 1987).

Corporatism became quasi-official ideology among the Fascist regimes of Europe in the 1920s and 1930s, not so much for the sake of subsidiarity as to build alternatives to large encompassing class organizations which were more amenable to central political control (Guillebaud, 1941; Rimlinger, 1987).

Stratification in Liberal Social Policy

The goals of liberalism can best be understood as opposition to the vestiges of conservative stratification. It was in the abolition of estates, guilds, monopolies, and central monarchical absolutism that liberalism saw the conditions for individual emancipation, freedom, equal oppor-

tunities, and healthy competitiveness. Clearly, both the heavy-handed state and the gluey mantle of corporatism were fetters on the free market, on voluntarism, and on the spirit of entrepreneurialism.

Liberalism's resistance to an active state is often interpreted as passivity with regard to social policy. This is, as Polanyi (1944) showed, a myth. By withholding aid, or helping eliminate traditional systems of social protection, and by refusing to place nothing but the market in their place, the classical liberal state attempted to grant the cash nexus a hegemonic role in the organization of social and economic life; the bottom line of liberal dogma was that the state had no proper reason for altering the stratification outcomes produced in the marketplace. They were just, because they mirrored effort, motivation, adeptness, and self-reliance.

In classical liberal thought, universalism and equality figure as prominent principles, certain to materialize if organized power is prevented from interfering with the market's automatic 'clearing mechanisms'. Thus, the minimalist social policy of laissez-faire was in harmony with its ideals. Social policy was equated with undesirable stratification outcomes: paternalism and elitism; dependency on the state; the perpetuation of pauperism. With no state, and no monopolies (like working-class unions), there would be no classes, just a web of freely acting individuals, atomized perhaps, but equal before the law, the contract, and the cash nexus.

Liberalism's universalist ideals were contradicted by the dualism and social stigma it promoted in practice. While the market was left unfettered to stratify its participants along the cash nexus, the liberal state established an extraordinarily punitive and stigmatizing poor relief for the market failures. Disraeli's *Sybil* remains probably the best textbook on how, in Britain, liberalism helped create a society of two nations.

The social humiliation of poor relief remained when liberalism, under pressure, moved towards modern income-tested social assistance. Denmark illustrates well the model's inadvertent dualism. The old-age assistance plan that was introduced in 1891 was little more than an upgraded system of poor relief. When it was reformed into a *de facto* universal citizens' pension after World War II, large numbers of middle-class pensioners nonetheless reneged on their pension-right because of its traditional stigma of poverty and dependency.

Means-tested relief was, nonetheless, meant to be the residual element of liberal social policy. The real core was meant to be individual insurance in the market, with voluntary and actuarially sound contracts. In this framework, 'social-policy outcomes' would parallel market

outcomes: those who have been frugal, entrepreneurial, and self-reliant will be rewarded.

In historical reality, however, the individual life-insurance model worked poorly, and hardly ever managed to take the kind of hold over peoples' social-security needs that alternative market solutions and/or the state did. As we shall discuss in much greater detail in chapter 4, the private welfare market could grow only if and when the state came to its aid. The more realistic liberal response, therefore, came to incorporate a blend of welfare capitalism in the market, and social insurance in the public sector. The principle that a minimum of collectivism had to blend with individualism emerged in the era of the liberal 'reform movement' around the turn of the century.

The liberal reform movement is usually associated with Lloyd George in Britain, but had its counterparts across the Western world. Its origins are multifaceted. In Britain, the studies of Rowntree and Booth disclosed rampant poverty, disease, and misery among the urban working classes. The Boer War revealed that the condition of the British fighting men was abysmally poor (Beer, 1966; Evans, 1978; Ashford, 1986, p. 62). A more general catalyst was the enfranchisement of the working classes, and the realization that a new type of capitalism was unfolding, a type of economy built around large combines, organization, bureaucracy, human capital, and a more intricate and complex division of labor – in short, an economic order in which progress, efficiency, and profits no longer could be premised solely on squeezing the last drop of sweat from the laborer. It is therefore not surprising that some of the major initiatives came from 'corporate liberals' (Weinstein, 1972), the new scientific managerial school, or liberal reformers such as Albion Small and William James in the United States, people who combined a firm commitment to the market with a belief that its salvage required greater social responsibilities.

The reform liberals were willing to sponsor a larger measure of collectivism with their acknowledgment of the problem of externalities, the need for public goods, and their policy of help to self-help. Reform liberalism was not prepared to open escape-routes from the market, only to take steps to reduce its social pathologies and to realign individualism to the new reality that society was organized in collectivities. The liberals' favored social policy reflects this new logic. Help to self-help was to be nurtured via mass education and sponsored equal opportunity. The idea of occupational fringe-benefits, or welfare capitalism, reflected the acceptance that wage bargains were struck collectively, and the hope that necessary welfare programs could be incorporated in this arena. And social insurance gradually became an accept-

able policy to the extent that it remained essentially voluntarist and actuarial, and did not interfere with work incentives and competitiveness. As Ogus (1979) points out, liberals were often surprised to discover that social insurance embodied a host of liberal ideals: the principles of an individual contract, benefits pegged to past effort, self-reliance, and market-conformity. The state could, indeed, be regarded as another type of insurance-carrier. The social rights of citizenship in reform liberalism are patterned on the market.

While these were the favored ideals, in practice liberal reformism often allowed significant deviations. Lloyd George introduced non-contributory and thus not actuarial old-age pensions in 1908. What motivated this unprincipled initiative may, as Keir Hardy and the Independent Labour Party suggested, have been the even more compelling desire to nurture splits between the lower and upper echelons of the working class. Yet benefit levels were kept at a minimum so as to encourage private thrift (Hay, 1975; Pelling, 1961; Gilbert, 1966). A rather similar story unfolded with the US Social Security Act. Meant to adhere strictly to actuarialism, it soon became significantly redistributive, and membership became compulsory. But, as with the British pensions, social security in the US was not meant to crowd out the private-pension market and individualism. Hence, benefits and contributions were pegged to fairly low standards, and the general aim was that the system be as market-conforming as possible (Derthick, 1979; Quadagno, 1988).

To sum up: at its core, liberalism's ideal of stratification is obviously the competitive individualism that the market supposedly cultivates. However, liberalism has had great difficulties applying this conception in state policy. Its enthusiasm for the needs-tested approach, targeting government aid solely at the genuinely poor, is inherently logical but creates the unanticipated result of social stigma and dualism. Its alternative approaches, namely private insurance and bargained occupational welfare on one side, and social insurance on the other side, are equally logical in terms of liberal principles of self-reliance, justice, actuarialism, and freedom of choice, yet these solutions also tend to invoke peculiar class dualisms. Bargained or contracted private welfare will logically replicate market inequalities, but is also guaranteed to prevail mainly among the more privileged strata in the labor force; it will certainly not address the welfare needs of the most precariously-placed workers. In turn, the liberal social-insurance scheme will, if it sticks to principles, also reproduce the profile of stratification of the market, and it will promote private protection for the more fortunate.

If, then, we combine the three liberal approaches, the probable

outcome is a curious mix of individual self-responsibility and dualisms: one group at the bottom primarily reliant on stigmatizing relief; one group in the middle predominantly the clients of social insurance; and, finally, one privileged group capable of deriving its main welfare from the market. This is, in fact, more or less the stratification profile that characterizes the US and, to a lesser degree, the British welfare system (Esping-Andersen, Rein, and Rainwater, 1988).

Stratification in Socialist Social Policy

As with conservatism and liberalism, socialist reformism was always pursued with distinct stratification outcomes in mind. For labor movements, it was the construction of solidarity that mattered.

The socialists have always faced the question of how to construct the unity upon which long-term collective mobilization could evolve. Vulgar Marxists often portray the problem as a struggle against bourgeois class society. This is completely misleading: the socialists had to struggle against a multiplicity of historical alternatives, some of which were strongly represented within their own ranks. On one side, they had to fight the exclusionary corporatism of narrow status-solidarity that also permeated early trade-unionism and friendly societies. And they had to attack the paternalism of employers and states, a paternalism that diverted worker loyalties and cultivated schisms. Finally, they had to struggle against the atomizing, individualizing impulse of the market.

As most early socialist writings show, a serious obstacle to collectivism was the dualistic consequence of persistent unemployment. The 'slum proletariat', as Kautsky (1971) termed it in 1891, was universally viewed as a major threat. Demoralized, uprooted, unorganized, and resourceless, it was vulnerable to reactionary demagoguery, difficult to organize, and likely to undercut wages and sabotage strikes. It was a major theme already at the 1867 Lausanne Congress of the Ist International; at that time, the delegates put their faith in the cooperative movements' ability to improve the moral fibre and economic condition of the lumpenproletariat.

A second important obstacle lay in the social divisions institutionalized through earlier conservative and liberal reforms. The old poor law systems were obviously the foremost enemy, since they drove a wedge into the proletariat and because recipients were typically disenfranchised. The abolition of the means-test and less-eligibility rules was therefore a top political priority. Similarly, they opposed employer-

sponsored paternalistic welfare for its corporativistic and particularistic consequences, and they attacked state insurance for workers as being social pacifism, divisive and apt to institutionalize inequalities.

The socialists certainly saw the dangers inherent in ruling-class reformism, but were often hard-pressed to formulate genuine alternatives. An embryo of their thinking lay in the early critiques of bourgeois social amelioration. Marx and Engels were preoccupied with the possibility that social-pacifist reforms would retard socialism – a fear that is understandable in light of Napoleon III's, von Taaffe's, and Bismarck's open admissions that this was exactly what they pursued. Yet not even Marx held entirely to this view. In his analysis of the British Factory Acts (1954–6, ch. 10), Marx concludes that bourgeois reforms are both meaningful and will enhance the position of the workers. The concluding pages of the *Communist Manifesto* call for reforms that are hardly at variance with later liberalism.

The socialists had to devise a social policy which both addressed the real need for social relief, and would help the socialist movement come to power. The question revolved around contending principles of solidarity. Corporatism and fraternal associations were one prevalent model, especially among groups of skilled and craft workers. But these were problematic if the aim was to build broad class unity and uplift the 'slum-proletarians'.

A second approach was to place the social question in the hands of the trade unions and win concessions through collective bargaining. But this assumed stable and strong bargaining-power and employer recognition; it also ran the risk of replicating labor-market inequalities or mainly favoring the labor aristocracies. Again, it was a strategy unlikely to produce broad solidarity. Nonetheless, it evolved as the major approach in two kinds of societies. In Australia it came to predominate because the unions there were in an unusually favorable bargaining position. In the United States, its importance has had more to do with the lack of a plausible political ally and an untrustworthy state.

The early socialist movements frequently turned to a third alternative, the micro-socialist 'ghetto strategy', according to which the movement itself became the provider of workers' welfare. This was an attractive avenue, particularly where the socialists found themselves barred from state power. It demonstrated that the leadership could respond constructively to the acute needs of workers. Its attraction was certainly also that a micro-socialist haven could promote organization, membership growth, and socialist education, and present the movement as an attractive spokesman for working-class needs. Micro-socialism was a way to present a practical example of the good society to come, one

that would reveal all the more clearly the heartlessness and brutality of the surrounding bourgeois society.

Micro-socialism was pursued with vigor and some success in the early days of socialism. The movements often constructed organizational empires with recreational facilities, chess clubs, theater troupes, music, Boy Scout organizations, sports clubs, and often even productive enterprises such as building societies and cooperatives.

The problem with the ghetto model lay in its own purpose, namely to build class solidarity and power by mobilizing through membership. Since it was financed by the workers themselves, it was vulnerable to prolonged economic crises and costly industrial disputes. But also, micro-socialism was pregnant with the dualism of members versus non-members. The divide was, as always, between the privileged workers and the groups of more precarious status. If, then, the socialists desired broad class unity and parliamentary majorities, they were compelled to adopt a genuinely universalistic idea of solidarity, a universalism that helped unify what in reality was a substantially differentiated and segmented working class.

The principle of a broad popular universalism emerged in tandem with the extension and consolidation of democratic rights. Here, the Scandinavians were pioneers, as manifested in Per Albin Hansson's rhetoric of the 'Peoples' Home' welfare state in the late 1920s. Indeed, it was already explicit in the Danish socialists' pension-proposals in the 1880s, and in Branting's social policy in Sweden in the first decades of the century (Elmer, 1960; Rasmussen, 1933). After World War I, Otto Bauer pursued the idea of a worker-peasant alliance in Austria through broad coverage in social-welfare policy (Bauer, 1919). In such highly corporatist systems as the German, Austrian, and Italian, the socialists or communists have always fought for universalism with calls for *Volksversicherung* and *unificazione*.

The coincidence of universalism and democracy is hardly accidental. Parliamentarism presented the socialists with new reformist vistas, but it also imposed upon them the necessity of mobilizing solid electoral majorities which, almost certainly, the ghetto strategy would fail to produce. The majority problem was accentuated where the working class was likely to remain an electoral minority.

It was this specter that Bernstein raised in 1898 in his classic *Evolutionary Socialism* (Bernstein, 1961), and which electoral socialists began to recognize in subsequent years. They could either respond by settling for a minority opposition status, or they could forge broader political alliances. The latter case required a politics of cross-class universalism.

It was the alliance option which inspired Bauer's thinking and, even more clearly, the Scandinavians' 'People's Home' notion of welfare policy. In the inter-war years, the rural classes were the linchpin of a broad popular alliance, and the socialists tried with varying success to mobilize the agrarian classes. Where the socialist ghetto model was weak – as in Scandinavia – their capacity to make inroads in the rural social structure was vastly better. Where socialism was concentrated in urban working-class enclaves, such as 'Red Berlin' and 'Red Vienna', ideology and rhetoric was more likely to retain its traditional revolutionary, workerist flavor, and a rural outreach would be less likely to receive a favorable response.

The shift to a people's universalism was not merely instrumental vote-maximization. It spoke logically to the prevailing social structure and to the socialists' own comprehension of solidarity. The social structure was dominated by masses of rural and urban 'little people'. Solidarity does not have to be workerist, since many other groups are victims of forces beyond their control, and face poverty and basic social risks. Universalism, therefore, became a guiding principle because it equalized the status, benefits, and responsibilities of citizenship, and because it helped build political coalitions.

Still, universalism occasionally came into conflict with rival labor-movement objectives. In many cases, the labor movements found in the self-financed and controlled welfare funds a great source of both financial and organizational power. To relinquish this for the sake of universal solidarity was not always viewed with favor. In Germany, the trade unions jealously guarded their control over sickness funds. Even the Danish and Swedish labor movements, vanguards of universalism, would not accept loss of control over their unemployment insurance funds.

Australia and New Zealand constitute two cases in which the labor movements, despite being powerful, never fully embraced the universalist ideal. In these countries, labor retained the traditionally widespread preference for targeted income-tested benefits because they appear more redistributive. But the main reason seems to be the outstanding bargaining situation enjoyed by the trade unions for decades. Thus, as Castles (1986) argues, labor's demands for social protection could be equally, if not better, served via wage negotiations.

The socialists' adherence to universalism was put to a major test in the wake of social-structural modernization. In an advanced economy, the 'little people' disappear, only to be replaced by a new white-collar salariat and more prosperous workers who will hardly be content with a basic flat-rate benefit. Hence, unless social security could be upgraded, a massive exodus towards private-market schemes would likely ensue,

leading to new inequalities. Thus, to preserve the solidarity of a universalistic welfare state, the socialists were compelled to align social benefits to middle-class standards.

The Swedish social democrats were the first to pave the way for a universalism of 'middle-class' standards. The formula was to combine universal entitlements with high earnings-graduated benefits, thus matching welfare-state benefits and services to middle-class expectations. For the average worker, as social citizen, the result was an experience of upward mobility. For the welfare state, the result was the consolidation of a vast popular majority wedded to its defence. 'Middle-class' universalism has protected the welfare state against backlash sentiments.

Comparative Dimensions of Welfare-State Stratification

If all welfare states participate in the process of social stratification, they do so differently. The historical legacies of conservative, liberal, and socialist principles in their early construction became institutionalized and perpetuated, often over an entire century. The result is a clustering of regimes that is strikingly parallel to the one we discovered in the analyses of de-commodification.

To identify welfare-state clusters, we need to identify the salient dimensions of stratification. The corporatist model is best identified by the degree to which social insurance is differentiated and segmented into distinct occupational- and status-based programs. In this case, we would also expect large variations between the bottom and top in terms of benefits. To identify etatism, the simplest approach is to identify the relative privileges accorded civil servants. In contrast, we would identify liberal principles in terms of welfare states' residualism, especially the relative salience of means-testing; in terms of the relative financial responsibility accorded to the individual insured; and in terms of the relative weight of voluntary, private-sector welfare. And, to capture the socialist ideals, the relevant measure is clearly degree of universalism. The socialist regime ought to exhibit the lowest level of benefit differentials.

The degree to which clearly defined regime-clusters exist depends, then, on the extent to which regime-specific features are exclusively present only in one type. To give an example, we would not expect a conservative-type system (with strong corporatism and/or civil-service privileges) to also harbor liberalist traits (such as a large private market) or socialist traits (such as individualism). Since, however, the real world

TABLE 3.1 Degree of corporatism, etatism, means testing, market influence, universalism, and benefit equality in 18 welfare states, 1980

	Corporatism ^a	Etatism ^b	Means-tested poor relief (as % of total public social expenditure)	Private pensions (as % of total pensions)	Private health spending (as % of total)	Average ^d universalism	Average ^e benefit equality
Australia	1	0.7	3.3	30	36	33	1.00
Austria	7	3.8	2.8	3	36	72	0.52
Belgium	5	3.0	4.5	8	13	67	0.79
Canada	2	0.2	15.6	38	26	93	0.48
Denmark	2	1.1	1.0	17	15	87	0.99
Finland	4	2.5	1.9	3	21	88	0.72
France	10	3.1	11.2	8	28	70	0.55
Germany	6	2.2	4.9	11	20	72	0.56
Ireland	1	2.2	5.9	10	6	60	0.77
Italy	12	2.2	9.3	2	12	59	0.52
Japan	7	0.9	7.0	23	28	63	0.32
Netherlands	3	1.8	6.9	13	22	87	0.57
New Zealand	1	0.8	2.3	4	18	33	1.00
Norway	4	0.9	2.1	8	1	95	0.69
Sweden	2	1.0	1.1	6	7	90	0.82
Switzerland	2	1.0	8.8	20	35	96	0.48
United Kingdom	2	2.0	- ^f	12	10	76	0.64
United States	2	1.5	18.2	21	57	54	0.22
Mean	4.1	1.7	5.9	13	22	72	0.65
S. D.	3.2	1.0	5.1	10	14	19	0.22

^a Measured as number of occupationally distinct public pension schemes. Only major schemes have been included.

^b Measured as expenditure on pensions to government employees as % GDP.

^c Estimates of poor-relief expenditure exclude benefits from normal income-tested schemes (such as housing allowances in Scandinavia, unemployment assistance in Germany, or old-age, unemployment, and sickness assistance in Australia and New Zealand). It should be kept in mind that the borderline between these two types of targeting is difficult to draw. Our estimates here are based on an individual assessment of how the system operates in each nation.

^d Average for sickness, unemployment, and pensions. (Income-tested assistance programs, like the Australian and New Zealand unemployment and sickness benefits, have been scored 0 since none provides full citizen rights to benefits.)

^e Average differential between basic and maximum social benefits for sickness, unemployment, and pensions (based on net, after-tax, benefits). Benefit differentials are based on the ratio of guaranteed basic social benefit to the legal maximum benefit possible in the system.

^f Data are not available.

Sources: G. Esping-Andersen (1987b; table 3); United States Government Printing Office, *Social Security Programs Throughout the World* (1981); ILO, *The Cost of Social Security*, basic tables (Geneva: ILO, 1981); OECD, *Measuring Health Care, 1960-1983* (Paris: OECD, 1985, p. 12); SSIB data files

TABLE 3.2 Bi-variate correlation matrix of stratification attributes for 18 welfare states

	Corporatism	Etatism	Poor relief	Private pensions	Private health	Universalism
Corporatism	1.00					
Etatism	0.55					
Poor relief	0.16	-0.11				
Private pensions	-0.40	-0.64	0.49			
Private health	-0.02	0.01	0.60	0.45		
Universalism	-0.02	-0.03	-0.05	0.00	-0.28	
Benefit differentials	0.40	0.14	0.73	0.21	0.51	0.21

of welfare states is most likely to exhibit hybrid forms, our task is to see to what degree there is sufficient co-variation for distinct regime-clusters to emerge.

In table 3.1 we present data on regime-specific program attributes. Representing *conservative* principles of stratification, the table shows, first, the degree of status segregation, or corporatism, measured as number of (major) occupationally distinct pension schemes in operation; second, it presents degree of 'etatism', measured as the expenditure on government-employee pensions as a percentage of Gross Domestic Product.

Table 3.1 also displays three variables designed to identify key attributes of *liberalism*: first, the relative weight of means-tested welfare benefits, measured as a percentage of total public social expenditure (excluding benefits to government employees); second, it provides data on the importance of the private sector in pensions, measured as private-sector share of total pension spending, and in health care, measured as private-sector share of total health spending.

Finally, table 3.1 includes two attributes most clearly associated with *socialist* regimes, namely degree of program universalism (measured as averaged percentage of population, 16-64, eligible for sickness, unemployment, and pension benefits), and degree of equality in the benefit structure. In the latter case, our measure is an average for the above-mentioned three programs in terms of the ratio of the basic level of benefits to the legal maximum benefit possible. We would clearly expect the socialist-inspired regimes to accentuate benefit equality, while in conservative regimes inequalities should be greatest.

Beginning with the conservative attributes, we discover a basically bi-modal distribution of countries with regard to both corporatism and etatism; the coincidence between the two characteristics is, moreover, quite marked. One group of nations scores very high on both: Austria, Belgium, France, Germany, and Italy, with the possible inclusion of Finland. It is worth noting that this is the very same group which we earlier identified as falling in the conservative tradition on de-commodification.

Turning to our liberal characteristics, the pattern is considerably fuzzier. The poor-relief variable clusters nations into three groups, one scoring very high (Canada, France, and the United States), one with medium levels, and one in which poor relief is truly marginal (the Nordic countries). The private-pension variable, in contrast, distinguishes sharply between one group with a preponderance of private pensions, and another in which they hardly exist at all. The private-sector health variable, like poor relief, clusters into three groups. Here

TABLE 3.3 The clustering of welfare states according to conservative, liberal and socialist regime attributes (cumulated index scores in parentheses)

	Conservatism		Degree of Liberalism		Socialism	
	Country	Score	Country	Score	Country	Score
Strong	Austria	(8)	Australia	(10)	Denmark	(8)
	Belgium	(8)	Canada	(12)	Finland	(6)
	France	(8)	Japan	(10)	Netherlands	(6)
	Germany	(8)	Switzerland	(12)	Norway	(8)
	Italy	(8)	United States	(12)	Sweden	(8)
Medium	Finland	(6)	Denmark	(6)	Australia	(4)
	Ireland	(4)	France	(8)	Belgium	(4)
	Japan	(4)	Germany	(6)	Canada	(4)
	Netherlands	(4)	Italy	(6)	Germany	(4)
	Norway	(4)	Netherlands	(8)	New Zealand	(4)
Low	Australia	(0)	United Kingdom	(6)	Switzerland	(4)
	Canada	(2)			United Kingdom	(4)
	Denmark	(2)	Austria	(4)	Austria	(2)
	New Zealand	(2)	Belgium	(4)	France	(2)
	Sweden	(0)	Finland	(4)	Ireland	(2)
		Ireland	(2)	Italy	(0)	
		New Zealand	(2)	Japan	(2)	
		Switzerland	(0)	United States	(0)	
		United Kingdom	(0)			
		United States	(0)			

we may note the substantial degree of 'privatization' in countries like Austria and Germany, something which testifies to the ambiguity of private welfare organization. In these two countries, 'private' health care reflects the tradition of the Church's influence (Caritas, for example) rather than unbridled private entrepreneurship. But, all in all, there is one group that systematically scores high on our liberalism attributes: the United States and Canada, and also, slightly less distinctively, Australia and Switzerland.

Considering, finally, our socialist regime measures, we see that universalism is the reigning principle in the Scandinavian social democratic welfare states, and is to a degree approximated in a few liberal regimes such as Canada and Switzerland. At the other extreme lie a number of liberal cases where social rights are unusually underdeveloped (the United States, Australia, and New Zealand). The continental European countries which otherwise tend to score high on conservatism fall in the middle here, a result that is hardly surprising since their emphasis on compulsory membership along occupational lines will result in a situation in which a large share of the labor force has insurance coverage. The benefit-differential measure should in principle facilitate a sharp distinction between the 'socialist' and 'conservative' cases. In the former, an accent on equality should produce low differentials; in the latter, the principle of maintaining status and hierarchy should result in sharp inequalities. To correctly interpret this variable, we should for a moment leave aside Australia and New Zealand. Since their systems are based on the flat-rate social assistance tradition, benefits will, virtually by definition, be equal. Otherwise, the tendency is largely as one would have expected: the Scandinavian social democracies are among the most egalitarian. Yet the table is less able to distinguish the corporative systems (which do show high differentials) and their liberal counterparts (which also exhibit very extreme differentials).

A first attempt to identify to what extent regime-clusters exist is by the zero-order correlation matrix presented in table 3.2. Obviously, for regimes to exist there must be a strong relationship among the particular characteristics that supposedly identify the regime; and, in converse, these must be negatively correlated, or uncorrelated, with attributes of alternative regimes. The correlations in table 3.2 point towards the kind of regime-clustering that we had anticipated. The conservative attributes (corporatism and etatism) correlate positively (0.55), and they are negatively related or unrelated to both the liberal-regime attributes (poor relief, privatization) and to the socialist universalism variable. There is a positive correlation with benefit differentials, indicating that

conservative regimes tend to replicate inequalities in the welfare state.

The liberal regime-cluster is equally evident. Poor relief is strongly related to both private pensions and health ($r = 0.49$ and 0.60 , respectively), and the last two are also positively correlated. High benefit differentials are powerfully linked to the liberal-regime variables. We may therefore conclude that high inequalities in welfare benefits emerge both from hierarchal systems and from market adherence. The distinctiveness of the liberal regime is evident in that its traits are all negatively correlated or uncorrelated with both conservative and socialist attributes.

The socialist regime, finally, is more difficult to pin down because its two component variables, universalism and egalitarian benefits, are not strongly correlated. Some countries (like Canada and Switzerland) which are otherwise very liberalistic tend also to approach universalism, and other liberalistic nations (like Australia), whose systems are essentially of the flat-rate minimum-benefit kind, have low benefit differentials. Nonetheless, the universalism characteristic does stand on its own, distinguishing itself (by being uncorrelated) from both conservative- and liberal-regime variables. It is a surprise, nonetheless, that we do not find a stronger association between egalitarian and universalism.

As in chapter 2, these data can be developed into summary indices so as to more clearly and economically identify significant nation-clusters. As before, we will do this (roughly) on the basis of the mean and standard deviation in the distribution along each of our variables. In table 3.3 we present cumulated summary scores for 'conservatism', 'liberalism', and 'socialism'. As explained in Appendix 1, the higher the score, the greater the degree of conservatism, liberalism, and socialism, respectively. We have divided the table into high, medium, and low clusters.

From table 3.3 we cannot but conclude that clusters do exist. The nations which score high on our summary index of conservatism (Italy, Germany, Austria, France, and Belgium) all score low, or at best, medium on our indices of liberalism and socialism. In turn, the countries characterized by strong liberalism (Australia, Canada, Japan, Switzerland, and the United States) score low or medium on conservatism and socialism. Finally, the socialism cluster includes the nations of Scandinavia, and the Netherlands, all countries which score low (or medium) on the two other regime-clusters.

In other words, if we are willing to accept that welfare states play an important role in the patterning of social stratification, and that we have captured attributes of stratification which matter significantly in peoples' real and perceived experience of inequalities, status, and class differ-

ences, we find that it is misleading to compare welfare states as merely 'more' or 'less' egalitarian. We discover, instead, entirely different logics of social stratification embedded in welfare-state construction. In this sense, we may speak of regimes as we did with reference to de-commodification.

We can, additionally, begin to see that the clustering of de-commodification and stratification is very similar. Recalling the evidence presented in chapter 2, there is a clear coincidence of high de-commodification and strong universalism in the Scandinavian, social democratically influenced welfare states. There is an equally clear coincidence of low de-commodification and strong individualistic self-reliance in the Anglo-Saxon nations. Finally, the continental European countries group closely together in terms of being corporatist and etatist, and also being fairly modestly de-commodifying.

In chapter 4, we will conclude our specification of welfare-state regime-clusters by analyzing how the boundary between state and market emerged in pensions, the single most important welfare-state program. It is already clear that the public-private mix plays a key role in shaping both de-commodification and stratification. What we wish to explore more fully is the overall structuration of social policy or, more specifically, pensions, in the political economy.

Appendix Scoring procedure for stratification indices

As in chapter 2, we have developed indices based on the distribution of nations around the mean and standard variation on the individual variables. Conservative-regime attributes are captured via corporatism and etatism variables; liberal-regime attributes through social assistance and the relative importance of private health and pensions; socialist-regime attributes are mainly captured via the degree of universalism. The final variable, benefit differentiation, is expected to score low for socialist regimes.

To construct the index of corporatism, nations with less than, or equal to, two separate occupationally distinct pension programs have been given the score of 0; nations between two and five (inclusive) have been given a score of 2; and nations with more than five occupationally distinct programs are scored equal to 4.

The etatism variable reflects the degree to which the civil service is granted special welfare privileges, and is measured in terms of pension expenditures for civil servants as a percentage of GDP. Where the share is less than (or equal to) 1 percent, we have given an index score of 0; where the share is between 1 and 2.1 percent, we have given a score of 2; and where the share surpasses 2.2 percent, we have given a score of 4.

The index for the relative importance of social assistance is based on data on expenditures on means-tested benefits as a percentage of total social-transfer expenditures. The task of defining exactly the boundary between the classical type of means-tested benefits and the more modern income-dependent transfers is very difficult. We have decided to treat the Australian and New Zealand welfare states as essentially income-tested, and these countries will accordingly score fairly low. Similarly, we exclude housing allowances in Scandinavia. The variable, in other words, has been constructed to try to include program expenditure for what is genuinely means-tested social assistance in the traditional poor-relief logic. It therefore includes programs such as AFDC in the United States, *Sozialhilfe* in the Germanic countries, *socialhjælp* in the Nordic countries, and so forth. Great Britain poses a special problem because of the way in which both means- and income-tested benefits there have been consolidated under the general heading of 'supplementary benefits'. For comparative purposes, we have chosen (conservatively) to estimate the British share as being equal to 1 percent. The index construction on this variable follows the logic adopted previously: if the expenditure ratio on social assistance, relative to total transfer payments, is less than 3 percent, we give a score of 0; from 3 to 8 percent, we give a score of 2; more than 8 percent is given a score of 4.

The index for the relative share of private-pension expenditures to total pension expenditures is developed as follows: if the share is less than 10 percent, a country is scored equal to 0; if the share is between 10 and 15 percent, the score is 2; and if the share is more than 16 percent, we give the country a score of 4.

For the relative share of private health expenditures, we give a score of 0 to countries where it is less than 10 percent; from 10 to 20 percent, we give a score of 2; and if greater than 21 percent, the country receives a score of 4.

The universalism variable measures the percentage of the relevant population (labor force between ages 16 and 65) covered under the respective programs. A low degree of universalism is defined as less than (or equal to) 60 percent of the population being covered, and scored equal to 0; where coverage lies between 61 and 85 percent, we give a score of 2; and where coverage exceeds 86 percent, we give a score of 4. Note that income-test-based programs, such as the Australian and New Zealand unemployment and sickness benefit schemes, have been scored equal to 0. This is because these types of programs do not grant automatic universal rights.

Finally, our variable on benefit differentials is based on what a normal standard worker will receive as a standard benefit and what is the maximum benefit stipulated in the rules of the system. If the standard benefits are less than 55 percent of maximum benefits, we give the system a score of 0 (reflecting very high differentials); if they lie between 55 and 80 percent, the system is given a score of 2; and if they are above 80 percent, the system is given a score of 4.

4

State and Market in the Formation of Pension Regimes

Introduction

Neither state nor market was predestined as a locus of welfare provision. Yet almost every textbook on social policy will try to convince you otherwise. Sociologists generally equate welfare distribution with government social policy. Liberal dogma and contemporary economic theory want us to believe that the state is an artificial creation and that the market, if left untampered with, is the only institution truly capable of furnishing our various welfare needs. This may be true for automobiles, but it certainly is not true for social security.

In all advanced countries we find some blend of private and public welfare provision, and it is in this relationship that we will uncover some of the most important structural properties of welfare states. In this chapter, the relationship will be explored for pensions, by far the most important in the overall package of social transfers. We will discover that states created markets and that markets created states. For pensions, at least, it required the application of state power to build and nurture a viable private market. In turn, the state's role in furnishing pensions has been decisively shaped by the nature and limits of markets. State and market, or, if you will, political power and the cash nexus, have interacted continuously to manufacture the peculiar blend of social provision that goes into defining welfare-state regimes.

If an analysis of pensions appears somewhat narrow and pedestrian, keep in mind two circumstances: first, pensions account for more than 10 percent of GDP in many contemporary nations; second, pensions

Trends in gender relations, employment and pensions

As the main source of income in later life, pensions can make the difference between a daily struggle and a period of fulfilment, between merely surviving and actively thriving. At the start of the twenty-first century, life in retirement has lengthened, with people living an average of over 20 years beyond the state pension age. With longer lives, an adequate pension income is more necessary than ever before. Women's savings have to last longer than men's, as they can currently expect to live another 22 years after age 60 compared with 18 for men (OECD, 2001a).

There is a widespread sense of crisis and uncertainty over the future of pensions in Britain. While state pensions are apparently in terminal decline due to the policy of successive governments, the risks of reliance on the private sector of pensions are increasingly evident. Plummeting projections for investment returns and a question mark over the continuation of final salary occupational pension schemes follow a saga of mis-selling in personal pensions. Expressing widespread concern, one financial expert concludes that "The much-trumpeted UK model of private pensions funding looks distressingly shaky" (Plender, 2003, p 1). As a result, many people banking on their private pensions are threatened with an impoverished old age, or a much lower income than they expected. Both the government and the private pensions industry urge people to save even more in private pension schemes, to make up the shortfall. However, the ability to do this is gendered, depending on employment and earnings, and also varies with stage in the lifecourse.

Far-reaching social changes have transformed gender relationships and norms as to partnering and parenting. Major changes include growing expectations of women's equality and financial independence irrespective of marital status; the sexual revolution, giving women greater control over their fertility; and increasing recognition of the importance of women's skills in the workplace and the economy as a whole. At the same time, the expectation of lifelong marriage has declined, with increases in divorce, cohabitation and lone parenthood as all these have become more socially acceptable. These changes offer both opportunities and challenges to individuals and society and have profound implications for women's acquisition of pensions. Yet successive generations encounter (and contribute to) these changes at different stages in their lifecourse, with consequently different effects on their future options. For example, cohorts of women reaching adulthood in the 1960s were able to make choices concerning family planning and employment rarely available to

those reaching adulthood in the 1940s. A later generation, entering the workforce in the 1980s, benefited from the equality legislation of the 1970s and from the ideas of second wave feminism that permeated society.

In the same way, as the British pension system evolves, each generation accumulates pension entitlements under new conditions, applying at particular stages of their life. Whereas the current older generation, and many now in midlife, expected state pensions to form a solid bedrock of retirement income (supplemented if possible by savings and private pensions), that bedrock is crumbling to sand for their successors. Just when increasing numbers of women are becoming entitled to the basic state pension in their own right, its value is falling further below the poverty line – the level of eligibility for means-tested income support. Increasingly, a substantial amount of private pension income (from occupational or personal pensions) will be required to avoid poverty in retirement. Such developments in the structure of the pension system, discussed more fully later in this chapter, may reinforce gender inequalities in prospects for a financially secure retirement, despite women's increasing participation in the labour market. The implications of pension policy are also important for men. Pension penalties – which are being deepened by the most recent developments – are imposed on all those, men or women, whose employment patterns are shaped by caring responsibilities.

Because of the long time frame involved in the accumulation of pension entitlements, the retirement income of each generation of women reflects both past reforms in pension arrangements and the changing norms about marriage, motherhood and employment prevailing during that generation's working life. Feminist analysis has barely begun to explore how changing gender roles interact with shifts in pension policy to structure income inequality in later life between men and women and also among women.

A political economy approach is used in this book. Thus a key concern is to analyse how British welfare policies alter the distribution of power, income and life chances, creating winners and losers in later life. Specifically, how does pension policy operate to construct life chances differently for men and women, and for different social groups within each gender? Changes over time in gender relations and in the pension system highlight new issues of distributional equity – between men and women, parents and the childless, partnered and lone parents, those who provide informal care and those who do not. The book sets out to explore these issues, using recent research on how employment and private pension acquisition vary according to gender, educational level, class, ethnicity, marital status, parenthood and birth cohort. A major focus is how changes and continuities in the gender division of labour and in patterns of partnering and parenthood shape gender inequalities in pension prospects.

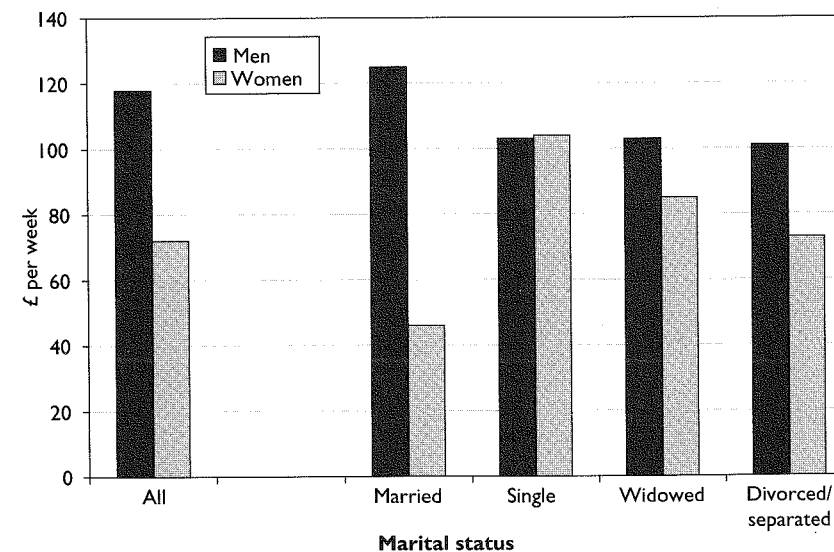
In this chapter, the evolution of gender roles, trends in employment and earnings and the gender implications for pension acquisition are considered. Gender-relevant changes in the British pension system since 1940 are outlined, including recent reforms shifting the balance of pension provision towards the private sector. Debate as to the optimum balance of state and private pensions

has taken on a new urgency as the inherent risk of pensions based on investment in the stock market becomes increasingly apparent.

Gender relations and older women's income

The disproportionate share of poverty borne by today's older women reflects the model of gender relations prevailing during much of their earlier lives, one in which a distinct gender division of labour confined most married women to raising a family and homemaking – the male breadwinner–housewife model. Married women of this generation, even those with some hours of paid work, expected to undertake the major share of domestic tasks, including the nurturing and socialisation of children and the care of other family members, freeing men to maximise their earnings and support their family. Before the 1950s, women were expected (or even required) to resign from their jobs on marriage, although later in their lifecourse employment became common. The result can be seen in the work histories of older women. Those who had ever been married had fewer years of employment and substantial periods of part-time, rather than full-time, work relative to never-married women and to men, with consequently low private pension income (Ginn and Arber, 1996). Longitudinal research has confirmed the profound effect of work history in differentiating later life incomes (Bardasi and Jenkins, 2002).

Figure 1.1: Individual income^a of men and women aged 65+ by marital status

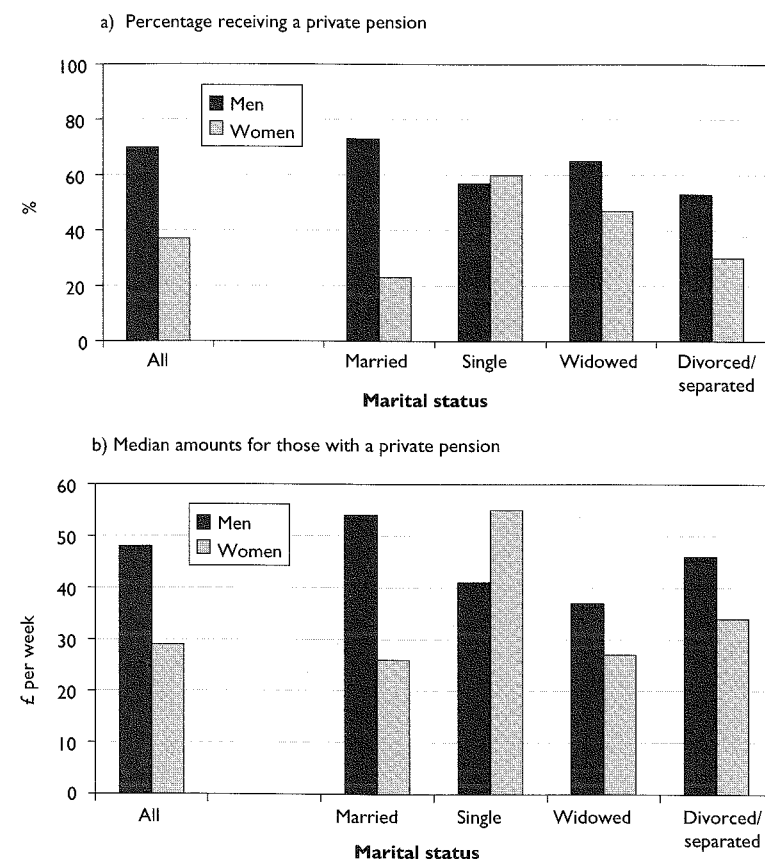


Note: ^a median gross income.

Source: Ginn and Price (2002) using data from the GHS 1994-96

As a result, gender differences in older people's income are substantial and three quarters of pensioners claiming means-tested financial support are women. Figure 1.1 shows median individual incomes of men and women over age 65 in the mid-1990s, distinguishing according to marital status. The median, which is the 'middle' value, is a better measure of the average than the arithmetic mean, because it is less influenced by extreme values. Older women's personal income was only about 60% of men's, on average. For example, in the mid-1990s, older women's median income was £72 per week, compared with £118 for men. Because older women are more likely than older men to live alone, with all the dis-economies entailed in solo living, these figures underestimate the gender difference in living standards. Older women's personal income varies with marital status, reflecting the way earlier family caring roles reduced their opportunity to contribute and benefit from pension schemes.

Figure 1.2: Private pensions of men and women aged 65+ by marital status



Source: Ginn and Price (2002) using data from the GHS 1994-96

This pattern of income inequality with gender and marital status arises mainly from differential receipt of private (occupational or personal) pensions. Only a third of older women have any private pension income, including widows' pensions based on their deceased husbands' private pensions, and the amounts are less than for men (see Figure 1.2). Among women with some private pension income, the amounts received by married, widowed and divorced women are low compared with single (never married) women. For the remaining two thirds of women, their entire pension income is through the state. In the 1990s, private pensions contributed 25% of older men's personal income but only 11% of women's (Ginn and Arber, 1999).

Will the apparent revolution in British women's employment over the past few decades enable working-age women to avoid the pension poverty their mothers and grandmothers are experiencing? What are the prospects for reducing gender inequality in later life income in the future? The next sections of this chapter consider how gender relations in Britain have evolved, and review current gender inequalities in employment and earnings over time.

Evolving gender relations

Despite changing attitudes towards gender roles and women's increased employment participation, in Britain the bulk of unpaid domestic and caring work is still performed by women (Gershuny et al, 1994; Murgatroyd and Neuburger, 1997; ONS, 2002a), constraining their employment opportunities while boosting those of married men (Gershuny, 1997). Most employed women work a 'second shift' of domestic labour (Hochschild, 1989), bearing the bulk of responsibility for childcare at the expense of their current and future earnings.

The reasons for the continuity in the gender division of domestic labour, and whether more radical change can be expected in the future, are matters of debate (Crompton and Harris, 1999). While Hochschild (1989) refers to a 'stalled revolution', noting that changes in the domestic division of labour do not match the increase in women's employment, Gershuny et al (1994) suggest 'lagged adaptation', in which men are merely slow to adjust to new realities by renegotiating domestic responsibilities. Other writers suggest the lack of change in women's share of domestic work is due to the persistence of male material dominance, combined with gender socialisation. An alternative perspective is offered by Hakim (2000) who argues that women's preferences – for building a home rather than a career – are the main reason for their disadvantages in the labour market. However, the majority of women try to maintain both employment and family, their employment behaviour reflecting external constraints as much as prior preferences (McRae, forthcoming).

It is not only men's failure to undertake an equal share of domestic work that influences women's opportunities in the labour market. The state's provision (or lack) of welfare services to complement and support family caring is also important in enabling women to engage in full-time employment (O'Connor et al, 1999). In liberal welfare states such as Britain and the US, policy has been contradictory,

simultaneously urging women into paid employment while providing minimal support. The chronic lack of publicly subsidised childcare, in particular, has tended to confine British mothers to being secondary earners if partnered, and low/no earners if not, as discussed more fully in Chapter Four. Falling fertility rates, which reflect women's difficulties in reconciling motherhood with increasing employment participation (Duncan, 2002), are a major cause of ageing populations. Achieving the policy goal of promoting women's employment and independent pension entitlements without further depressing fertility rates – an outcome important to the sustainability of pension schemes – is considered in Chapter Six, in the context of policies in other EU countries.

British women's difficulties in accommodating the dual roles of paid and unpaid work are central to understanding the persistence of the gender gap in hours of employment and earnings. These gender inequalities in the labour market, which lead to women's lower pension income in later life, are described in the next section.

Gender inequalities in employment

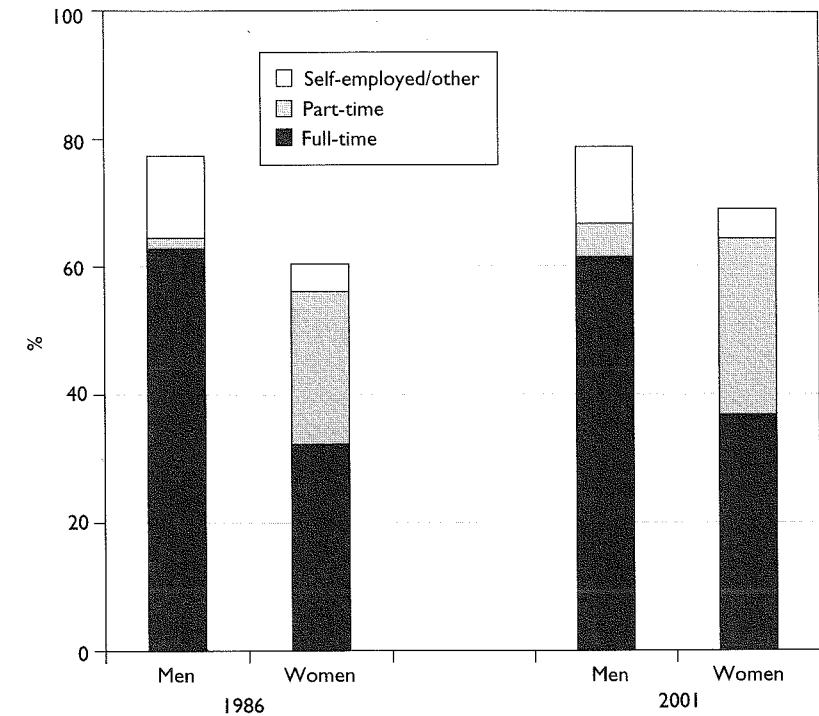
British men and women's overall rates of participation in the labour market are converging. While the economic activity rate of working-age men (16-64) declined from 94 to 79% between 1959 and 2000, that of working-age women (16-59) rose from 47 to 70% over the same period (ONS, 2002b, Chart 4.1). However, much of the increase in women's employment is in part-time work. In 2001, 37% of working-age women were employed full time and 28% part time. The corresponding figures for men were 61% and 5% (ONS, 2002b). The proportions of men and women who were full- and part-time employees in 1986 and 2001 are shown in Figure 1.3. Women's full-time employment grew noticeably between 1986 and 1990 but there has been no increase between 1990 and 2001.

Thus the gender convergence in employment participation is deceptive: full-time employment of women remains much lower than men's and may have stalled at under 40%, severely limiting women's earnings and ability to build an adequate pension income.

Two factors magnify the effect of the gender differences in full-time employment rates on lifetime earnings. First, women's age profile of employment participation differs from men's. British women's full-time employment rates tend to peak in their twenties, when relatively few have had children, and in their forties, reflecting women's return to longer hours of employment as children become more independent (see Figure 1.4). The timing in the lifecourse of part-time working is relevant to occupational status achieved and to earnings. Among women, part-time work is common in the prime earning years between ages 30-54 (Figure 1.4) when opportunities for wage gains and advancement would otherwise be highest. In contrast, part-time work among men is rare under age 55.

Second, the combination of this age profile with the characteristics of part-time jobs in Britain undermines women's capacity to earn pension entitlements.

Figure 1.3: Percentage employed, by employment status, men and women aged 16-64 (1986 and 2001)

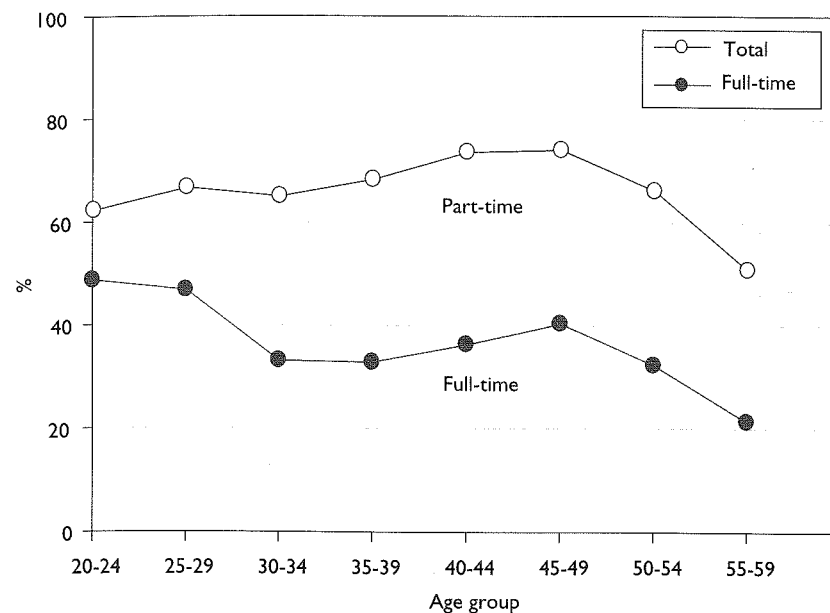


Note: As % of population aged 16-64.
Source: ONS (2002b, Table 4.3)

Part-time work is generally associated with poorer working conditions, job insecurity, lack of training and career development opportunities and lack of fringe benefits, as well as lower hourly pay. Part-time workers are typically concentrated in small firms, in certain private sector industries which are highly feminised and poorly unionised – all contributing to low pay (Paci et al, 1995). The effects of part-time work tend to be long-lasting and may apply even to well-qualified women. Qualitative research on British women who entered the labour market between 1946 and 1970 showed that the adverse effect of part-time employment on mothers' occupational status (relative to mothers employed full time) applied equally to earlier and later birth cohorts of women, despite the better qualifications held by later cohorts (Jacobs, 1999).

There has been a growth in the proportion of 'short' part-time jobs (under 20 hours per week) in Britain; such jobs tend to be of very poor quality and to act as a trap rather than a bridge to a better job. The EU Social Chapter obliges member states to set minimum hourly wages (although these are still very low)

Figure 1.4: Percentage of women employed full and part time by age group



Note: Full-time employment defined as 31+ hours.

Source: Ginn et al (2001, Figure 2.2), using data from the GHS 1993-94

and to ensure part-timers have equal access with full-timers to maternity leave, career break schemes, sick leave and redundancy pay. Britain enacted the necessary legislation in 2000. Some improvements for part-timers can be expected, although it takes time for the effects of legislation to translate into employment practices.

Women's gaps in employment, or reduction in hours of paid work, after giving birth are greater in Britain than in those European countries where affordable quality childcare services are widely available (Joshi and Davies, 1992). Women's maternal and marital status also affects their likelihood of being employed full time (as discussed more fully in Chapter Four).

Gender inequalities in earnings

Since contributions to private pensions are based on earnings, higher earnings over a longer period generally translate into higher pensions, although the precise relationship depends on the type of pension scheme. In final salary occupational pension schemes, earnings after age 40 are especially important to the amount of pension entitlement, as the latter is based on salary in the last few years before retirement, as well as on years of membership. In defined

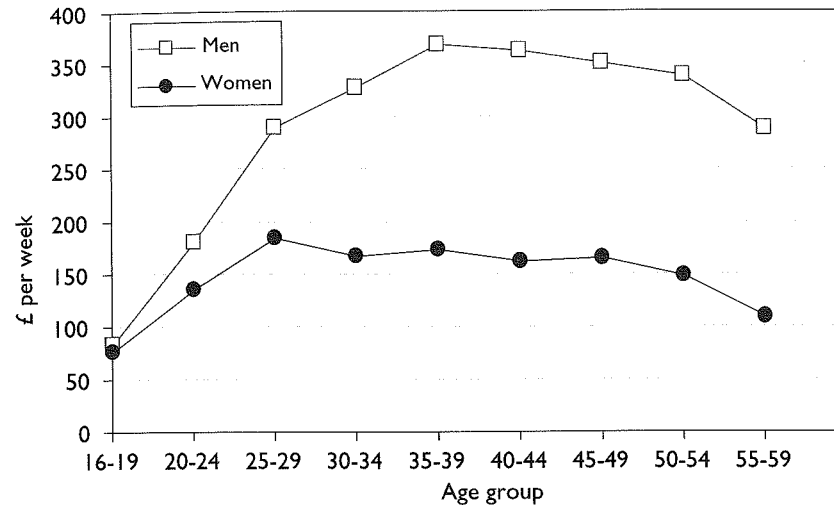
contribution (DC) schemes, contributions are invested on the stock market, building a fund that is annuitised at or soon after retirement. In such schemes, the individual bears the risks of both poor investment choices by the plan provider and of adverse developments on world stock markets as a whole. The fund accumulated at retirement reflects the level and duration of contributions but also the time they have had to grow. Thus contributions made early in the working life are most important. DC pension schemes may be occupational or personal (including stakeholder) pensions.

Among all full-time British employees, women's hourly earnings are still only 82% of men's, and among non-manual employees even lower at 70%. Hourly earnings of women employed part time are lower still, only 61% of the hourly earnings of men employed full time (ONS, 2001). Even among full-timers, women tend to work shorter hours than men and their weekly pay was 74% of men's in 1999 (Rake et al, 2000). The earnings of married women, in particular, remain far below men's, both nationally and within couples (Arber and Ginn, 1995). A fifth of employed women work less than eight hours per week, most earning wages too low to allow contributions to either state or private pensions. Those who are low paid tend to remain low paid and there is a high turnover between low pay and non-employment (McKnight et al, 1998). Toyne (2003) blames women's low pay on the low level of the Minimum Wage (£4.20 per hour in 2002-03) and on the continuing low valuation of what are regarded as women's skills – caring, cleaning, cooking, teaching and nursing. Pay in these occupations is falling further behind that of male-dominated occupations.

The gender gap in pay is modified by factors such as women's lifecycle stage, family circumstances, educational level, occupational class and ethnicity. Recognising this diversity is crucial to understanding variation in the extent of women's pension disadvantage relative to men. For example, whereas men's earnings tend to rise with age, suggesting they receive a premium for age and experience, women's earnings decline from age 30, reflecting their interrupted employment patterns and labour market segmentation. For workers in their twenties, the gender gap in full-time hourly wages has diminished since 1976 from about 15% to less than 10%. But the gender gap widens after age 30 and is around 25% among all those aged over 40 (Rake et al, 2000, p 46-7). Figure 1.5 shows the gender gap in individual income by age group during the working life. The widening of the gender pay gap with age is likely to reflect the cumulative effects of women's involvement in family caring work and also gendered ageism, in which employers perceive women employees as too old for training or promotion at a younger age than equivalent men (Itzin and Phillipson, 1993).

Family responsibilities and especially motherhood magnify the gender pay gap. The 'family gap in pay' – or the wage loss due to the presence of dependent children – for women aged 24-44, after taking account of age, education and other relevant variables, was relatively large in Britain compared with other countries, rising from 8% for one child to 24% for two children (Harkness and Waldfogel, 1999).

Figure 1.5: Median individual income of men and women by age group



Source: ONS (2002b, adapted from Chart 5.5), data for 1999

The gender pay gap may diminish for later cohorts, as younger women enter the labour market with better educational qualifications and benefit from improved labour market opportunities. However, neither qualifications nor entry to top occupations guarantee gender equality in pay. Indeed, economists have shown that gender inequality in earnings widens with occupational status and that the relationship between occupational status and earnings is weaker for women than for men in Britain (Sloane, 1990).

The extent to which periods of caring for children or older relatives place women at a disadvantage in acquiring pension entitlements of their own depends on the structure of the pension system, including the balance of public and private provision and redistributive features in state pension schemes. In the next section, gender-relevant features and reforms in the British pension system are examined.

Gender and the changing British pension system

The design of British welfare institutions incorporated the assumption that women would either marry and have financial support throughout their life from a husband, or would remain single and childless, pursuing a career in the same way as men (Lister, 1994). State pensions have since been modified to reflect changes in gender relations, but the declining value of state pensions and the increasingly heavy reliance on private pensions has rendered these adaptations ineffective in ensuring women's economic independence in later life. The gender effects of pension policy since 1980 can be seen in the changing ratio of

older women's income to older men's. In the mid-1980s older women's median personal income was 71% of men's, declining to 62% in 1993-94 and only 53% in 1998. Women have been less able than men to compensate for declining state pensions through private sector pensions.

Women in Britain, if they marry, can obtain retirement income through three main routes, which are conceptually distinct although often combined in practice. These are:

1. sharing a husband's pension income;
2. receiving pensions derived from a husband's (or former husband's) pension contributions (as wives, ex-wives or widows); and
3. receiving pensions based on their own contributions.

Relying on the first route is a risky strategy. First, an increasing proportion of marriages end in divorce and divorced women are unlikely to obtain an adequate pension settlement, as discussed in Chapter Four. Second, not all husbands share their pension income equally. Third, husbands are not necessarily successful breadwinners and pension earners, especially if they suffer redundancy or ill-health in midlife, curtailing their pension-earning years. The second route, through pensions derived from a husband's contributions to pension schemes, has the drawback that such pensions are often small. Most marriages end in widowhood for the woman – about half of British women aged over 65 are widows. Widows generally receive only half their deceased husband's occupational pension and may receive a smaller fraction from his personal pension. The third route, in which women acquire pension entitlements based on their own employment, can provide financial security but this is only possible in a women-friendly pension system – one that minimises the pension effects of gaps in employment and periods of low earnings due to caring commitments. A primary concern of this book is to explore to what extent women are able to build adequate state and private pensions of their own – the 'independence model' of pensions – and how pension policy promotes or frustrates this outcome.

Because current older women's incomes reflect pension policies in place up to 50 years ago, it is helpful to set out the main changes in pension structure, focusing on gender effects and distinguishing three policy periods between 1940 and 2002: establishment of state and private pension schemes (1940-74); revitalising state pensions (1975-80); and state pension retrenchment with promotion of private pensions (1980 on).

State pensions 1940-74

The retirement pension introduced by the 1946 National Insurance Act was originally intended to be "sufficient without further resources to provide the minimum income needed for subsistence" (Beveridge, 1942, p 122), although low enough to encourage voluntary additional saving by breadwinners, mainly men. However, Beveridge's 'subsistence' amounts were not based on objective

study of need and were more miserly than Rowntree's 'primary poverty' standard. Compared with social insurance contribution levels in other EU countries, Britain's National Insurance (NI) contributions are relatively low. This is reflected in state spending on individuals aged over 55, which is over 10% of GDP on average for the EU but only 5.5% in Britain (EPC, 2001).

Because of the gendered assumptions on which the welfare state was based, a married man's NI contributions buy a basic flat-rate pension for two – his own and a reduced (60%) Category B pension. This is payable for a wife when she is over state pension age (60, but rising to 65 by 2020) provided her husband is aged at least 65. This arrangement gives rise to the inequity that a wife who earns entitlements in her own right through paying NI contributions may receive no more than a stay-at-home wife, even though both may have had similar domestic responsibilities. Widows over state pension age receive a basic pension equal to their deceased husband's (if better than their own entitlement) and divorced women can use their ex-husband's contribution record for the period of the marriage if this improves their own entitlement. Thus the post-war welfare state 'compensates' married women for limited opportunities in the labour market through derived benefits – that is, benefits based on their husband's contributions.

Women's lower state pension age of 60, compared with 65 for men, was conceded in 1940 following representations from the National Spinners' Association and from married men whose wives were several years younger than themselves and therefore ineligible for the Category B pension at the time the husband reached age 65 (Thane, 1978). This reform was deemed a cheaper solution than increasing the level of the basic pension.

In most other respects, women were ill-served by the Beveridge scheme. Married women were handicapped by the notorious 'half test', whereby those paying contributions for less than half their working life since marriage lost the value of *all* their contributions. Periods of caring for children, parents or parents-in-law attracted no credits in the basic pension. Married women were further discouraged from building their own pension by the right to opt for reduced National Insurance (NI) contributions which carried no pension entitlement – the Married Woman's Exemption, or 'small stamp'. Many married women did not appreciate that paying a reduced NI contribution disqualified them from receiving a basic state pension of their own. As a result of these gender-biased provisions and women's short employment records, only a quarter of women pensioners in the late 1990s received a basic pension solely through their own contributions and of these only half received the full amount. A further third were married women with a Category B (60%) pension and just over 40% were widows with a Category B (100%) pension (Social Security Committee, 2000, p 168).

The value of the pension increased slightly, as a proportion of male manual earnings, from 19.1% in 1948 to 21.5% in 1975 (Johnson and Falkingham, 1992), yet for most of the post-war period it has remained about 10% below the level of means-tested benefits and thus wholly inadequate to live on. From

1961, a small state Graduated Pension was introduced. This extended an earnings-related scheme to those excluded from occupational pensions, but was too little and too late to stem the demand for private provision (Hannah, 1986).

Private pensions 1940-74

The low level of state pensions fostered rapid expansion in occupational pension coverage from only 13% of the workforce in 1936 to 47% in 1967, falling slightly to 46% in the 1970s (Hannah, 1986). While other European states provided substantial state earnings-related pension schemes to most employees, Beveridge's recommendations had "furthered the conditions within social security for the growth of a multi-billion-pound enterprise of private pensions" (Shragge, 1984, p 33). When the Graduated Pension was introduced, occupational pensions meeting certain standards were allowed to contract out, diverting the increase in National Insurance contributions of both employer and employee into the private scheme. The lack of a realistic state second tier pension and the growing importance of occupational pensions were to have serious consequences for British employed women, because of their limited access to occupational pensions.

Most occupational pension schemes provide a defined benefit (DB) pension at retirement, based on the individual's years of pension scheme membership and final salary (their average salary in the final few years before retirement). The extra contributions generally made by employers to their occupational pension schemes, above the minimum required to replace the state second tier pension, are effectively a form of deferred wages and make occupational pensions a valuable fringe benefit of employment. British employers' welfare payments, as a proportion of total employee remuneration, doubled between the mid-1960s and the 1980s (Green et al, 1984), improving benefits for the minority of the population belonging to an occupational pension scheme but exacerbating the social division of welfare (Titmuss, 1958). The social cleavage was of gender as well as class, with women's coverage by private pensions well below men's. A major reason is that part-time employees were often excluded from occupational pension schemes. This has been unlawful in the EU since 1986 (following the *Bilka-Kaufhaus* judgment) and in Britain the 1995 Pensions Act prohibited the exclusion of part-timers from occupational pension schemes. However, small employers in the private sector, for whom women part-timers often work, rarely operate an occupational pension scheme (Ginn and Arber, 1993).

The return on contributions in an occupational pension scheme is greatest for those with continuous membership until retirement and earnings that rise with age. Those who leave the scheme early, mainly women with family responsibilities, receive less value for their contributions. Also, women tend to have a flatter earnings profile than men, with a lower final salary and hence a lower pension even for the minority of women whose length of service matches men's. Thus women have both lower coverage rates than men and poorer benefits due to lower earnings, fewer pensionable years and the penalties of

early leaving (Groves, 1987; Ginn and Arber, 1991, 1993, 1996). Despite being hailed as a success story, occupational schemes have yielded quite modest pensions. Among the recently retired with an occupational pension, the median amount for a non-married man in 2000 was £81 per week and even less for a comparable woman: £47 per week (House of Commons, 2002).

It was not until 1975 that a Labour government introduced a radical new state pension scheme, which addressed a number of the inadequacies of state pension provision and promised a much better pensions deal for women.

Revitalising state pensions 1975-80

The 1975 Social Security Benefits Act introduced by Labour heralded major improvements to the British state pension system. First, the basic pension was formally indexed to rises in national earnings or prices, whichever was the higher. This ensured that older people would share in rising national prosperity and signalled that the basic pension would provide a secure foundation on which individuals could build other sources of income in later life. Second, the pension needs of women were explicitly addressed for the first time. The 'half test' was abolished and the Married Woman's Exemption phased out. Although married women who were already paying reduced NI contributions were allowed to continue after 1978, women who divorced were required to pay the full stamp. Most important, Home Responsibilities Protection (HRP) allowed years of family caring to count towards eligibility for the basic state pension. Those not in paid employment or who earn less than the Lower Earnings Limit (LEL) (about £75 per week in 2002), are excluded from contributing to the NI system. This applies to some two million women each year (McKnight et al, 1998). However, if they are caring for a child aged under 16 (or 18 if in full-time education) they qualify automatically for HRP. Carers of a frail or disabled adult may also be covered by HRP. HRP reduces the number of contribution years required for entitlement to the basic pension so that, provided NI contributions have been paid for at least 20 years, a woman may still qualify for the full amount if the remaining years are covered by HRP. It was expected that pensioners would increasingly be floated off means-tested benefits by a rising basic pension and that HRP would eventually ensure that most women would receive the full amount in their own right. By protecting pension rights during caring years, HRP promised to help accommodate women's dual commitments to family and employment.

A new State Earnings-Related Pension Scheme (SERPS) replaced the meagre Graduated Pension. Benefits, based on the best 20 years of earnings (revalued at state pension age), would accrue at 1.25% per annum and entitlements were automatically portable across jobs or across gaps in employment – a great advantage for those with interrupted employment patterns, particularly women. Contributions to SERPS through the NI scheme were compulsory for all employees earning above the LEL, unless they contracted out into an occupational pension scheme.

The new state pension package, if allowed to mature, would have been redistributive towards the low paid, as well as minimising the adverse effect of women's caring responsibilities on their state pension income. A woman on average female manual earnings could expect (at maturity of SERPS in 1998) a replacement rate of 50% of her earnings from the combination of basic pension and SERPS, while her higher paid non-manual sister could have expected a replacement rate of 43% (Groves, 1991). The benefits of the 1975 legislation were shared across generations, helping both current pensioners and working-age people. The reinvigoration of state pensions was short-lived, however, overtaken by the neo-liberal reforms of the 1980s.

Retrenchment of state pensions 1980-2002

With the election of a Conservative government in 1979, an individualistic, competitive ideology gained ascendancy, expressed in privatisation of many aspects of welfare. The ensuing spate of reforms included cutting state pensions and promoting private personal pensions as an alternative to SERPS, a policy that ignored women's lesser ability to acquire private pensions. The main changes since 1980 are briefly outlined.

From 1980, the basic state pension has been indexed only to prices, eroding its relative value from 20% of average male earnings in 1980 to around 15% in 2002. It is projected to decline to only 7% by 2050 (DSS, 1998), falling ever further below the level of means-tested benefits.

The second tier SERPS was scaled back in the 1986 Social Security Act, so that it would in future provide a maximum pension of 20% (instead of 25%) of revalued earnings. A major change was that the pension was to be based on average earnings over a working life of 44 years for women and 49 years for men, instead of average over the best 20 years. This substantially reduces the amount of SERPS pension for those with periods out of employment or on low earnings, compared with the original formula that would have become mature in 1998. There was a further cut in SERPS for women. Those widowed after October 2002 will inherit only half their deceased husband's SERPS, instead of the whole amount as originally provided in the 1975 Act.

The 1995 Pensions Act brought yet another cut to state pensions in the future, affecting women only. Their state pension age will be raised from 60 to 65, phasing in the change from 2010 until 2020. By 2020, women will need 44 years of contributions instead of 39 (including any HRP years) to qualify for a full basic pension. Similarly, for the state second tier pension, average earnings over 49 instead of 44 years will be used to calculate the pension entitlement. These changes will substantially reduce the amount of state pension income for women born after 1950, unless they are able to continue in full-time employment until age 65 (Hutton et al, 1995).

In 2002, SERPS was replaced by the State Second Pension (S2P). This differs from SERPS in two ways. First, it will provide a higher pension for the low paid than SERPS, by applying a higher accrual rate to low earnings bands.

Second, there is some carer protection in S2P, in that mothers of a child up to age six are credited into the scheme as if they were paying contributions on earnings of about £10,000 pa. Some of those caring for adults may also qualify for carer credits. It is planned that the S2P will become a flat-rate pension by 2007. These reforms potentially benefit women. However, because of the projected decline in value of the basic pension under current policy, the S2P and basic pension combined will only provide a pension below the level at which means-tested benefits are payable (Falkingham and Rake, 2001; Brooks et al, 2002; Falkingham et al, 2002). Thus "the new State Second Pension will make little difference to women as the gains from this will be washed out by the ongoing erosion of the basic state pension" (Evason and Spence, 2002, p 4). The low level of the combined basic and S2P perpetuates the pensions poverty trap, in which additional pensions, savings or earnings may bring no financial gain because of the loss of means-tested benefits.

An indication of the extent of state pension cuts planned by the Labour government in 1998 is provided by projections to 2050. The cost of the state pensions (basic and SERPS/S2P) was projected to fall from £34bn to £26bn (in 1997 earnings terms) and the value of the combined state pensions to fall from 37 to 20% of average male earnings in 2050 (PPG, 1998). Spending on state pensions was projected to fall from 4.4 to 3.4% of GDP (DSS, 1998). Above-inflation rises in the basic pension in 2001 (+7.4%) and 2002 (+4.1%) slightly modify these projections. The government hoped that the shortfall in older people's incomes would be met by a further expansion of private pensions; their aim was to reverse the balance of pension provision, which was then 60% state and 40% private.

Expansion of private pensions 1980-2002

Despite warnings from the government's natural supporters as early as 1985 that personal pensions would bring poorer returns for many employees than SERPS (for example, CBI, 1985), the Conservative government pressed ahead, providing generous financial incentives to encourage individuals to opt out of SERPS into the new Appropriate Personal Pensions. These personal pensions are individual portable defined contribution (DC) accounts whose fund must be annuitised (converted to an annual income for life) at or during retirement. A major drawback, played down at that time, is that investment risk is individualised, shared neither with the workforce as a whole nor even with members of an employer's scheme. Some five million individuals took the bait, providing lucrative business for the personal pensions industry but dubious benefits to contributors. Some companies set up group pension schemes on a DC basis, reducing administration costs and sharing investment risk among a larger group.

Personal pensions provide poor value for most women and for the low paid (Davies and Ward, 1992; Waine, 1995; Ginn and Arber, 2000a). In any DC scheme, contributions made early in the working life have a disproportionate

effect on the fund at retirement; yet women's ability to contribute is often very limited until their children have become independent. To make matters worse, the same size of fund buys an annuity for a woman that is about 10% less than a man's, due to actuarial calculations reflecting women's greater average longevity. The charging structure, with flat-rate fees paid predominantly in the first year of membership, penalises the low paid and those with breaks in contributions, making personal pensions a very poor option for women who have gaps in full-time employment when their children are young. Charges for administration, investment management and annuitisation may reduce the value of contributions by 45%, according to experts (Murthi et al, 2001). An estimated 30-40% of personal pension account holders find that charges actually exceed the amount they have contributed (Disney and Johnson, 1997). Many employees succumbed to high-pressure sales techniques and opted out of an advantageous occupational pension scheme into a personal pension – the mis-selling scandal (Ward, 1996). The issue of proliferating pension choices and new risks is considered more fully in Chapter Two.

Stakeholder pensions (SHPs) were introduced in 2001 partly as a result of the tarnished image of personal pensions. Employers with over five employees who do not operate an approved occupational pension scheme are required to offer an SHP to their employees. SHPs are a more heavily regulated form of personal pension, provided by the same companies that provide personal pensions but intended for individuals with modest to average incomes. SHPs have the advantage of a cap on administration charges at 1% per annum of the fund and a feature which is particularly helpful to women is that gaps in SHP contributions incur no extra charges. Contributions of up to £3,600 per annum can be made to an SHP on behalf of a non-earner. However, this will only help women with a husband (or other relative) who is well-off, generous and accepts women's need for their own independent pension entitlement. Drawbacks are that SHPs share with other personal pensions the risk of poor investment returns. Moreover, hidden fees (such as dealing charges) are not capped so that costs may still be high relative to individuals' contributions (Wynn, 2001). If the S2P becomes flat-rate by 2007 as planned, SHPs will be the only earnings-related pensions available for the moderately paid who lack access to an occupational pension.

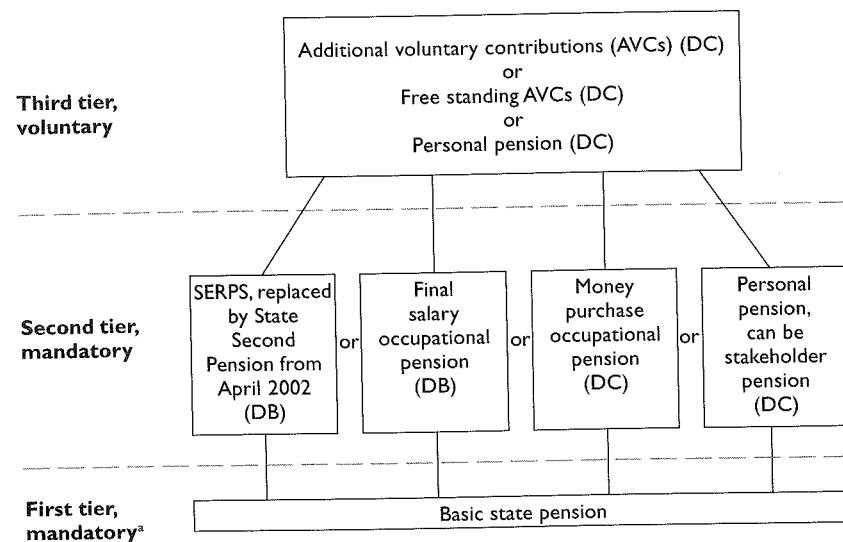
The policy of encouraging contracting out of state second tier pensions through advantageous rebates is costly, withdrawing financial resources from the National Insurance (NI) system and hence reducing the scope to improve the state pensions that are the mainstay of older women's income. Although the Conservative government claimed that opting out of SERPS would reduce public spending, the net cost of the financial incentives to opt out, from 1988 to 1993, was estimated as £6,000 million (1988 prices) (NAO, 1990). Every pound paid in rebate on a personal pension incurs a net cost to the NI Fund of 22p (PPG, 1998) and this subsidy applies equally to SHPs.

A further loss of public resources that is largely invisible arises from tax relief on private (occupational and personal) pension contributions by employees and employers. Tax relief on private pensions is long-standing but the amount

of tax lost in this way grew dramatically under the Thatcher administration, from £1.2 billion in 1979 to £8.2 billion in 1991 (Wilkinson, 1993), reflecting the spread of personal pensions, and continued to rise (Sinfield, 2000). By 2000 such tax spending (not counting the £1.5-2.2 billion tax forgone on lump sums from pension schemes) had risen to £13.7 billion in that year, equivalent to over 40% of state spending on the basic NI pension (Sinfield, 2000). Tax spending on private pension incentives is highly regressive, with half the benefit received by the top 10% of taxpayers and a quarter by the top 2.5% (Agulnik and Le Grand, 1998). Pensions tax relief and rebates cost Britain nearly 3% of GDP in forgone revenue (Adema, 2000), a huge expenditure that could otherwise be spent on improved state pensions. A gender audit of tax spending has not been carried out but it is likely that men are the chief beneficiaries, while women have been harder hit than men by the cutbacks in state pensions.

The main elements of the British pension system in 2002 are shown diagrammatically in Figure 1.6. For a comprehensive account, focusing on the relationship between state and private pensions, see Liu (1999). Employees must make NI contributions to both the basic state pension and a second tier pension, but may choose to contract out of S2P into one of a variety of private schemes, including occupational and personal pensions. However, the choices are more limited for those lacking access to an occupational pension scheme. As noted above, final salary occupational pension schemes (DB) are the most advantageous, due to the employer's contribution, which is generally higher

Figure 1.6: Outline structure of the British pension regime (2002)



Note: Those earning below the Lower Earnings Limit (LEL) pay no National Insurance contributions, but may acquire credits through Home Responsibilities Protection; those earning between the LEL and the Lower Earnings Threshold (LET) acquire NI credits; those earning above the LET must pay NI contributions. For the self-employed, second tier pensions are not compulsory.

than in an occupational money purchase (DC) or personal pension scheme. Those with sufficient income may opt to make additional voluntary contributions (AVCs) to an individually arranged personal pension, to a company-sponsored AVC scheme or to an individually arranged free standing AVC.

Analysts from academic, political and actuarial backgrounds have questioned whether the government's pension policy is politically sustainable. In the final chapter, the major concerns expressed – about pensioner poverty, savings disincentives due to means-testing and failures in the private pensions sector – are considered, along with policy alternatives.

Summary

This chapter has outlined British trends in gender relations and in women's employment and earnings, tracing the parallel changes in the pension system that will influence gender differences in pension income in the future.

The remainder of the book is organised as follows. Chapter Two is concerned with pension choices and analyses gender and class inequalities in the ability to contribute to the expanding range of types of private pension, using data from the General Household Survey (GHS). The characteristics of employees who have opted for personal pensions or remained in the state pension scheme are examined, distinguishing between those with access to an occupational pension and those without, and considering the implications for later life income.

Little is known about the pension prospects of men and women from minority ethnic groups and how they are affected by disadvantage and discrimination in the labour market, as well as different cultural norms concerning women's employment. Chapter Three uses data from the Family Resources Survey to analyse variation in employment and private pension scheme membership according to gender and specific ethnic group.

Chapter Four examines how the impact of childrearing on participation in paid employment and private pension scheme membership differs according to women's partnership status, using data from the GHS. Recent legislation permitting pension sharing is considered in relation to the pension needs of divorced and cohabiting men and women.

Chapter Five also uses GHS data, focusing on differentiation among women in their employment and private pension coverage, according to their educational qualifications. It critically examines the thesis that graduate mothers can largely avoid the adverse impact of childrearing on future pension income, in contrast to less skilled women.

Chapter Six turns to the European Union, comparing trends in fertility and women's employment, and the differing extent to which EU pension systems are adequate and adapted to the needs of those with caring commitments.

Finally, Chapter Seven summarises the gender implications of British pension policy, examines the concerns of a range of critics and discusses the main alternative strategies proposed, focusing on the gender implications of each.

Impact of motherhood on pension acquisition: differentiation according to education

The effect of raising children on British women's employment, earnings and pension prospects was examined in Chapter Four, distinguishing according to partnership status. The analysis confirmed major divisions among women – between the child-free and those with dependent children and between partnered and lone mothers. Yet within these groups, women are further divided in terms of their human capital. Researchers have found a polarisation in British mothers' employment, in which those with high educational qualifications and occupational experience are able to buy childcare services and further their career, whereas others are constrained in their employment options by low earning power and unaffordable childcare.

British women's increasing levels of educational attainment have led to expectations of gender convergence in employment patterns and hence in lifetime earnings and pension income. As a growing proportion of women obtain graduate-level qualifications, they can expect to earn wages high enough to afford comprehensive childcare services. It is supposed that they will be able to maintain full-time employment after childbirth and maternity leave, matching men's traditional pattern of full-time continuous employment. Thus, according to an important and influential Cabinet Office publication (Rake et al, 2000), the 'motherhood gap' in pensions – the difference between a childless woman and a comparable mother – will in future be negligible for young women with a degree or equivalent qualification. This conclusion echoes the finding of a computer-simulation exercise by Davies et al (2000), which indicated that for women with high educational qualifications motherhood would typically incur no pension loss, as their employment would be almost continuously full time across their reproductive years. These authors suggest that for a typical graduate mother "employment is hardly perturbed by bearing two children", and that "part-time employment is limited for the mid-educated and negligible for graduates" (Davies et al, 2000, p 297). Rake et al (2000, p 85), drawing on these computer simulation results, conclude that the effects of child bearing are minimal for graduate women: "High-skilled mothers of two are estimated to remain continuously employed, with one year of part-time work following the birth of their second child."

The simulation exercise by Davies et al (2000) is valuable in illustrating the consequences of motherhood for women's incomes in later life and how these

are likely to vary with educational level. The simulations were not intended to reflect average or representative women, but to provide typical scenarios. Nevertheless, the widely reported findings have been influential in conveying an optimistic message: that as the proportion of graduate women rises from the current 20%, a diminishing proportion of women will experience pension penalties due to motherhood and hence the need for redistributive state pensions and derived benefits in private pensions will recede.

This chapter reports research that assesses how realistic this message is. Data from the General Household Survey (GHS) was used to analyse the impact of motherhood on employment, earnings and private pension coverage according to women's educational qualifications. In particular, the claim that graduate mothers can expect negligible pension loss was critically examined (Ginn and Arber, 2002). A cross-sectional picture of women's employment, earnings and private pension coverage in the mid-1990s cannot predict pension entitlements at retirement since many of those not currently contributing to a private pension may have done so in the past and may do so in the future. Nevertheless there is a reasonably close correspondence between the cross-sectional gender difference in occupational pension scheme membership, where women's coverage rate is 63% of men's (Ginn and Arber, 2000a) and the gender difference in duration of membership, where women have 67% of men's membership duration. Among Britons aged over 60, men had typically contributed to an occupational pension scheme for 24 years, women for 16; similarly, among working-age men the average duration of membership was 15 years, but only 10 for women (Walker et al, 2000). This gives some confidence that analysis of cross-sectional data can give an indication of relative duration of coverage between different population groups, including the likely differentials in pension outcomes between childless women and those who ever had children.

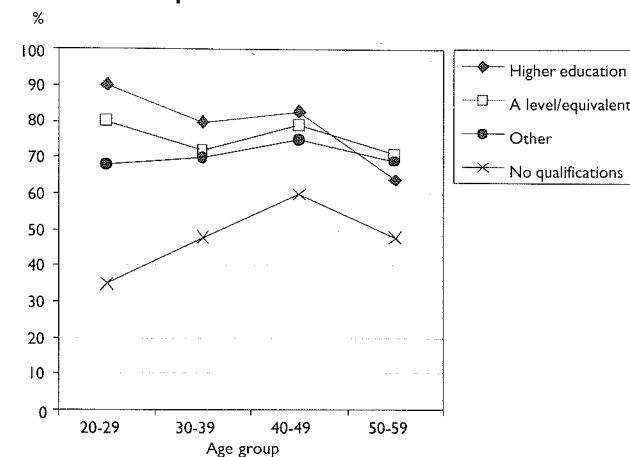
Before presenting the findings concerning the impact of motherhood on women's pension prospects, it is useful to consider how and why women's employment participation is related to their educational level.

Women's employment and educational level

Among all women aged 20-59, those with higher education are much more likely to be employed than women with no qualifications, but the relationship is stronger among younger than older women (see Figure 5.1). This interaction between age and educational level in influencing women's employment participation is likely to reflect the tendency for more highly educated women to postpone childbearing until a later age than less skilled women, to take shorter career breaks for childrearing and to have a higher rate of childlessness (Beets, 1999).

Among employees, the proportion of men and women contributing to a private (occupational or personal) pension is related to educational level (Ginn and Arber, 2002). Graduates show a clear advantage in pension coverage over the less qualified, among both women and men and according to women's

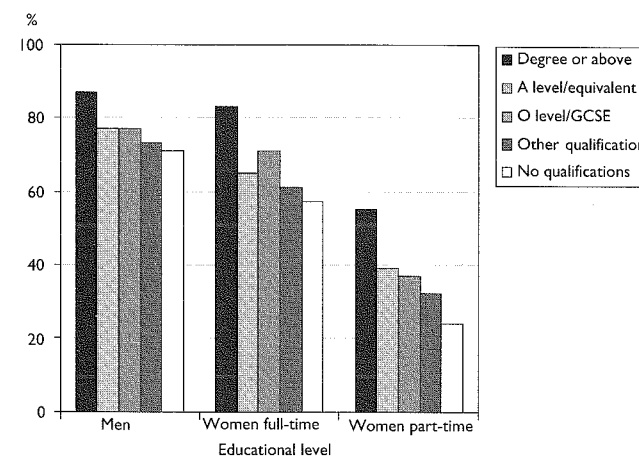
Figure 5.1: Percentage of women employed, by age group and educational qualifications



Source: Adapted from ONS (1998, Table 7.6)

hours of work. The gender difference in pension coverage was small among full-time employed graduates, but was larger at lower educational levels (Figure 5.2 and Appendix Table A5.1). However, women graduates employed part time were no more likely to have private pension cover (57%) than women full-timers with no qualifications (59%). This highlights the fact that, even for the most highly qualified women, working part time severely reduces the chance of contributing to a private pension scheme.

Figure 5.2: Percentage contributing to a private pension by educational level and hours of work, women employees aged 20-59



Source: Ginn and Price (2002), using data from the GHS 1994-96

Women's periods of part-time working and gaps in employment due to childrearing are becoming shorter and there has been a dramatic rise in the proportion of mothers who return to full-time employment within a year of childbirth – 5% in 1979 but 24% in 1996 (McRae, submitted 2002). The increase in maternal employment is most marked among those who are white, older, have fewer children and have educational qualifications (Brannen, 1999). Research has shown that for highly qualified young mothers, return to employment after childbearing is more rapid than for the less qualified (McRae, 1993; Dex et al, 1996). Glover and Arber (1995) showed a differentiation according to occupational class in terms of the length of gaps in employment when children were young. Moreover, the rate of full-time employment rose more rapidly with the age of the youngest pre-school child among women in higher non-manual occupations than among women in manual occupations. Nearly half of professional mothers were employed full time when their youngest child was aged 5-11 years compared with a fifth of mothers in manual jobs (Glover and Arber, 1995). However, recent longitudinal research shows that only a distinctive minority (10%) of mothers, mainly in professional or managerial jobs, maintained full-time employment continuously for 11 years after the birth of their first child, the majority having a mixture of full-time and part-time jobs with periods of non-employment (McRae, submitted 2002).

There are several reasons why qualifications mediate the impact of having children on participation in employment. First, rapid return to full-time employment in the same job is easier for well-qualified women. This is particularly so for women who postpone childbearing until they have established themselves in a professional or managerial occupation. For the majority of women the strategy of using all-day childcare is less available because their earnings are too low (Ward et al, 1996). Second, having a well-qualified partner further reduces the impact of motherhood. Homogamous partnering, in which men and women of similar educational level tend to marry or cohabit, reinforces differentials in household income and hence in capacity to pay for childcare. Third, highly qualified women tend to occupy jobs that provide better employment rights, such as relatively long maternity leave with pay, as well as family-friendly arrangements for return to the same job after childbearing (Glover and Arber, 1995). Fourth, the low wages associated with low qualifications do not encourage women back into the labour market. Even where lack of childcare is not a barrier to employment, the financial gain after paying for childcare will be very limited if earnings are low. In this situation it is not surprising that many women with low qualifications opt to care for their own pre-school children and to take a part-time, term-time job once their children are at school. As noted in Chapter Four, lone mothers are less likely than partnered mothers to be able to return quickly to full-time employment.

Thus in Britain returner patterns vary according to human capital, with a "small group of mothers with considerable educational and occupational capital and a much larger group of mothers without such capital" (Glover and Arber,

1995, p 169). This differentiation of returner patterns according to qualifications magnifies the pre-existing occupational pay differentials among women (Dex et al, 1996). Women whose educational qualifications enable them to return after childbearing to full-time employment in the same job can maintain or improve their occupational status. In contrast, those who return to part-time employment after a period of childrearing often take a different job and typically suffer downward occupational mobility (Dex et al, 1996).

The variation in women's employment patterns according to their level of qualifications suggests a similar differentiation in pension prospects, exacerbated by the current shift in the balance of pension provision towards private pensions. While highly qualified women may begin to match men's private pension income in later life (as single, childless women have done in the past, see Ginn and Arber, 1991) the pension outlook for women who have periods of part-time employment to accommodate family needs is less rosy. Part-timers are less likely to contribute to a private pension and, if they do, their lower earnings lead to a lower pension. Although low earnings early in the lifecourse have no direct effect on final salary occupational pensions, employers are increasingly switching to defined contribution (or money purchase) schemes (see Chapter One). In such schemes, the pension is reduced by periods of low earnings, especially if these occur early in the working life. Low earnings will have a similarly detrimental effect on personal (including stakeholder) pensions, compounded by the fact that employers generally make no contributions to these pensions.

In the remainder of this chapter, research is presented on the relationship between women's lifecourse stage and their employment and private pension coverage, distinguishing according to their human capital in terms of educational level (Ginn and Arber, 2002). To what extent can qualifications protect women from the impact of motherhood on their private pension acquisition?

To address this question, data from three years combined (1994-96) of the GHS were used. Women were grouped according to their highest educational qualification into five categories: degree/equivalent or above, A levels, O levels/GCSE, other qualifications and no qualifications. Full-time employment included all those whose usual hours of work were at least 31 per week, whether employees or self-employed. Membership of private pensions includes occupational and personal pensions (including personal pensions for the self-employed). Women were grouped into six categories, in order distinguish successive stages in the lifecourse:

1. those aged under 35 who had never borne a child;
2. those with a youngest child aged 0-4 in the family;
3. those with a youngest child aged 5-9 in the family;
4. those with a youngest child aged 10-15 in the family;
5. those who had borne a child but had no child aged under 16 in the family;
6. those aged over 35 who had never borne a child.

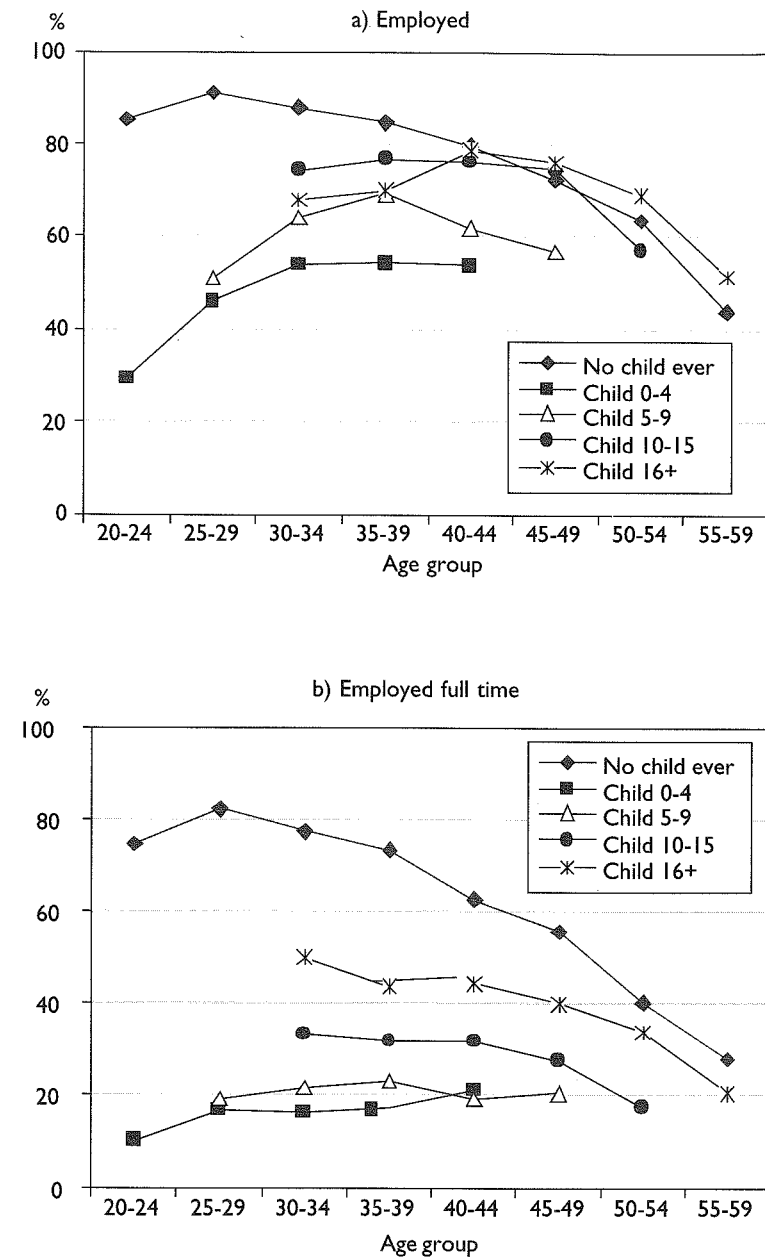
Among women aged under 35 who had never had a child, roughly three quarters can be expected to pass through the four stages of motherhood, while a quarter can be expected to remain childless, moving straight from category 1 to 6. Women aged under 35 were born after 1960 and entered the labour market between 1980 and 1995, so their employment fully reflects the momentous changes of the 1970s in equality legislation, educational opportunities and attitudes towards sex equality and women's roles – the 'new gender settlement' (Walby, 1999). Therefore certain analyses were restricted to women aged under 35, comparing childless women with mothers of young children while controlling for educational level. This indicates the differences in employment and pension coverage associated with motherhood within this late cohort. The mean ages of childless women and mothers aged under 35 were not very different, 26.3 and 28.5 years old.

Lifecycle stage and women's employment

Women's rates of employment and of full-time employment differed according to maternal status and age group (Figure 5.3). However, women's total employment rates were less affected by maternal responsibilities than their full-time rates, since part-time employment can often be accommodated (Figure 5.3a). The employment rate of childless women and women with children aged over 10 was high among those in their forties but fell to only 50% among all women in their late fifties, a key age for pension building. Reduced employment among those with children aged from 0-4 was more marked for women aged under 30 than for those in their thirties and forties.

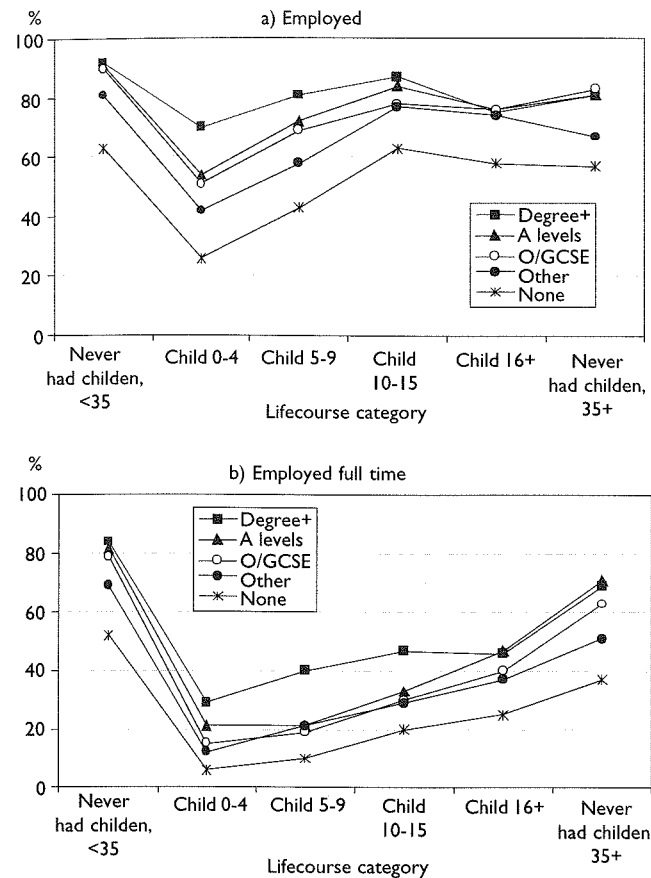
Full-time employment, in contrast, was reduced considerably for women with childcare responsibilities (Figure 5.3b). Among mothers of children aged under 10, under a fifth were employed full time at all ages. The full-time employment rate was still under a third for all age groups of women with children aged 10-15 and was under half where women had children aged 16 and over. Full-time employment of childless women peaked among those in their late twenties at 80%, declining thereafter, more steeply from the late forties to only 40% in the early fifties, and under 30% in the late fifties. Very few women in their fifties were in full-time employment, an employment position that would help to maximise their pension accumulation. For married women in this older cohort, this may reflect a norm of non-employment or secondary wage earning (in which a wife's wages are a necessary but minor supplement to the household income).

Figure 5.3: Percentage of women employed by maternal status and age group



Source: Ginn and Arber (2002), using data from the GHS 1994-96

Figure 5.4: Percentage employed by lifecourse category and education level, women aged 20-59



Source: Ginn and Arber (2002), using data from the GHS 1994-96

In order to assess the effect of motherhood on the employment of women with different levels of qualifications, women's employment was analysed by lifecourse category, controlling for educational level (Figure 5.4 and Appendix Table A5.2). Since accumulating adequate private pension entitlements depends mainly on full-time employment, discussion will focus on this. Figure 5.4b shows a dramatic reduction in full-time employment among mothers in all educational groups. In each of the four stages of motherhood, under half of graduate women were employed full time and among those with children aged under five less than a third were in full-time employment. This casts doubt on the models of lifetime earnings and pensions of graduate mothers estimated by Davies et al (2000) and Rake et al (2000), and suggests graduate mothers' losses may have been seriously underestimated.

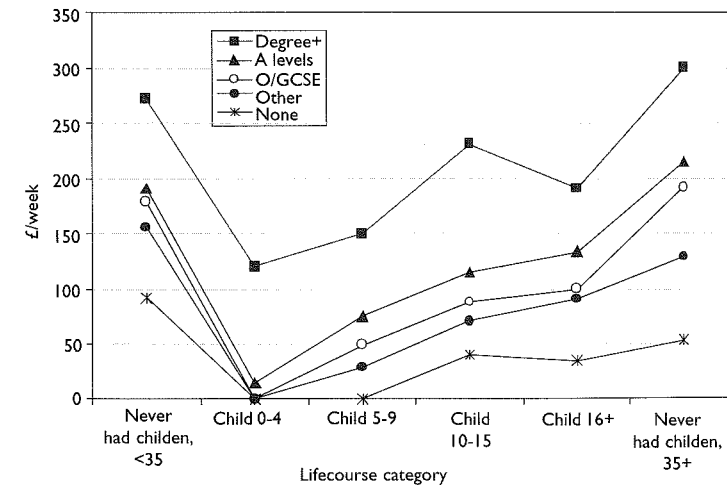
The impact of having children varied according to educational level. For example, the proportion of mid-skilled women (with O levels/GCSE) who were employed full time was 79% among those who were childless and aged under 35, but was only 15% among those with a child under age five. For graduates, the equivalent proportions were 84% and 29%, still a substantial difference. The strongest association between motherhood and reduced full employment was for women with O levels/GCSE (see Table A5.2).

In sum, the effect of having young children at home on women's likelihood of being employed full time was substantial at all educational levels, although less for graduates than for less qualified women.

Lifecourse stage and women's earnings

Both lack of earnings and low pay adversely affect private pension building. Measuring the average earnings of all working-age women, including those not employed, indicates the effect of motherhood on the eventual amount of a woman's private pension, if any. Mothers had substantially lower median earnings than childless women (Figure 5.5 and Appendix Table A5.3, last column). Median weekly earnings were zero for those with a youngest child aged under five and £42 for those with a youngest child aged 5-9, £80 for those with a youngest child aged 10-15, £69 for those with no children under 16 at home, compared with £196 and £162 for the two age groups of childless women (under 35 and over 35 respectively). Thus median earnings of mothers of children aged 5-9 were only 21% of those of childless women aged under 35, while the proportion rose to 41% for mothers of older dependent children. Compared with the

Figure 5.5: Median earnings by lifecourse category and educational level, women aged 20-59



Source: Ginn and Arber (2002), using data from the GHS 1994-96

median earnings of all men aged 20-59 (£250 per week), mothers of children aged 5-9 earned on average only 17%. The earnings of mothers of the youngest children, aged from 0-4, were an even smaller proportion of the earnings of childless women or men.

Although graduates maintained higher earnings across all lifecycle categories, as would be expected, even these highly skilled mothers experienced an initial fall in earnings to less than half that of childless graduates, on average (see Figure 5.5). The median weekly wage of childless graduates aged under 35 was £272, compared with £120 for graduate mothers of children aged up to four, reducing potential current pension contributions. The earnings of graduate mothers 'recovered' after the first two stages of motherhood, on average to £231 per week when children were aged 10-15 but 'fell' again to £191 among those whose children were all aged over 16; this fall may be an age cohort effect, since many graduates with children aged over 16 were in their fifties, an age group with a lower employment rate (see Figure 5.2). The highest median earnings were received by childless graduates aged over 35, £300 per week. Thus, even for graduates, the lifetime earnings of mothers are likely to be substantially less than for childless women.

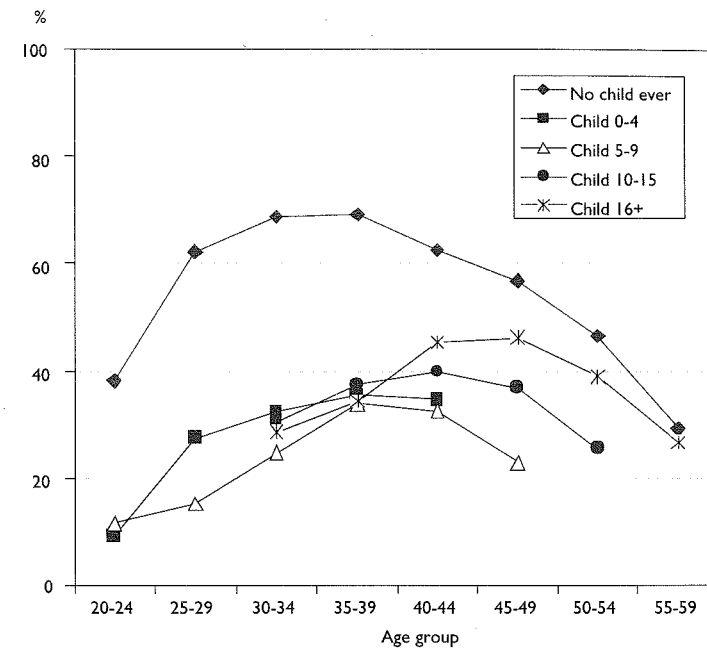
The analysis so far has shown that obtaining a degree, while increasing women's chance of full-time employment and high earnings, does not allow women to escape the adverse effects of motherhood on full-time employment and earnings. In the next section, the effect of motherhood on private pension coverage is analysed according to educational level.

Private pension coverage

Private (occupational and personal) pension coverage of working age adults represents the outcome of many labour market factors, including their employment participation, hours of work and employment status (employee or self-employed). Figure 5.6 (and Appendix Table A5.4) shows private pension coverage according to age group and maternal status for all women aged 20-59, including those not currently employed. Among women who had had a child, pension coverage only exceeded 40% among those aged over 40 whose youngest child was aged over 16, whereas childless women had much higher coverage. However, childless women had declining pension coverage rates over age 40, reflecting lower full-time employment rates in older cohorts (see Figure 5.3b).

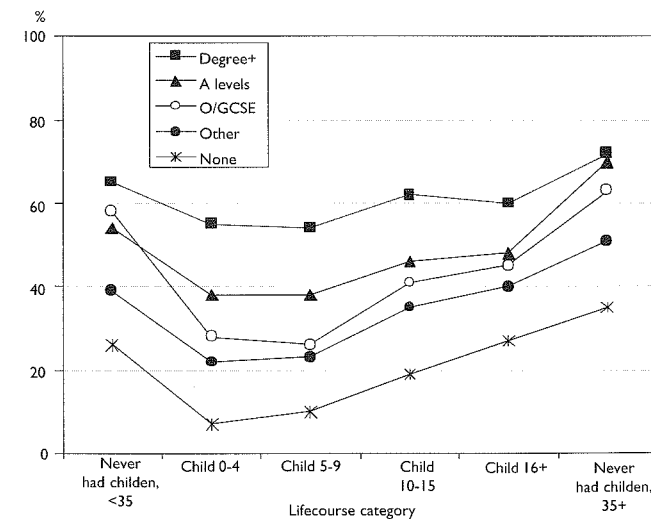
The relationship between women's lifecycle category and private pension cover is shown for each educational group in Figure 5.7 (and Appendix Table A5.5). As expected, in each lifecycle category those with the highest qualifications were most likely to contribute to a private pension and at each educational level childless women had higher coverage rates than women who had had children. For example, among graduate women over two thirds of those who were childless (65% of those under 35, 72% over 35) contributed to a private pension, compared with about 55% of mothers of young children. The impact of lifecycle category on private pension coverage was least for

Figure 5.6: Percentage contributing to a private pension by maternal status and age group, women aged 20-59



Source: Ginn and Arber (2002), using data from the GHS 1994-96

Figure 5.7: Percentage contributing to a private pension by lifecycle category and educational level, women aged 20-59



Source: Ginn and Arber (2002), using data from the GHS 1994-96

graduates and greatest for those with mid-level qualifications, O level/GCSE, while the effect was intermediate for the remaining three educational groups. A similar pattern applied when the analysis was restricted to the youngest cohort, women aged under 35. Motherhood had the greatest effect among mid-skilled women, reducing pension coverage by over half, from 58% to 27%.

This analysis has shown that the impact of motherhood on private pension coverage is less dramatic than the effect on full-time employment and earnings, reflecting pension scheme contributions made by women in part-time jobs. However, contributions made on reduced earnings are less valuable in terms of accumulating pension wealth. Taking this into account, the private pension loss among mothers, although less for graduates than for less qualified mothers, is likely to be substantial.

Summary and conclusions

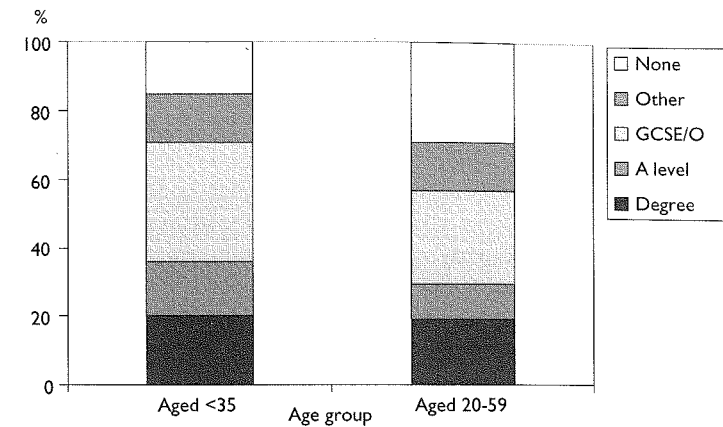
Although the impact of motherhood on employment, earnings and private pension coverage is less for graduates than for other women, it is still far from negligible. Contrary to the conclusions of Davies et al (2000) and Rake et al (2000), there is no support for the expectation that graduate mothers will maintain almost continuous full-time employment throughout their lifecycle. Full-time employment was under a third for graduate mothers of pre-school children and remained below half for those with older children. This indicates that even graduate mothers take several years, on average, out of full-time employment. Since only a third of graduate mothers of children aged under 10 were employed full time, this implies that on average women with a degree lose nearly seven years of full-time employment while their children are young.

Pension coverage was reduced among graduates with a child aged under 10, from 65 to 55%. Further, among employed graduate mothers of a child aged under 10, the majority worked part time, reducing the amounts of pension contributions they could make even if they belonged to a private pension scheme. The halving of median earnings among graduate mothers of young children indicates the extent of the pension contribution loss for this group due to a combination of non-employment, part-time hours and occupational downgrading. In all, the analysis suggests that even graduate mothers will experience a substantial loss of private pension entitlements compared with their childless counterparts and that the pension-protective power of a degree for women has been overstated.

The impact of motherhood on pension prospects was much more serious for the majority of women without degree-level qualifications. Mid-skilled women (those with GCSEs or O levels) experienced the greatest loss in pension coverage due to childrearing, even though their level of coverage was higher than that of women with other or no qualifications.

The younger generation of women, aged under 35, are better qualified than women aged over 35, but the change has been mainly to increase the proportion of women with GCSE and A levels, while reducing the proportion with no

Figure 5.8: Percentage of women at each educational level by age group



Source: Ginn and Arber (2002), using data from the GHS 1994-96

qualifications (see Figure 5.8). Since the mid-skilled group of women show a particularly strong association between motherhood and reduced employment, earnings and private pension coverage, a substantial pension loss is likely to continue for the majority of women who have children. This should be a matter of concern to policy makers, especially in view of the loosening link between motherhood and marriage, discussed in Chapter Four.

Policy towards women's dual roles of paid employment and family caring has in the past two decades shifted decisively towards promoting the employment of mothers, although in practice this is often part time. Women's greater opportunities in education and employment are welcome.

However, in seeking to facilitate women's greater participation in the labour market, we should not lose sight of the importance of ensuring mothers can make their own decisions about when the time is right for them to return to employment, leaving their children with others for part or all of the day. Raising children (and caring for older relatives) is as valuable as many occupations, more so than some. As Himmelweit (1998) has argued, the unpaid care economy and the paid economy are interdependent since the latter requires a healthy, educated workforce and a functioning society. The practical tasks and less tangible emotional work done in caring for children or for frail relatives promotes a form of welfare that is hard to measure yet is vital to the continuation of a civilised society (Fast et al, 1999). Workfare schemes in the US that require mothers to leave their children in the care of others in order to take a low paid job stem from a mistaken conceptualisation of caring for children at home as 'nonwork' (Grace, 1998). A similar argument is made by Fast et al (2001) in relation to care for older people. Transferring labour in this way from the care economy to the paid economy artificially inflates growth in the national economy (Cloud and Garrett, 1996), yet it is not costless and may be counter-productive.

“If insufficient time and resources are devoted to [unpaid care], productivity will suffer as human resources deteriorate and the social fabric is inadequately maintained” (Himmelweit, 1998, p 7).

If the role of mothers in caring for their children is valued as work, this implies protecting pension entitlements during periods of childcare, as is the case in state pensions in Britain and in many other European countries (see Chapter Six). However, the dominance of private pensions and meagre state pensions in Britain means that the proportion of pension entitlements protected in this way is small. Increasing policy emphasis on private pensions reinforces the pension penalties of motherhood. On the other hand, a basic state pension set at an adequate level could minimise such losses for working age women, as well as lifting out of poverty those older women whose pension building has been restricted by family caring commitments.

In Chapter Six, the way other EU countries meet the pension needs of those with childcare responsibilities is outlined.

Gender and pensions in the European Union: towards an independence model?

Key concerns of policy makers throughout the developed world are to ensure financial sustainability of state pension schemes without sacrificing adequacy of pensions to meet the needs of older people and future pensioners. Population ageing, which is partly due to falling fertility rates, has brought the question of sustainability of pensions into prominence, although whether this constitutes a serious problem, and in which countries, has been subject to debate (Walker, 1990; Mullan, 2000; Street and Ginn, 2001). Since the employment rate in the working age population is also important to the viability of any pension scheme (state or private) it is useful to consider the relationship between women's fertility and their employment. Is there an inevitable trade-off, for women, between social reproduction and economic production?

The chapter first considers the social value of unpaid care work and compares women's fertility and their employment across EU countries. Britain's pension system is then compared with those of other EU countries in terms of adequacy, gender inequality of later life income and the treatment of family caring. Finally, the question of moving towards an independence model of pensions is discussed.

The gendered lifecourse and social reproduction

The research reported in Chapters Four and Five focused on the impact of women's childcare commitments on their employment and pensions in the context of a lack of affordable childcare services in Britain. The government recognise that mothers find childcare a barrier to employment: “Women tell us that a key obstacle to their re-entering the labour market is accessing affordable and good quality childcare” (DWP, 2002, p 117), although it is not only childcare that conflicts with women's employment participation. Women over age 50 are often called upon to provide informal care for ageing parents or parents-in-law or to look after their grandchildren while their daughters or daughters-in-law engage in paid work.

The provision of family caring and consequences for employment and pension building are usually seen as problems solely for women. For practical reasons, earlier chapters of this book are based on the assumption that working age carers are usually women, neglecting those men who also devote time to family caring at the expense of their employment, earnings and pension rights. Given

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CHAPTER 6

Does Anyone Have a "Libre Choix"? Subversive Liberalism and the Politics of French Child Care Policy

Kimberly Morgan

Some students of social policy dismiss claims of welfare-state retrenchment because there have been few clear instances of major cutbacks, and aggregate data reveal considerable continuity in spending on social security (Pierson 1996; Fligstein 1998). Yet, when viewed from a gender perspective, the effects of economic restructuring and budgetary austerity on the welfare state become more apparent. The evolution of French child care policy offers a useful window onto these processes. France has one of the strongest child care systems among the Organization for Economic Cooperation and Development (OECD) member states, yet a closer look reveals that welfare state and economic restructuring have taken their toll. Currently only 9 percent of children under the age of three have a place in one of the famed crèches, while 50 percent are cared for by a parent, usually their mother (see table 6.1). The rest are looked after by nannies or are in family child care (CNAF 1997a). State spending on collective child care has been surpassed by the amount now spent on individualized forms of care, such as nannies or family child care, revealing a weakening commitment to the traditional crèche.¹ After promoting women's insertion in the labor market in the 1970s, both socialist and conservative governments have subsequently favored policies that encourage mothers' exit from the labor force. New forms of service provision reflect the search for greater flexibility in service delivery to match the proliferation of atypical employment, such as part-time work or evening shifts. These trends have had important qualitative and quantitative effects on child care provision that aggregate spending data fail to capture.

TABLE 6.1: PERCENTAGE OF FRENCH CHILDREN UNDER 3 IN CHILD CARE

Crèches	9%
Licensed family child care	13%
Subsidized nannies	2%
Home	50%
Unknown	26%

SOURCE: CNAF (1997a).

Three dimensions of the welfare state crisis have had important implications for child care policy in France, as in other states. First, there has been a very real *financial* crisis, as France has struggled to maintain budget balance in the face of growing social security costs. The time for massive new spending initiatives has passed, as governments now concentrate resources on meeting existing commitments. In fact, it is precisely the political strength of well-established programs that makes it difficult to embark on new, expansive policies (Rieger and Leibfried 1998). This has hurt child care policy in France, where the development of collective child care services was just beginning to get off the ground in the 1970s when economic crisis set in. The real secret of France's position as an international leader in child care provision—its universal system of full-day preschools—was already well in place by the mid-1970s. With their broad-based constituency and place within a powerful, centralized education ministry, these programs have been immune to budget austerity, and have taken up much of the responsibility for child care.

Second, there is an *employment* crisis that has had important ramifications for the course of child care policy over the past two decades. In addition to its budget-busting effects, chronic unemployment has diminished the commitment of the French state to encouraging women's labor force participation. Pragmatic French political elites, who had promoted women's employment in the 1970s with seemingly few qualms, quickly abandoned these goals when unemployment began to climb. The vaunted state goal of ensuring women's *libre choix* (free choice) was reinterpreted from enabling women's workforce participation to promoting their role as caregivers in the home. French governments have also redeployed child care policy as a way to encourage job creation by subsidizing parents who hire their own child care workers. This is part of a larger strategy of promoting new, flexible forms of employment, including part-time work. Women are the ones who disproportionately take up these new forms of employment. This has put strains on the child care system and has encouraged the move away from traditional public services toward individualized modes of care, more adaptable to atypical employment schedules.

Finally, there is a crisis of welfare state *legitimacy*, in which critics on both the left and the right have questioned traditional modes of social service provision. The decentralization of central government functions to the local level was one response to these critics, and it has been accompanied by efforts to shift greater responsibility for child care provision to the voluntary sector. There also has been a diversification of the kinds of services available to families, with the creation of part-time care programs, play centers, and parent-child centers. These new kinds of services address a broader range of family needs. At the same time, the resources available for child care must be divided among more services in order to accommodate a larger range of interests. While such an approach may be more responsive to the demands of many parents, this has come at the price of redistributive fairness.

This chapter will first describe France's child care system in the context of the French welfare state. The remainder will then evaluate how the three forms of welfare state crisis outlined above have influenced child care policy over the past two

decades, and how the economic and political environment have shaped the politics of parental "choice" in matters of child care.

Child Care and the French Welfare Regime

The French welfare state fits imperfectly in the category to which it is most often assigned in typologies of welfare regimes—the conservative-corporatist or Christian Democratic cluster that includes the Netherlands, Germany, Austria, Italy, and possibly Spain and Portugal (Esping-Andersen 1990; 1999; Kersbergen 1995; Levy 1999). Various authors describe social policy in these countries as having been "forged in the crucible of conservative clericalism" (Levy 1999, 245), as a product of corporatist guild traditions, and/or as reflecting the machinations of bureaucrats or dictators. In this view, it was nineteenth-century authoritarians and/or Christian democratic parties that crafted social policies in these countries. As both were minimally concerned with either market efficiency or leveling social divisions, continental welfare states offer generous resources to alleviate human suffering, yet they do so in a way that reproduces existing hierarchies and social stratification. This includes gender stratification, as Catholic social thought endorsed the traditional division of labor in workplace and home. Social benefits for workers are generous, but there are few public services that could offer women a source of employment and socialize care work. According to the Catholic principle of subsidiarity, the lowest possible level of society—the family, churches, or the voluntary sector—holds responsibility for tending to human welfare needs.

Many aspects of the French welfare state are consonant with this description. French social spending is quite high and, as in other "conservative" welfare states, this produces only a moderate-level of "decommodification." Social benefits are differentiated by status-reproducing occupational schemes, and France has huge public employee pension programs (Esping-Andersen 1990). In addition, as will be detailed below, the French response to unemployment in recent decades has been to promote "labor shedding" rather than active labor market policies and public employment that could sop up excess labor (Esping-Andersen 1996).

When gender-related measures are taken into consideration, however, France diverges from the conservative model. One important difference lies in women's labor-force participation. Since the nineteenth century, French women have been in the labor force in far higher numbers than women in other European countries.

Historians have linked the high rates of women's labor force participation in the nineteenth and first half of the twentieth century to late industrialization, the continued importance of the family farm, and low birthrates that shrank the pool of labor and drew women into the workforce (Tilly and Scott 1978). The percentages of women in the labor force dipped in the 1950s and 1960s, a time referred to by some as the "golden age of familialism," in which the traditional male-breadwinner/female caregiver model was upheld in both societal discourse and public policy

(Prost 1984). Even then, 46.6 percent of women were working outside the home, compared to 49.2 percent in Germany, but only 26.2 percent in the Netherlands and 38.7 percent in Italy (OECD 1997).² Since the late 1960s, the percentage of women in the labor force steadily increased in France as in nearly all OECD states. It is the very high rate of maternal employment that distinguishes France from other European states. In 1997, 82.4 percent of mothers with two children were in the labor force in France, compared to 61.5 percent in Germany, 59.8 percent in the Netherlands, and 57.6 percent in Italy (Fagnani 2000).³

This reflects, in part, the fact that working mothers have access to greater supports and services in France than in the other conservative welfare states. An index of policies that support mothers' employment puts France as one of the high achievers among OECD states, far above the other "conservative" welfare states (Gornick, Meyers, and Ross 1997). In 1997, there were spaces in publicly supported child care for 24 percent of children under the age of three, and places in preschools for at least 35 percent of two-year-olds (see tables 6.1 and 6.2). While only 9 percent of children under three are in an actual public child care center, the commitment of substantial state resources to subsidizing family and in-home child care reveals a willingness on the part of state officials to endorse and support mothers in the labor force. In addition to state payments covering part of the operating costs of child care centers, the French state offers subsidies for parents using family child care, subsidies and a special tax break for parents who employ nannies, and another tax break to reduce child care costs for parents (David 1999).⁴ In addition, nearly 100 percent of children aged three to six attend free, full-day preschools. These programs follow the school schedule (8:30 A.M. to 4:30 P.M.), and around 12 percent of children under six have a place in an afterschool program that rounds out the rest of the day (CNAF 1997a). These supports and services have enabled French women to work at high percentages while maintaining one of the higher fertility rates in the European Union (EU). While French fertility rates are lower than they were during the baby boom years, the current rate of 1.75 is well above the EU average of 1.45 (Fagnani 2000).

The historic evolution of the French welfare state departs from the story outlined above, and this helps to account for why French policy toward working mothers differs from that found in much of continental Europe. The welfare state in France arose not in the context of authoritarianism and clericalism, but in a republic

shaped by nationalism and anticlericalism. In the late nineteenth century, republicans cemented state control over the education system to wrest the socialization of the nation's children away from the Catholic Church and forge a loyal republican citizenry. This process began with the *école maternelle*, or preschool, which was incorporated into the national education system in the 1880s (Dajez 1994; Luc 1997). After World War II, the number of preschools expanded rapidly. By the 1970s, these schools were universally available, making France one of the leading providers in the world of early childhood education programs.⁵ As many students of the welfare state neglect the education system, they miss the important role these programs play in France in providing young children with educational opportunities while offering support to many working parents.

The administration of the *écoles maternelles* is separate from that of the *crèches* and other forms of child care that are part of social welfare and family policy. Still, the development of the *crèches* also departs from the conventional "Christian Democratic" or "conservative corporatist" story of welfare state development. In contrast to Germany or the Netherlands, where the principle of subsidiarity in the social services has been paramount, child care in France was incorporated into the realm of state policymaking and regulation in 1945. This was due in part to pronatalist objectives; given the demographic imperative of protecting the health of young babies, government officials believed that the *crèches* were too important to be left to private charities (Norvez 1990). As a result, the government in 1945 created the *Protection maternelle et infantile* to regulate all establishments involved in the health and care of infants, toddlers, and preschool-age children. It has continued to do so ever since, imposing high standards of hygiene and personnel training on the *crèches*.

Governmental intervention in the realm of child care also results from the role of a distinctive set of family policy-making institutions.⁶ The Caisse Nationale des Allocations Familiales (CNAF), or national family-benefits fund, oversees the management of the family benefits funds into which workers and employers pay contributions. The national level fund sets overall priorities, and its 125 local equivalents, the *Caisses d'Allocations Familiales* (CAFs), are responsible for distributing these benefits to families. This family-benefits system is fairly unique in continental Europe, both for the generosity of the benefits and the structure of its administration. Ironically, the most "familialist" welfare regimes tend to have the most passive family policies, offering low levels of family benefits and other forms of assistance (Esping-Andersen 1999). France was one of the first countries to develop an extensive and generous system of family allowances. Since its inception, a portion of the resources collected in these funds has been diverted to support family-related social services. Starting in the 1970s, these funds became the main source of financial support for child care.

These features of French social provision reflect the ideologies and ambitions of those political forces with power in the postwar period. France differs from other continental European countries in the relative weakness of Christian democratic political movements. The Mouvement républicain populaire (MRP) was a major polit-

TABLE 6.2: PRESCHOOL ENROLLMENT

AGE	PERCENTAGE ENROLLED
2	35%
3	99%
4	100%
5	100%

SOURCE: Ministère de l'Éducation Nationale (1997).

ical party during the Fourth Republic (1946–1958), and its traditional views of women's roles and the family marked the more traditionalist elements of the post-war family benefits system. However, with the MRP's declining influence in the 1950s and its eclipse in the Fifth Republic (1958–) came a diminishing commitment to the traditional family model (Prost 1984; Laroque 1985). Gaullist parties have been the dominant force on the right in the Fifth Republic, and they have diverged from many of the tenets of Christian democracy. The period of greatest welfare state expansion in the 1960s and 1970s occurred under secular, Gaullist elites who had as their objective economic development and modernization rather than the preservation of traditional status categories and the defense of the Church (Morgan 2000).

It was also in this period that the issue of child care came on the national agenda, and many Gaullist political elites responded with a pragmatic view of the family and mothers' employment that waved aside anxieties over family breakdown and maternal deprivation. Elite pragmatism in these matters was evident already in the 1950s, when political leaders with modernizing ambitions called for married women to join the labor force as a remedy against labor shortages (Commissariat Général du Plan 1958). An influx of immigrants temporarily solved labor supply problems. The issue of child care did not seriously resurface until the late 1960s and early 1970s, when there was much discussion of the new values and aspirations of many women, who were no longer leaving the labor force after the birth of their children. Women's groups and other May '68 movements called for universal child care. In

response, two different center-right governments diverted 100 million francs from the family benefits funds to jump start the creation of public crèches. The administrative council of the CNAF created a new financing system to cover some of the operating costs of social services such as child care (Ancelin 1997). The number of places in public crèches began rapidly increasing (see fig. 6.1).

By the mid-1970s, then, the French state had made a clear commitment to furthering the creation of public child care, and a new financing system was in place using the resources of the family benefit funds. An extensive system of public preschools was universally available to all children at no charge to their parents. How would this system of early childhood care and education hold up with the onset of economic recession in the late 1970s?

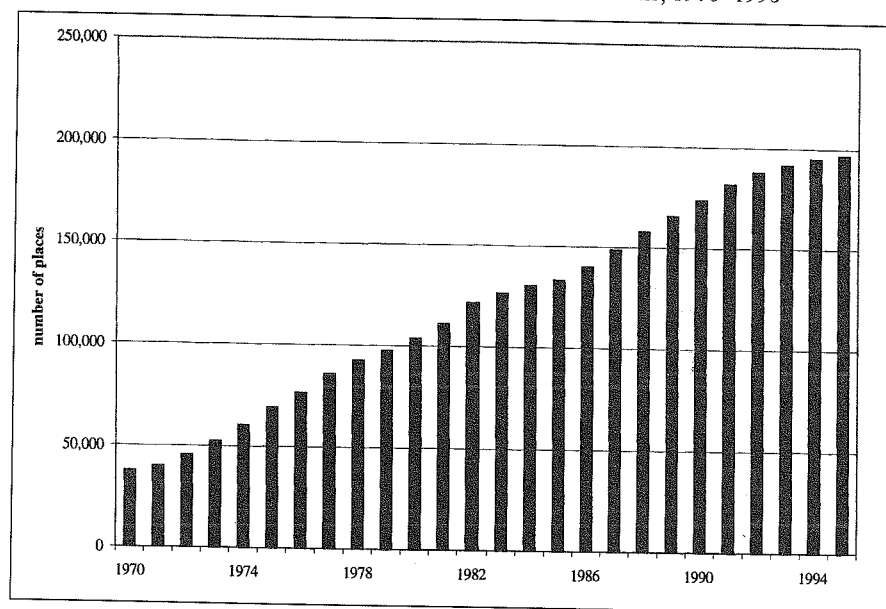
Diverging Fates: Education and Social Services Policy in an Era of Economic Crisis

While the fiscal crisis of the welfare state has not prompted large-scale retrenchment in France, it has influenced the evolution of child care policy. Conservative and socialist governments alike did not cut existing child care programs and, by and large, official policy has continued to support the development of child care services. At the same time, however, the rate of growth of public child care services slowed considerably in the 1990s. Places in public crèches remain scarce, and parents joke that they have to register with a crèche within weeks of conception if they hope to get a place for their child. France has maintained its position as an international leader in child care in large measure because its preschool system was already in place by the 1970s and covers many of the needs of working parents.

Starting in the mid-1970s, France began to experience the strains on its social welfare system that affected most OECD countries at that time: demographic change, fiscal imbalance, rising unemployment, and sluggish economic growth. People were having fewer babies and living longer, which was reducing the ratio between contributors and beneficiaries to social programs. This began producing deficits in the social security system, which were exacerbated by rising health care costs (Ross 1988). At the same time, the phenomenal economic growth of the post-war period, known as the *trente glorieuses*, came to an end. Whereas annual economic growth between 1960 and 1973 averaged 5.4 percent, in the 1973–79 period the rate of annual growth slowed to 2.4 percent, dropping to 2.1 percent for 1979–89. Accompanying this economic slowdown was stubborn unemployment. France went from having an unemployment rate of less than 2 percent to a persistent 10 percent in the 1980s. Unemployment hovered around 12 percent for much of the 1990s and has only recently begun to decline (OECD 1997; 1999).

Accompanying these new economic realities was a set of international constraints that came into bold relief in the early 1980s. When the Socialists came to power in 1981, they attempted a program of Keynesian demand stimulus at odds

FIGURE 6.1: NUMBER OF AVAILABLE PLACES IN CRÈCHES, 1970–1995



SOURCES: SESI (1998, 1985, 1982, 1980); *Annuaire statistique sanitaire et sociale* (1995, 1996).

with the economic tightening being pursued by its neighbors. In a world of growing economic interdependence, these policies provoked capital flight that threatened the domestic economy and France's commitment to the Exchange Rate Mechanism of the European community. The lesson was clear: international economic factors put new constraints on the autonomy of economic policymaking. By 1983, the socialists had converted to budget austerity and tight monetary policy (Loriaux 1991; Hall 1986). In the 1990s, the move toward a European monetary union and its strict fiscal requirements only accentuated these external constraints. With diminished autonomy in budgetary and monetary policy, massive new spending commitments are untenable.

The combined pressures of internationalization and domestic structural change have produced a "subversive liberalism" in which there is less a full-blown retrenchment of the welfare state than a steady erosion of state commitments because of the imperative of cost containment (Rhodes 1995). This is evident in France where, as a whole, the state has continued to grow. Government spending as a percentage of gross domestic product hovers around 55 percent today, compared to 39 percent in 1974 (OECD 1997). At the same time, French governments have made budget balancing one of their main priorities. They have managed to maintain existing commitments to areas such as pensions and health care by raising taxes and selling off national companies (Parker 1998). Governments also have trimmed social policies around the edges through cuts in benefits, higher eligibility criteria, and fees for services (Ross 1988; Falkner and Talos 1994).

The new context of budget austerity has had different consequences for the crèche and the école maternelle. By the time the economic crisis set in, the preschool system already was well-established. While children of the working classes were traditionally the main pupils in the école maternelle, after the Second World War middle-class parents began demanding places for their children in these schools. The phenomenal expansion in public demand in the 1950s and 1960s came as a great surprise to education ministry officials and government planners, and they hastily moved to try and satisfy the demand. Often, they did so by relying on very high teacher-student ratios; it was not uncommon to have one teacher for a class of fifty-five or sixty children. This did not diminish parents' enthusiasm for the programs. By 1975, 80 percent of three-year-olds, 97 percent of four-year-olds, and 100 percent of five-year-old children were attending these noncompulsory schools (Ministère de l'Éducation Nationale 1997). Particularly after 1968, with the growing interest in early childhood education as a remedy for inequality, the place was secured for the French école maternelle as one of the most popular elements of the education system.

These programs clearly benefit from being linked in the public mind and discourse with educational questions rather than with caregiving and gender roles. The massive increase in preschool attendance in the 1950s and 1960s was unrelated to rates of women's labor-force participation, which generally decreased in this period (Plaisance 1986). Instead, parents sought out the schools for their educational value.

While today many parents rely upon these programs as a form of child care, their official mission is one of education, not child care. This is repeatedly underlined by officials in the Ministry of Education, union leaders, and teachers, all of whom are eager to distance themselves from mere *garderies*, or child care centers (Norvez 1990; Merlen and Baehr 1999; Lamy 1999). The école maternelle has a very broad base of support, as both two-earner families and more traditional households rely on the programs for their educational merits. As the *première éducation* of the nation's children, the schools also benefit from being part of the large and powerful education bureaucracy (Plaisance 1986).

It comes as no surprise then that the école maternelle has been fairly immune to retrenchment pressures. As governments became increasingly reluctant to devote resources to the crèches, much responsibility for child care shifted unofficially to these programs. While the decision to build a school lies with the city government, which covers building and maintenance costs, the national education ministry pays teacher salaries, which is often the most expensive part of public services. Investing in preschools is therefore a cheaper way for city governments to show their responsiveness to parents' demands. The preschools follow the regular school schedule, which means they traditionally have been closed at lunch-time and on Wednesdays. In recent years, many municipalities have created afterschool services that extend the programs to cover a full day. Even where such programs are lacking, the école maternelle has already covered much of the day, at no cost to parents.

The one way in which the development of public preschool places stagnated in the 1980s was in the provision for children under three. By law, the youngest age at which children can attend a preschool is two and a half. During the 1960s and 1970s, the percentages of two-year-olds in the preschool system increased rapidly: from 9.9 percent in 1960, the figure reached 18 percent in 1970, and 36 percent in 1980. Since then, the percentage of two-year-olds has remained at around 35 percent. For many years, teachers' unions opposed admitting such young children, fearing that it was a step toward degrading the école maternelle into a mere caregiving service. With declining school enrollments, however, unions became more favorable to expanding the pool of possible students. Throughout the 1980s and 1990s, they called for measures to adapt preschools so that they can accommodate the needs of these younger children. Thus far, governments have made few efforts to meet these demands. Whether or not this is a reflection of budget austerity in the 1980s, it is related to reticence on the part of public officials about the merits of placing children under three in the school system (Conseil Économique et Social 1981; Baudelot 1999). Many teachers also remain uncomfortable about the idea of having these younger children in the classroom (Baudelot 1999).

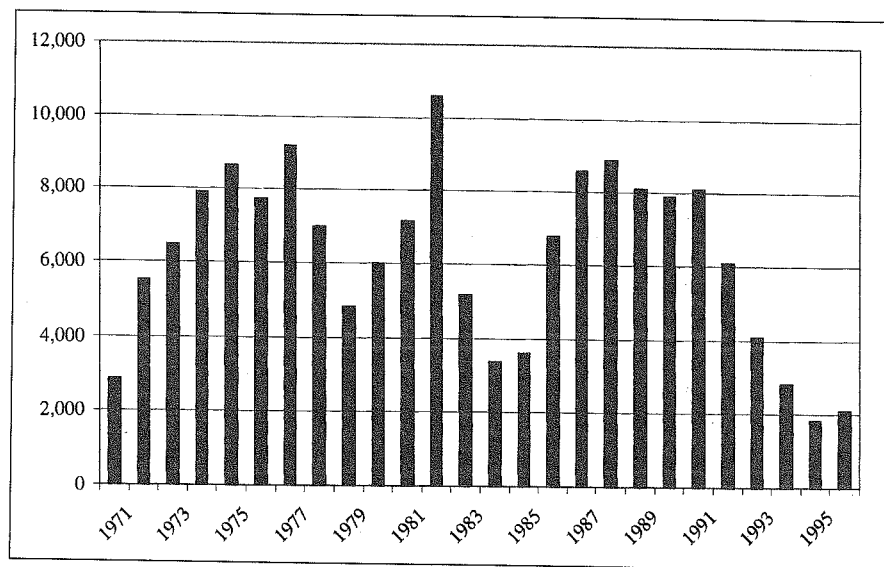
The crèches have fared less well in the context of welfare state crisis and economic restructuring. While by the 1970s, the preschools were available to nearly all children, the crèches never developed into a similarly universal service. After an initially strong commitment to the public child care centers in the 1970s and part of the 1980s, there has been a marked decline in the pace of development. Between

1970 and 1980, the cumulative growth in child care spaces amounted to a 176 percent increase. In the 1980s, overall growth slowed to 68 percent, and between 1987 and 1997, the increase was only 26 percent. In the 1990s, the annual increase in the number of places available amounted often to only 1 or 2 percent growth. This is not due to shrinking demands on the part of parents. Public crèches report long waiting lists for a space and high demand among parents. One estimate in 1990 determined that for children under five, nearly half of those needing child care were not receiving it. A survey at the same time showed that 80 percent of parents believed the supply of child care was inadequate (David 1999).

The Socialists came to power in 1981 promising 300,000 new places in public crèches and a paid parental leave that would be generous enough so that men would also take advantage of it. The new government created a Secrétariat d'Etat à la Famille, which immediately commissioned a report on child care that advocated a major increase in public child care (Bouyala and Roussille 1982). The number of public child care places climbed between 1981 and 1983. After that year, with the implementation of the first of several decentralization measures, the development of new child care places stagnated until the late 1980s, when it began to climb again (see fig. 6.2). In the 1990s, the pace of development slowed dramatically. As will be discussed below, this was the time when governments began devoting more resources to paid care leaves and individualized forms of child care.

In short, the fiscal crisis of the welfare state had the greatest impact on the social services sector. While the sector did not suffer actual cuts, the pace of child care development slowed. The crèches were only beginning to gain acceptability and wider

FIGURE 6.2: ANNUAL INCREASE IN NUMBER OF AVAILABLE CRÈCHE PLACES, 1971–1995



SOURCES: SESI (1998, 1985, 1982, 1980); *Annuaire statistique sanitaire et sociale* (1995, 1996).

use in the 1970s, when new strains on state budgets diminished the enthusiasm of many state leaders for these costly programs. By contrast, the preschools already were institutionalized, benefiting from the legitimacy of their association with public education, the strength of teachers' unions, the widespread popular support they enjoyed, and their mission of promoting educational equality and healthy child development.

Reinventing Child Care Policy As Employment Policy

The second way in which pressures on the welfare state and structural economic changes have affected child care policy in France is through a growing tendency in the 1980s and 1990s to deploy child care policy to combat unemployment. This has taken two forms: (1) encouraging more individualized solutions to child care, such as subsidizing parents who hire child care workers in the home, as a way to create employment; and (2) offering subsidies to parents who leave the labor force to care for their own children. Both have been pursued under the rubric of promoting *libre choix*, or parental choice—particularly mothers'—in child care matters. Such a policy also has, at times, dovetailed with pronatalist objectives. Throughout the 1980s and 1990s, the child care policies adopted by different governments have embodied a shifting constellation of pronatalist, employment, and redistributive objectives.

Since the late 1970s, both socialist and conservative governments began looking for less expensive ways to address the demands of working parents for child care. Since the early 1970s, the French government had been experimenting with *crèches familiales*, or child care centers, in private homes. These differ from "family child care" in many other countries because they are publicly financed, substantially more regulated, and are managed by personnel that have the same qualifications as the directors of the traditional crèches. At the same time, these services cost much less than a traditional crèche, and watered down regulations in the 1970s aimed to reduce their costliness even further (Norvez 1990). An even cheaper form of child care for the state is that which resembles American family child care—private individuals called *assistantes maternelles* who care for several children in their own home, often while looking after their own children. This has long been, and continues to be, the most widely used form of child care in France. In 1977, the government awarded these workers official status and some benefits, provided they were licensed by the state. In return for a health exam and inspection of their home, they receive the right to a basic salary (although the exact pay they would receive was left to the negotiations between parents and the caregiver), social security, paid sickness and maternity leave, four weeks of vacation, and the right to sixty hours of training, the details of which were left to the discretion of local administrations (Desigaux and Thévenet 1982).

As it became apparent in the 1980s that the promised 300,000 new places in crèches were not going to materialize any time soon, there were renewed efforts to

encourage the use of *assistantes maternelles* by offering subsidies to parents. The *Prestation Spéciale Assistante Maternelle* was created in 1980, covering part of the social charges that parents pay on behalf of their child care worker. In 1990, a socialist government replaced the benefit with the *Aide à la Famille pour l'Emploi d'une Assistante Maternelle Agréée* (AFEAMA). This benefit, open to all parents regardless of income, pays the social charges for an *assistante maternelle* employed by parents for a child under the age of six. Since 1989, the government has supported *relais assistantes maternelles* (family child care networks), which are places where parents and child care workers can meet, gain information about child care issues, and *assistantes maternelles* can sometimes benefit from some training (CNAF 1996b).

While efforts to license and train *assistantes maternelles* preserved some form of state supervision over the health and safety of children in these private arrangements, the use of public funds to subsidize parents who hire nannies departed entirely from the practice of regulating child services (Math and Renaudat 1997). In 1986, a conservative government created the *Allocation de Garde d'Enfant à Domicile* (AGED), a payment to cover a portion of the costs of the social charges parents must pay on nannies they hire to care for children under the age of three. The benefit is awarded to parents without requiring licensing of the caregiver. There is also a tax break to help parents with the cost of this form of care. Both policies subsidize the use of private options that alleviate the demand for public *crèches* places and promote employment in the private market. With these aims in mind, a conservative government in 1995 substantially increased the tax break, doubled AGED's reimbursement ceiling, and extended its use to cover children aged three to six. The number of families benefiting from the AGED increased by 170 percent in two years (Fagnani 1997). A number of measures also were taken in the 1990s to simplify the process of creating family employment and of calculating and paying social charges.

The move toward more individualized forms of child care provision signifies an important qualitative shift in child care services that is particularly evident when juxtaposed with the preschool system. The *école maternelle* was generalized in the late 1950s and 1960s, a time when there was a strong commitment on the part of the state to developing public services. Currently over 85 percent of French preschoolers are in state-run programs, the remainder being typically in parochial schools (largely Catholic) that receive extensive state support (Ministère de l'Éducation Nationale 1997). Teachers' unions fought to expand the public preschool system, both out of an interest to protect their jobs and because of their long-standing antipathy to religious education. Many argued that if the state did not act to create more public preschools, a private system would spring up in response to parental demands for these services, and that in the long run this would sap support and resources from the public schools (Morgan 2000).

The failure to develop an equivalent set of public *crèches*, coupled with active state support for private alternatives, threatens to produce the sort of evolution feared by the teachers' unions. The generous subsidies awarded to parents using these individual alternatives hurt the public *crèches* in the mid-1990s, as competi-

tion from nannies and family child care lured middle and upper class parents away from the traditional *crèche* (David 1999). Higher-income parents are often essential to the financial well-being of child care centers, as they pay higher fees than the lower-income clientele. Allowing private opt-outs also furthers the growth of a "divided constituency," in which different parents have diverging interests in the kind of child care system they prefer, thereby fragmenting support for a unified child care policy (Michel 1999). The failure to unionize most child care workers prevents them from playing the same role teachers' unions have played as advocates of the public system. With the move toward more individualized services, such as nannies and family child care, the possibilities for such unionization become even more remote as these workers are extremely difficult to organize (Farrache 1998).

Recourse to individualized services has been furthered by structural economic trends that also have been encouraged by state policy. Since the early 1980s, French governments implemented a number of measures to encourage greater flexibility in employment conditions and work schedules. The percentage of part-time employment doubled from 6 percent in 1981 to 12 percent in 1997 (Audric and Forgeot 1999). While women in France still work part-time at far lower percentages than in most OECD countries, the percentage of women in part-time employment grew from 20 to 30 in this period (Sandoval 1999). Similarly, the prevalence of atypical work schedules has increased as well. Sixty-five percent of workers had a fixed schedule in 1969, compared to less than half today (Bloch-London and Boisard 1999). The recent law reducing weekly work hours to thirty-five has furthered this evolution. In negotiations over the implementation of the new law, many employers have secured more flexible work arrangements in return for the reduced work week. All of this has made it more difficult for parents to arrange child care, particularly as the *crèche* usually follows traditional working hours. As a result, parents often prefer nannies and family child care workers as more accommodating for their own difficult work schedules (Fagnani 2000). The latter, nonunionized and in an individual employment relationship that is often a black-market one, are not always in a position to protest parents' demands for these atypical work schedules.

The second way in which child care policy has blurred into employment policy is in efforts to encourage women to leave the labor force and care for their young children themselves. Since the onset of economic crisis, this approach has combined fiscal, demographic, and labor market objectives in various permutations. Already in the late 1970s, with the onset of economic crisis, the government began turning toward a strategy of encouraging women's exit from labor markets. After a spate of progressive family and gender-related policy measures under President Valéry Giscard d'Estaing, the government began adopting a more traditional approach. In 1977, the government created the *Congé Parental d'Éducation* (CPE), which allowed a working parent of a child under three to suspend work for two years without pay (Jenson and Sineau 1998). In the two decades that followed, the CPE was progressively reformed to make it compatible with part-time work, and expanded to make it available to more parents.

In 1985, a socialist government made a renewed effort to lure women out of the labor force by creating the Allocation Parentale d'Éducation (APE), a form of paid parental leave for those parents with three or more children. The leave was available for two years, but the parent needed to have worked for two years in the thirty months prior to taking the leave. The strict work requirement is revealing of the APE's underlying motive as an antiunemployment mechanism. As the benefit was only for families with three or more children, it also had clear pronatalist aims. When few parents took advantage of the new law, the conservative government that came to power in 1986 passed a new law that diminished the work requirement to two years out of the last ten, and offered the paid leave for three years (Jenson and Sineau 1998).

An even greater liberalization of the APE occurred in 1994 under another conservative government. The 1994 *loi de famille* (family law) made the APE open to families with only two children, and required that the parent taking the leave had been in the workforce for two years during the last five. The value of the benefit also was increased substantially, and parents could now combine it with part-time work. The expansion of the benefit had immediate effects on the number of mothers of young children in the labor force. Between March 1994 and 1997, the percentage of mothers of two children (the youngest being under age three) in the labor force dropped from 69 to 53 as the number of beneficiaries of the APE tripled. One estimate holds that 60 percent of women having their second child and withdrawing from the labor

force would not have done so had the APE not existed (Afsa 1998). APE's effects fall mostly almost entirely upon women; even though the benefit is technically open to men, 99 percent of beneficiaries are women. The same is true for the CPE.

In sum, French child care policy over the past two decades shows how economic forces have shaped state policy toward women's employment. Persistent unemployment in the last two decades redirected state efforts from prioritizing the traditional crèche toward supporting parental or individual modes of care (see fig. 6.3). However, the move toward more flexible social service provision in recent decades also reflects a third, wider trend in the welfare state.

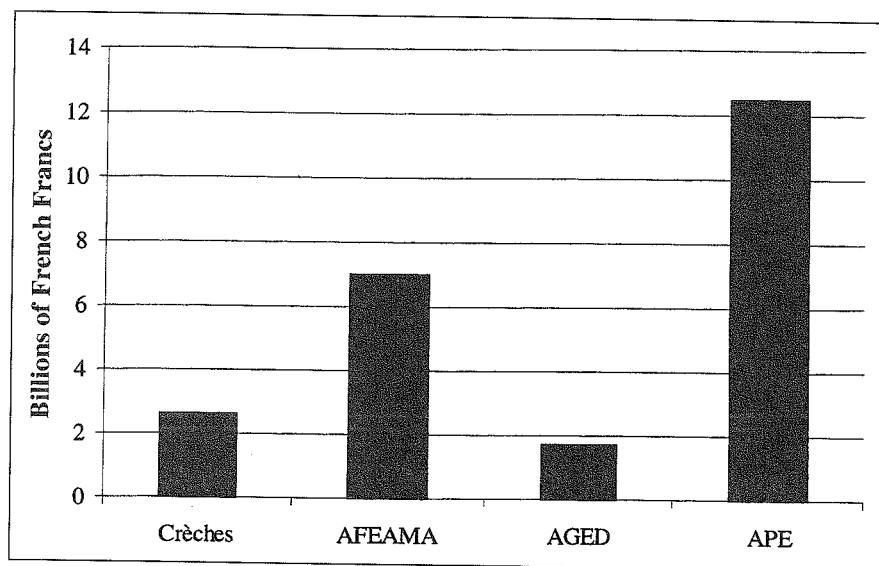
The Welfare State's Crisis of Legitimacy

The third dimension of welfare-state restructuring that has affected French child care policy is a shift in the delivery of social services. Since the early 1980s, devolution of government functions from the central to the regional or local level decentralized responsibility for social services planning. At the same time, voluntary associations have begun to play a significant role in providing these services, an important departure from the previous state monopoly over social service delivery. While these trends have been facilitated by the desire of state officials to shed responsibility for public services to other levels of government and society, they are not simply the product of neoliberal ideas and financial pressures. There is a larger crisis in the legitimacy of the welfare state, spurred by New Left critiques of bureaucracy and by social movements favoring increased citizen participation in the management of local services. The result for child care policy has been an enhanced role of local governments and associations in policymaking, which has favored a diversification of the kinds of child care services available.

As noted earlier, the most rapid growth in public crèches came in the 1970s when the central government made several direct investments in public child care. The slowdown in the rate of increase in these services corresponds with the Decentralization Law of 1982, which fundamentally restructured center-periphery relations in France. The law gave full responsibility to local governments for deciding whether or not to build child care centers. At the same time, the government also decentralized financing for these projects, as the national family benefits fund transferred many of its resources down to its local equivalent, the CAF. There is no national requirement that localities support child care, nor is there an effort at the national level to develop a unified, coordinated plan for the development of these services across the country. The most that the CNAF can do to promote child care programs is to try to incite local CAFs to prioritize certain services over others and to offer incentives to local governments.

Had it not been for the CNAF and its subsidiaries, it is doubtful that child care services would have advanced much at all after the decentralization law. The CNAF has been the motor behind the continued development of new child care centers. In

FIGURE 6.3: PUBLIC SPENDING ON CHILD CARE



SOURCE: CNAF (1997a).

AFEAMA = subsidy for licensed family child care workers

AGED = subsidy for in-home care

APE = paid parental leave, up to three years

a 1981 *circulaire* laying out its social services objectives for the next five years, the CNAF affirmed that its first priority would be to support crèches, kindergartens, play centers, and other services for families with children (CNAF 1981). In 1983, the CNAF created a system of contracts to be negotiated between local funds and local governments, in which the local government agreed to develop a plan for creating public child care. In 1988, the CNAF developed a new form of contract that applied to a much broader range of social services for children. CNAF spending on child care in this period increased by 33 percent (in constant francs) over five years (Ancelin 1997). Throughout the 1990s, the CNAF has continued to make child care for children under six one of the highest priorities of its spending on family services (CNAF 1997b).

Without the ability to impose upon local governments the requirement that they build and support public child care, the CNAF can only have so much influence. There is no requirement that any level of government build child care centers, and for many local governments the costs remain prohibitive. A local government also may decide to solicit funds to support other forms of family-related services instead of investing in crèches geared to working parents. As a result, even though the CNAF continually holds up collective child care as the main priority among family services, the actual development of these programs usually falls short of the hopes of national officials.

Economic slowdown and budget pressures certainly encouraged the move to decentralize government functions. Political sentiment favoring decentralization had been building since the 1960s, however, and the reforms were in many ways a response to declining public confidence in the welfare state (Tymen and Nogues 1988; Jallade 1992). In a number of OECD countries, movements to promote citizen participation in local government and in the management of social services began sprouting up in the late 1960s. New social movements were a reaction against bureaucracy, neo-corporatist bargaining, and the welfare state, and they came not only from a neoliberal or New Right perspective, but were leftist movements to improve the responsiveness of political elites to people's needs (Alber 1988). Their demands came at a time of growing complexity in the tasks of the state, with the appearance of new forms of poverty, increasingly heterogeneous populations, and changes in the nature of risk owing to family breakdown and irregular forms of employment.

Similar movements arose in France out of the May '68 revolts. One was the movement for *autogestion*, or self-management of the workplace, a concept that came to encompass calls for a wider devolution of power in French society. Of particular importance was the idea of increasing citizen participation in local government, particularly in their position as clients of government programs. Some advocated the creation of *groupements d'action municipale*—community action groups that would be active on local issues such as housing, schools, and transportation (Schmidt 1990; Ullman 1998). A number of state officials held similar views, believing that decentralization of government functions would restore effectiveness to a bloated, overly-centralized, and inefficient state apparatus (Ullman 1998). Gradu-

ally, these ideas influenced socialist party and, to a lesser degree, communist party doctrine. By 1980, the socialist platform promised a substantial decentralization program, many of the features of which were implemented through the 1980s.

The decentralization of state power was matched by a flowering of associational life and an increasing role for these nonprofit organizations in the management of public services (Mizrahi-Tchernonog 1992; Ullman 1998). The effects are evident in the child care sector where, initially, most centers were run by the state. In 1979, 11 percent of all child care centers were run by voluntary associations; by 1993 that figure had risen to 30 percent (SESI 1982; CNAF 1996a). These associations have benefited from a partnership with the local family benefits funds (CAFs), which devote considerable resources to financing association-based services (Ancelin 1985). This includes nearly all of a more recently developed form of child care—the *crèche parentale*. These crèches originated in the ambitions of some May '68 activists to transform the practices of child socialization through collective forms of care. This was a reaction against the sterile, hospital-like crèches run by the state, as well as a plea for child care to liberate mothers from the burdens of child rearing (Mozère 1992). Initially, these *crèches sauvages* were run independently of the state, to the great irritation of many government health officials who were anxious to maintain their control over these services. Today, these child care centers receive state funding, but are entirely managed by parents. Parents are responsible for staffing the centers as well, which means that the *crèche parentale* requires a greater degree of parental involvement than other forms of child care. One recent study showed that parents using a *crèche parentale* spend on average nearly fourteen hours a month either at the center or involved in work for the association (Feretti, Jade, and Passaris 1994).

These new forms of child care add diversity to a system that has grown increasingly complex in recent years. In addition to the traditional *crèche*, *crèche familiale*, *crèche parentale*, and *assistante maternelle*, other forms of support to families include part-time child care centers (*halte-garderies*), play centers (*ludothèques*), after-school programs, and parent-child centers. The CNAF and CAFs promoted the diversification of child care services in the late 1980s when they replaced an earlier form of child care financing that targeted entirely the crèches with a system of financial supports for a much broader range of services. One area of particular growth has been in part-time child care centers, the need for which has grown alongside the increasing prevalence of atypical or part-time employment. Between 1985 and 1995, the overall increase in the number of part-time center places was 67 percent, compared to a 47 percent increase in the number of full-time crèches places (SESI 1982; CNAF 1996a). How have these trends affected the qualitative and quantitative development of child care services? Many advocates of the nonprofit sector argue that associational involvement in service provision has improved the responsiveness of the state to parents' needs and preferences. Diversity may come at the cost of the overall level of services available, however, as the pie must now be divided among a greater range of programs than in the past. Even if it wanted to, the French state could no longer embark upon a massive program of

public construction today as it did with the development of the education system. The incorporation of associations in the policy-making process, with their demands for a diversified set of public services, precludes one-size-fits-all kinds of approaches to child care. In addition, government decentralization has produced great regional variations in availability. As the next section will reveal, the decentralization and diversification of social services policy caters to a wider set of interests, but at the cost of distributional fairness (Jallade 1992).

The Politics of Parental "Choice"

Since the 1970s, then, and particularly with the advent of welfare state crisis and economic restructuring, French child care policy has evolved from support for the traditional crèche toward a diverse array of services and subsidies. This trend has been accompanied by rhetoric about the importance of offering "choice" to parents in matters of child care. In the 1970s, the promotion of free choice was about promoting the full labor force participation of mothers. By the 1980s, however, the term was used to justify policies for both mothers working outside and in the home and full-time caregivers. Support for individualized forms of care also comes under the rubric of improving parental choice. Instead of moving toward a Scandinavian-style system of extensive public child care services, French public policy settled into a compromise position that supports full-time work and full-time caregiving, as well as a range of services outside of the traditional child care center.

This is a reflection of the policymaking process in the family policy sector. Family benefits and services are largely a product of decision-making in the para-public CNAF and CAFs. Representatives of business, labor, and family associations sit on the administrative council of the CNAF, as well as the equivalent councils running the CAFs, and hammer out compromises over the kinds of services deserving of public support. The more conservative family associations generally do not oppose the public crèches, but they prefer individualized forms of care, as well as services that address the needs of housewives with young children at home. The communist union, the Confédération Générale de Travail, lies on the opposite end of the spectrum in its unyielding advocacy of a vast system of public services. Other groups on the councils hold views somewhere in between these two perspectives (Ancelin 1998). While there has been no overt ideological backlash against women's employment, there has also been no consensus large enough to support engaging state resources in a major public child care initiative. Instead, the position that emerges in the CNAF, the local CAFs, and government ministries is one of subsidizing women who care for their own children as well as those who use child care in one or several of its myriad forms. Stretching resources to try to satisfy all camps tends to satisfy no one completely, although the recent increase in the home care allowance (APE) appears to have improved the option for women to stay home.

While governments on both the left and the right have maintained this compro-

mise position in family policy, there are differences of emphasis. Conservative governments generally have tried to offer greater subsidies to individualized forms of child care, particularly for nannies. These forms of child care usually benefit middle- and upper-class families, who gain the most from tax breaks and who have the resources to pay for child care in the home (Fagnani 1997). The right also was behind the greatest expansion in paid care leaves in the 1990s, which spurred a substantial drop in maternal employment. On the left, there continues to be more support for the traditional crèche. The current socialist government has been sympathetic to claims that individualized forms of child care compete with and will ultimately undermine the public services. In response to these fears, the government of Lionel Jospin in 1997 reduced the tax break and the value of the AGED by half. Recently, the socialist government promised substantially to increase spending on crèches in order to create up to 40,000 new child care vacancies in the next few years. Notably, this comes at a time when the economy is growing again, the fiscal situation has improved, and unemployment has begun to decline. Still, this government has maintained the paid care leave (APE), although its most recent proposal would offer incentives to help draw women back into the labor force toward the end of this care leave.

How well do these policies accord with parental preferences? Public opinion studies show that many parents would rather reduce their work time than use a child care service, and many still believe that child care is the mothers' responsibility (Commaille, Strobel, and Villac 1994). In one recent study of parental preferences, 43 percent of women said they would like to quit work or reduce their work time after having children (Fagnani 2000). In addition, parental preferences for child care are quite diverse. Parents who are actually using crèches report the greatest satisfaction with their child care services of any group of parents using nonmaternal care. Still, only 22 percent of all parents say the crèche would be their preferred mode of care, with family child care as the most preferred form (32 percent), followed by grandparents (23 percent) (David 1999). Current policymaking seems to be consonant with the stated preferences of many French parents.

The price of greater responsiveness to parental preferences is distributional fairness. Those who have most benefited from the move toward individualized modes of care have been middle- and upper-income families. These forms of child care charge all parents the same, regardless of income, and families who have higher incomes benefit the most from tax credits to subsidize these services. Only the public crèches graduate the fees parents pay according to income and thus offer the most help to low-income families. Yet, this is the form of child care in shortest supply and to which poor parents often lack access. The shortages have been exacerbated in France by the decentralization law, which has produced great regional disparities in the availability of child care services. As a result, many parents lack a real choice in the matter of child care, and use whatever form of care is available to them. Lower-income parents usually end up relying upon black-market child care, which is the first choice of only 4 percent of parents, and receives the lowest satisfaction rating by parents of any form of child care (David 1999).

These policies also have implications for the gender division of labor and women's long-term well-being. Extensive care leaves hurt the long-term position of women in the labor market, and this is most detrimental for low-income women (Fagnani 1998; Math and Renaudat 1997). The APE tends to be taken by less skilled, lower-income mothers who are already earning fairly low salaries and thus have less to lose by leaving the labor force. Recent studies have shown that these marginalized female workers often have a difficult time being reinserted in the labor force, should they attempt to do so after the benefit expires (Fagnani 1996). Currently 27 percent of recipients of the APE are without employment at the end of the paid leave, contributing to the higher rates of unemployment among women than men—11.9 percent for women versus 8.4 percent for men as of March 2000 (Ministère de l'Emploi et de la Solidarité 2000). In the context of women's higher unemployment rates and greater risk of poverty, a policy that promotes women's exit from the labor market may only increase their potential for marginalization.

Conclusion

Economic crisis and welfare state reform have not produced massive cutbacks that would roll back fifty years of French social spending, yet they have had substantial effects on child care policy. Budget austerity, stubbornly high rates of unemployment, and a crisis in the legitimacy of the welfare state have changed the face of French child care policy. An extensive system of early childhood education already was well in place before the onset of the economic crisis, and it has been the secret to France's success in providing child care services to working parents. Yet growth in the nascent system of public crèches in the 1970s slowed with the strain on fiscal resources. Efforts to redress chronic unemployment led to a redefinition of the notion of facilitating women's free choice. By the 1980s, state efforts were dedicated less to promoting women's insertion into labor markets, as had been the case in the 1970s, than to encouraging women's exit from work when there were young children in the home. The imperative to bolster job growth also led to a diversification of the existing modes of child care, as state policy began subsidizing individual forms of care such as nannies or independent caregivers.

The growing complexity of the French child care system reflects a policymaking process that attempts to satisfy a wide range of groups with often diverging preferences. Yet, the resulting policy of libre choix has not produced a situation of real choice for most parents. In emphasizing individualized solutions and "choice" for parents, distributional fairness has been subordinated to employment and budgetary objectives. It remains to be seen if economic growth and declining unemployment will spark a renewed commitment to the crèche, or if the diversification of the existing system has created a constituency of parents calling for more individualized solutions to their child care needs.

Notes

1. In the French terminology, "collective" child care refers to crèches, or child care centers, nearly all of which receive substantial public subsidies or are run by local governments. "Individual" modes of child care include family child care (*assistantes maternelles*) and nannies.
2. Data are from 1960, calculated as a percentage of the female population aged fifteen to sixty-four.
3. These figures are for women with two children, the youngest being under the age of six. Note that the figure for Germany is only for the West German lander (states).
4. In 1999, the general tax break was for 25 percent of spending on child care, up to a FF15,000 ceiling per child; in addition, for parents employing a nanny in the home, there is a tax break worth 50 percent of spending, up to a limit of FF45,000 per child (David 1999).
5. A comparable evolution occurred only in Belgium and, to a lesser degree, Italy.
6. Belgium is one exception to this generalization.

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CHAPTER 10

More Can Be Less: Child Care and Welfare Reform in the United States

Denise Urias Levy and Sonya Michel

In the United States today, child care provision is divided into two distinct sectors, public and private. Such an arrangement is not, of course, surprising in a welfare state regime that has been categorized as "liberal" (Esping-Andersen 1990). Nor should it be surprising to discover that this dual system has produced deep inequities in the quality, accessibility, and affordability of child care services. What is perhaps unexpected is that, despite the overall inadequacy of the system, the rate of full-time labor-force participation among American women, including mothers, is currently one of the highest in the Organization for Economic Cooperation and Development (OECD) countries.¹ This can be explained by a congeries of factors, including the demand for labor produced by the general upsurge in the U.S. economy (a trend that may now be reversing), relatively well-enforced antidiscrimination legislation in the area of employment, and, since 1996, a shift in public assistance policy "from welfare to workfare" that has pushed thousands of low-skilled women into the labor force. The fact that the majority of U.S. mothers, including those with very young children, are employed outside the home should *not*, however, be taken as an indication that, despite its flaws, the American child care system "works." Rather, it suggests that wage-earning parents at all income levels have learned to "make do"—to cope with the everyday stresses and long-term consequences of inadequate provisions, but at a significant toll on the quality of their private lives and the lives of their children (Hochschild 1997).

In both the public and private sectors, several different types of services may be available, ranging from in-home care to formal child care centers,² but the methods of payment differ. In the private sector, middle- and upper-income parents choose and pay for services directly, while in the public sector, poor and low-income parents must find child care centers or family day care providers that will accept state-issued vouchers to be reimbursed at fixed rates, or they may, in some instances, receive reimbursement for individual arrangements with kith or kin. While it appears that the private sector is wholly self-supporting, in fact it, too, is subsidized indirectly by the federal government through a dependent care tax credit and incentives to employers who establish child care services. Perhaps the more salient differ-

ence is that in the private sector, the state supports the independent, freely made decisions of parents to place their children in child care in order to seek paid employment or pursue educational or vocational goals, while in the public sector, the state subsidizes child care as part of a mandatory system of job training and employment (workfare) for parents seeking public assistance. In this instance, child care is used as a lever of a compulsory public policy.

This chapter will first briefly review the history of child care policy that preceded recent developments, highlighting public and private developments and the relationship between early childhood education and child care. The chapter goes on to analyze the politics of the linkage between child care and workfare and the ongoing opposition to universal policy. In the final sections, we examine in detail the deployment of contemporary public policy within the context of welfare reform, focusing on its impact on poor and low-income mothers and children and the implications for universal provisions.

American Child Care: A Very Brief History

The current arrangement of child care in the U.S. is the outcome of a long and vexed history of social provision characterized, as Sonya Michel has argued elsewhere (1999), by a strong man-as-breadwinner orientation (Lewis 1992), and both fueled by and constitutive of the policy logic typical of a public/private, liberal, or “residual” welfare state regime. Throughout its history, child care—like much of American social policy—has also reflected deep racial and class divisions. Beginning with the charitable day nurseries of the nineteenth century, child care in the U.S. has almost always been targeted toward the poor as a means of “helping them help themselves.” Although the federal government took responsibility for providing services during periods of national crisis—first for the children of the unemployed during the Great Depression and then for children of defense workers during World War II—these policies did not lead to permanent public, universal provisions. For several decades after the war, the issue of state-sponsored child care lay more or less dormant. It was not until the 1960s and 1970s that it once again appeared on the public agenda, this time in conjunction with efforts to reform public assistance. In a series of amendments to the Social Security Act, the U.S. Congress foreshadowed the linkage between public provisions and mandatory employment that would become law in 1996.

The lack of public child care notwithstanding, the postwar decades witnessed a significant rise in employment among mothers, including those with preschool children, which in turn prompted the growth of market-based child care services. This trend was aided by several federal measures, including the child care tax deduction passed in 1954 (and converted to a child care tax credit in 1972), as well as a variety of incentives to employers to set up or sponsor services for their employees, beginning in 1962. Market-based services were of several types: while all charged fees,

some were commercial enterprises, while others were run by voluntary or non-profit organizations (often denominational), many of which transformed existing part-day nursery schools into full-day child care centers in response to community demand.

The place of nursery schools in this history bears further explanation. Nursery schools, along with kindergartens, followed their own trajectory in the United States, one that was (in contrast to some of the other cases discussed in this volume) quite distinct from that of child care—and deliberately so (for a full discussion, see Michel 1999, chaps. 1–3). As part of the early childhood education/child development movement, nursery school and kindergarten innovators, advocates, and practitioners were among the first groups of American women who self-consciously sought to professionalize, and as such did not want their movement to become tainted with the odor of charity and poverty that clung (literally, in some cases) to the day nurseries. With their impetus, early childhood education forged ahead in the early twentieth century, leaving child care behind. As kindergartens were incorporated into the public school system and nursery schools (mostly fee-based) became the darlings of the middle class, day nurseries and child care centers gained a reputation for being “custodial warehouses” that only the poor would use as a last resort.

Early childhood educators believed that children of all classes should have the benefits of nursery schools, and in the 1930s they convinced New Deal policymakers to create a network of federally supported Emergency Nursery Schools for the children of the unemployed; these were, however, dismantled when the Depression was over. It was not until the mid-1960s that reformers were finally able to establish a permanent public program of early education for the poor: Head Start. The most successful and enduring of President Lyndon Baines Johnson’s Great Society programs, Head Start has repeatedly demonstrated its educational value, but because of the way it was conceived and funded, it has not, until quite recently, been considered part of the public *child care* system. As we shall see below, the fact that it had its own funding stream has, no doubt, helped preserve Head Start, but this has also created problems of coordination with other public programs for young children.

Linking Child Care and Workfare

The 1960s saw several initiatives to reform public child care, all of which grew out of political concerns about the sharp rise in—and changing racial composition of—the welfare rolls. Because of deeply entrenched practices of racial segregation and discrimination throughout the country but especially in the south, the federal public assistance program Aid to Families with Dependent Children (AFDC) had, since its establishment in the 1930s, served primarily white families—a profile that hardly reflected the racial composition of America’s poor (Bell 1965, pt. 1). But starting in the late 1950s, impoverished African Americans, as a result of a series of court cases brought by the strengthening civil rights movement, began to gain access to the as-

sistance to which they were entitled by federal law (the following discussion is drawn from Michel 1999, 243–47; see also Mink 1998, chap. 2, and Kornbluh 2000, pt. 2). Between 1960 and 1967, the proportion of AFDC recipients had shifted from 86 percent white to 46 percent nonwhite.

AFDC had initially been based on the principle that the state should support mothers whose families lacked a male breadwinner so that they could remain at home caring for their children—a principle that fit well with America's general adherence to the “male-breadwinner” logic. As long as the majority of AFDC recipients were white, the policy proceeded without challenge.³ But as the racial balance shifted, many politicians, especially those from the south, bridled at the idea that African-American women—who had “always” worked—were now going to receive public support to remain “idle.” Not coincidentally, a new congressional consensus began to form around the idea that mothers should now be encouraged to become “self-sufficient”⁴ and that child care would be a critical element of any policy designed to free mothers to pursue work or job training.

Congressional initiatives to link child care and welfare first produced the Social Security Amendments of 1962, which provided grants-in-aid to state welfare agencies for the development and support of licensed child care agencies (the following discussion is drawn from Levy 2000, chap. 3). Notably, these measures were intended to “encourage” welfare recipients to become self-sufficient, but they did not make work mandatory. Not so the 1967 amendments that created the Work Incentives program (WIN), granting child care funding to states that expelled welfare recipients who rejected job offers—including mothers, regardless of the age of their children. Despite the harsh tone of this legislation, Congress soon became aware that there were nowhere near enough child care facilities to serve every mother who was supposed to work—regardless of how much funding was made available. This fact emboldened liberal opposition to requiring mothers of young children to work or enroll in job training and led to a *de facto* abandonment of the program.

In 1969 a new approach to poverty emerged from the administration of Richard Nixon: the Family Assistance Plan (FAP) (Levy 2000, 18–19; Michel 1999, 249–51; Kornbluh 2000, chap. 3). This bill was intended to replace WIN with a guaranteed annual income and significantly expand job training and child care facilities. Simultaneously, congressional Democrats proposed a series of measures, including the Comprehensive Child Care Development Act of 1971, designed to increase and improve child care provisions for *all* American families. Nixon, while clearly favoring child care for the poor, opposed the liberals' universal proposal and vetoed the bill when it reached his desk. In the meantime, the FAP foundered in Congress because of disagreements over the principle of a guaranteed income and the amount of funding it would entail.

For the next two decades, the administration's bifurcated stance cast a long shadow over child care initiatives. Child care legislative initiatives were muted for most of the 1970s and suffered in the 1980s from growing disagreement about the role of government in family life. These disagreements prevented passage of com-

prehensive or universal child care legislation and continued to restrict federal support for child care to policies that served as work-incentive instruments within the context of welfare reform. Even those, however, fell short of their potential because state and local bureaucrats failed to implement them by drawing down federal funds and organizing adequate services (Michel 1999, 251–59).

The link between child care and welfare reform was further reinforced in 1988, when President Ronald Reagan signed into law the Family Support Act (FSA). This measure rephrased the principles underlying public assistance by articulating the view that welfare should be based upon a “social contract” that emphasized the mutual obligation and responsibility of both poor parents and the government. Under this contract, parents would be primarily financially responsible for their children, but the government would assist by granting benefits (cash subsidies, health insurance) to low-income, two-parent families while channeling the adults into the Job Opportunities and Basic Skills (JOBS) program.

The JOBS program reinstated the principles underpinning the ill-fated WIN program but attempted to make them work by emphasizing education and training and expanding support services like child care to facilitate participation. It also extended WIN's reach to new groups of recipients by *mandating* the participation of mothers with children aged three to five and of all teenage mothers, irrespective of the age of their children, who had not completed high school and had no work experience (these two groups had previously been exempted from most work mandates). On paper, the new program implied significant new commitments to provide child care to AFDC recipients who pursued education or training designed to improve their employability.

Two programs were created to fulfill these commitments: AFDC-Child Care and Transitional Child Care (TCC). The first required states to guarantee child care to any AFDC recipient who participated in state-approved education or training activities or who accepted or retained employment. The second required states to guarantee child care for up to twelve months to families who had received AFDC and its child care benefits in the past but were no longer eligible due to increased hours of employment or earnings. Although there was evidence at the time that these commitments could not be met within the existing structure of child care services, legislators supported the FSA as an alternative to a more comprehensive piece of child care legislation then pending in Congress, the Act for Better Child Care (ABC, discussed below). Indeed, later studies showed that both programs in many ways failed to live up to the commitments made in the law.

By the mid-1990s, only about 13 to 15 percent of the eligible children of adult enrollees in JOBS were being served—although three-fourths of the programs claimed to be providing child care subsidies or helping to arrange child care for all or almost all participants who needed assistance (U.S. General Accounting Office 1995a and 1995b). This was in part due to parents' difficulties in finding child care providers who were accessible (given the shortage of public transportation) and available during nontraditional hours of work, or flexible enough to accommodate

part-time JOBS participation hours (most child care centers operate—and charge fees—on the assumption that slots will be filled full-time). The shortage of facilities led to the creation of long waiting lists which, in some states, included thousands of children (U.S. General Accounting Office 1995b). Also, because funds were scarce, states in practice often exempted welfare recipients from work requirements or limited participation in training programs to parents with school-aged children or those who could easily find free child care.

The Opposition to Universal Child Care

The problem of child care in the late 1980s was not, however, limited to the welfare population. By this time, the proportion of mothers with children under fifteen participating in the labor force had grown to 60 percent. In 1988, more than 10.5 million children under age six, including nearly 6.6 million infants and toddlers under age three, had wage-earning mothers. Yet the supply of child care remained small and the range of options limited, with cost a constraint affecting both factors. For low-income two-earner families who were not eligible for public subsidies, child care for just one child could consume more than a quarter of their total household income, 43 percent if they needed full-time infant care. This in turn limited parental options. While 31 percent of mothers of higher socioeconomic status were likely to enroll their children in a child care center or preschool, only 18 percent of low-income parents turned to such services. Within this latter group, relatives (other than one of the parents) were the most common source of care, which meant that a large percentage of children were in unlicensed home settings, often under inadequate conditions of safety, and with limited educational and developmental opportunities (Hayes, Palmer, and Zaslow 1990, 159–62; Michel 1999, 259–64).

Since the late 1960s, child care advocates had been trying to make a case for comprehensive child care legislation as the adequate response to these trends, and to convince policymakers that the care and education of all young children—not just the poor—should become a public responsibility. They attempted to explain that the existing system was inadequate to meet the needs of all parents, including those who could afford to pay more for child care. Some Congressional leaders were responsive to these concerns,⁵ and many governors began to take an interest in child care issues, including then governor Bill Clinton of Arkansas, who was chairman of the National Governors' Association (Hofferth 1993).

Despite the visibility of and interest in child care issues in the late 1980s, proposals for comprehensive legislation could not gain the necessary traction in Congress. For example, in 1987, supporters introduced the ABC bill; this was debated well into 1988, even after the FSA was passed, and although it had the endorsement of more than 135 national groups, it met with fierce opposition from legislators, who remained divided about creating a new federal program—especially after President George H. W. Bush threatened to veto any child care law envisioning such an action.

If passed, the ABC bill would have dramatically shifted the political rationale for public child care by defining eligibility for subsidies on the basis of earnings rather than enrollment in welfare, using the state median income as a cutoff with a sliding fee scale. In addition, it would have established a federal funding stream for child care while preserving parental choice regarding the type of provision and offering a diverse delivery system using grants, contracts, and vouchers; and maintaining Social Services Block Grant funding for child care. The bill also mandated federal child care standards and required each state to develop its own child care plan, coordinate resources, establish an interagency committee of all bodies concerned with child care, and strengthen basic health and safety protections.

At the root of much opposition to the bill were political differences about the proper approach to funding child care programs. Democrats wanted to create federal grants to states to subsidize low-income families while improving child care for *all* families, while Republicans favored a combination of tax credits and vouchers, with benefits being targeted at low-income families only. In addition, some Republicans preferred policies that encouraged (nonwelfare) women to stay home with their children, at least while the children were very young. Finally, Democrats wanted to create national standards for child care, while Republicans argued that standards should remain a state responsibility.⁶

After two more years of introducing and debating dozens of competing child care bills without finding common ground, legislators were able to settle on a compromise child care package that retained many aspects of the original ABC bill but accommodated Republican demands for devolution to the states. The winning legislation, finally passed in 1990, had four major components: in addition to expanding funding for Head Start, it established a new entitlement program that expanded child care assistance under Title IV-A for families “at-risk” of falling into welfare dependency (At-Risk Child Care, or ARCC); expanded the Earned Income Tax Credit to low-income families (to alleviate the burden of their child care costs); and initiated a new program called the Child Care and Development Block Grant (CCDBG).

CCDBG allocated states the funds to create child care for eligible children, subject to a sliding scale based on family income.⁷ Although all children under thirteen in families with incomes below 75 percent of the state's median income were *eligible* for services, they were not *guaranteed*. Indeed, funds were relatively modest. While the original ABC bill had envisaged resources on the order of \$2.5 billion per year, Congress authorized only \$750 million for 1991. Funding rose to \$925 million in 1993, but the scope of the program remained limited. In 1991, only 571,095 children were being served, whereas an estimated ten million or more children under age thirteen were living below the federal poverty level (Levy 2000, 27), and millions more at the upper end of the sliding scale might have benefited from child care services.

The legislative process that produced CCDBG underscored two important lessons about U.S. politics. First, it showed that attempts to create comprehensive federal programs for child care outside the scope of welfare reform would lead to

profound and irreconcilable controversies among the two parties; but second, it revealed that a block grant approach could provide a framework to accommodate this conflict. By giving states the responsibility for making difficult policy decisions, with outcomes that could be thought of as best reflecting local preferences, the act still allowed for an incremental move toward universal provisions.⁸

Child Care and Welfare Reform

While the 1990 legislation temporarily slowed debates over child care and welfare, it fully addressed neither issue. Thus both returned to the congressional agenda in 1996, with child care presented as part of the larger effort to reform public assistance. In passing the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, the United States initiated a major restructuring of its principal program of social assistance for lone mothers and low-income parents, Aid to Families with Dependent Children (AFDC). Instead of supporting such families to care for their own children at home, as AFDC had done, the new program requires a majority to seek paid employment within a specified length of time and sets a lifetime limit for receiving public assistance.⁹ Following the trend toward “federalism” or devolution to the states initiated by President Reagan and exemplified in measures like the CCDBG, the measure provided funding through two major block grants to the states, one for temporary (cash) assistance to needy families (TANF), the other for child care (the Child Care and Development Fund, or CCDF).

In crafting the legislation, Congress was at first reluctant to confront the unprecedented demand for child care that would inevitably be generated by PRWORA’s employment mandates. When “workfare” mandates become fully operational in 2002, an estimated one million children (in addition to the 3.3 million low-income children already being served under previous laws) will require subsidized services (Long and Clark 1997, 5 and 10, table 3; U.S. Bureau of the Census 1998). But after President Clinton twice vetoed the bill for lacking adequate funding for child care, Congress added \$4 billion over five years to the child care block grant. Despite the additional funding, however, the new child care system has proven to be less than workable. There are a number of reasons for this: in addition to a lack of sufficient funding, there is wide variation in the bureaucratic practices that determine access to child care at the local level; inadequate compensation and benefits for child care providers, coupled with minimal support for improving program quality; and difficulties in coordinating child care with other public programs for early childhood education. We will examine each of these in turn.

Funding

Even with the additional spending authorized by Congress, there is not enough money in the system to care for all the children in low-income families who are by law *eligible* for, if not *entitled* to, subsidized child care. According to the law, all chil-

dren under age thirteen in families with incomes below 85 percent of the state’s median income are eligible for services. Currently, states can offer services to only a fraction of those who are eligible. According to one recent estimate, although current federal expenditures have climbed to nearly \$12 billion, this amount is only about half of what is needed to meet the full demand (Democratic Staff 2001).

Under the terms of PRWORA, several preexisting sources of federal funding for child care for poor and low-income families were consolidated into one block grant to individual states—the CCDF. Although the CCDF potentially makes available more child care funding than all previous federal sources combined (the \$2.97 billion appropriated for this fund in 1997 represented an increase of \$600 million, or 27 percent, over the total federal child care funding for the previous year),¹⁰ it is designed in such a way that a significant portion of the funds are controlled by state-level politics. Funds are divided into three categories: mandatory, matching, and discretionary, with \$1.2 billion apportioned among the states based on their previous federal (Title IV-A) funding (see n. 3), \$0.77 billion based on states maintaining their previous Title IV-A matches (the so-called maintenance-of-effort or MOE requirement), and an annually appropriated amount of discretionary spending (\$1 billion for 1997), which is distributed according to states’ economic and demographic features.¹¹

In such a structure, state-level decision making becomes the key determinant of how much child care will be available and how it will be distributed. A number of factors—all of which vary from one state to another—come into play. For example, two analysts of child care policy argue that these decisions depend on level of need (which is related to child poverty), fiscal capacity (ability to tax; per capita income), and fiscal effort (willingness to devote resources to a service such as child care)—in other words, political climate (Douglas and Flores 1998). Denise Urias Levy (2000) points to a cluster of “policy levers” used with great flexibility by states that determine the distribution of provisions among poor and low-income families and also affect the shape and content of public child care overall.

A full understanding of all the state or subnational political contexts that determine child care funding decisions requires discussion of a large body of empirical research that is beyond the scope of this chapter, since each one is unique (for detailed analysis, see Levy 2000, chap. 5). We can, however, offer a few generalizations. A state’s political disposition enters the formula at two points, one historical, one current. This means that to a certain extent a state’s current funding status may be delimited or “contained” by its previous funding history. Levy (2000) has found that, to some extent, current levels reflect historical trends regarding social spending: states that have tended to be liberal (in the North American sense) in the past, such as those of the northeast, midwest, and far west, and those of a more conservative bent, such as those of the southeast, have (with a few notable exceptions) generally both remained true to type on this issue.¹²

Yet, prior history is not all-determining, and current conditions can still have telling effects. For example, most states, by refusing to spend their own money for

child care, stand to lose a significant proportion of their potential federal funding as well, thus reducing their total budget for child care.¹³ At the same time, *every* state stands to gain by maximizing its matching funds, with an average increase of 50 percent (Long and Clark 1997, 3). In many states, however, this would require increasing its own child care funding by 70 percent or more—something their funding histories suggest they may well be reluctant to do. In 1994, for example, twenty states fell short of allocating sufficient matching funds to draw down their maximum Title-IVA funding (Long and Clark 1997, 9–10, table 2), while twenty-one allocated enough to draw down the full amount (Adams and Poersch 1996).

Whatever its political predilections, a state's current fiscal capacity and the level of child care need also come into play. As Toby Douglas and Kimura Flores (1998) point out, "many of the states with higher rates of child poverty tended to have low fiscal capacities" (2). Thus states like Mississippi, Louisiana, New Mexico, and West Virginia, which rank 50th, 49th, 48th, and 47th, respectively, in terms of child poverty, also rank low in terms of per capita personal income (50th, 40th, 47th, and 49th). Three of these states also rank low or medium-low in terms of "fiscal effort" (willingness to tax): Louisiana (44th), Mississippi (29th), and West Virginia (28th). In sharp contrast, New Mexico ranks 5th on this scale (reflecting the political strength of its prominent Latino/a contingent). To take a somewhat different example, New York state, which is 40th in child poverty, ranks very high (4th) in terms of per capita income and *first* in fiscal effort (Douglas and Flores 1998, 8, table 2). Taken together, these three factors can either reinforce one another (as in the cases of Louisiana, Mississippi, and West Virginia) or offset one another (as in New Mexico and New York), but if fiscal capacity is too low, as in New Mexico, the effect of even high fiscal effort is minimized.

An accounting of total allocations, however, tells only part of the story. As Levy (2000, chap. 4) has discovered, states can, by manipulating certain policy levers, fine-tune the amount and quality of child care available, and how and to whom it is distributed; indirectly, these three levers can affect parental choice and access to quality child care. The levers themselves comprise income eligibility limits, parent copayments, and maximum payment rates to providers. According to the law, families earning incomes up to 85 percent of the state median income (SMI), whose heads are working or preparing to work, are eligible for child care assistance under the CCDF.¹⁴ States may lower the income ceiling, thus reducing the number of families to be served. About half of the states have adopted a level equal to or lower than 65 percent of the SMI (in twenty-one, it falls between 40 and 59 percent). Of the remainder, about half set it between 65 and 80 percent, and only eight at the maximum rate of 85 percent (Levy 2000, 43). In calculating these ceilings, many states sought rough equivalency with the federal poverty level for a family of three, which was generally considerably lower than the SMIs.¹⁵

States' discretion to "manipulate" this policy lever and adjust it to their own needs and preferences has also been shown to be greater with the 1996 reform. The great autonomy granted by the reform led to a broader spectrum of choices. Of

particular interest is the variety of approaches taken by states to deal with the insertion of very low-income families into the new program. Moreover, there has been an increased dispersion in eligibility limits established by states as well as a general decline of such limits in several states (Levy 2000, 46–51).

With regard to copayments, the law states that each family is supposed to contribute to the cost of child care services, although this requirement may be waived for families at or below the federal poverty level, or under special circumstances. All but eight states have some sort of waiver in place, but regulations vary widely. Thus, in three states, a single parent with a child in center-based care, earning \$12,000 a year, would pay nothing, while in six others, she would pay more than \$100 per month (Levy 2000, 52–56).¹⁶ Here, too, there is considerable variation in the approaches taken by states when they designed their child care copayment policies, with a clear indication that copayment levels are used as a lever to limit the number of families served by the system. The higher the level of copayments, the more money available for child care and thus the wider the distribution of services over the eligible population. If the level of copayments is too high, however, eligible families will be unable to meet it and instead will seek alternative—and often lower-quality—forms of care.

The third policy lever, maximum payment rates to providers, affects the supply, accessibility to needy families to subsidized child care, and quality of services. High rates are likely to help in making more centers—and centers of better quality—available to children. However, given budgetary constraints, they may limit the number of children served, since the cost per child is likely to be higher. Under previous public programs, states were required to set payment rates at 75 percent of the local market rates for services, based on biannual surveys. The current law grants states flexibility to establish whatever payment rates they consider "fair" and conducive to equal access, and, until 1998, did not require regular surveys (Levy 2000, 64). In 1998 more than half the states failed to meet the 75th percentile standard as calculated for 1996 (Greenberg, Lombardi, and Schumacher 2000, 7). While the regulations now mandate regular surveys, they set no specific level for minimum (or maximum) payments; rates can thus range from less than \$300 per month in the lowest five states to more than \$600 in the highest five. Presumably, higher rates of compensation will promote the creation of centers and ensure their quality, but, given budgetary constraints, they may end up limiting the number of children being served, since the cost per child will be higher. By the same token, however, lower payment rates allow states to stretch child care dollars over a larger number of children, but they may also lower the supply of child care by deterring existing centers from opening up slots to subsidized children and discouraging individuals from becoming home-based providers. In addition, they depress staff salaries and benefits, leading to high turnover and lower quality overall.

States have another policy lever in the area of work requirements; that is, they can ease their own child care burden as well as that of TANF families by offering more latitude to parents with newborns and infants. Infant care is not only scarce

but costly (because adult to child ratios are supposed to be quite high—normally no more than two infants to one adult), and some states have reasoned that it is cheaper to exempt the parents of newborns from mandatory employment or training rather than pay for infant care (providing, in effect, a form of paid maternity or parental leave, which is otherwise not mandated by law in the United States). Federal law allows states to provide such exemptions until a child reaches the age of one, but here again, states vary, with some interpreting long-term exemptions as a form of encouragement to poor families to have additional children.¹⁷ Thus, although a few states offer the maximum exemption for *each* child, others allow only the minimum—thirteen weeks or three months—and some also set a lifetime limit of twelve months for the parent (Waller 1997, 6).

A final area of leverage affects the eligibility of families at different stages in their relationship to public assistance. As noted above, current law combines four previous programs—CCDBG, AFDC-Child Care, At-Risk Child Care, and Transitional Child Care—into a single block grant—the Child Care and Development Fund. Three of those programs guaranteed services to all families that fit specific criteria—AFDC-CC, for parents who were receiving aid who were working or participating in training or education; TCC, which provided services for 12 months to those no longer eligible for AFDC; and ARCC, for low-income parents who were “at-risk” of requiring public assistance. Moreover, funding for these programs was open-ended; that is, while states were required to put up matching funds in order to draw down federal dollars, there was no maximum for how much they could access. Under PRWORA, these separate funding streams have disappeared and the programs’ constituencies have become absorbed into the larger group of those who are *eligible* for benefits under federal law but not *entitled* under state regulations. Each of the three groups must, in effect, compete for a share of limited child care funds, and while each presents a compelling case, one or more groups is inevitably granted lower priority. Most often, that group is the welfare “leavers.”

States have the option of providing twelve months of transitional child care and shifting unused TANF funds from direct public assistance to child care as welfare rolls fall. About three-fourths of the states have done so (Schumacher and Greenberg 1999, 4), but recent studies of former recipients have found that in many states, fewer than half of those responding were receiving child care subsidies. The reasons they gave included lack of information about eligibility or a feeling that it was “too much trouble to apply” (Schumacher and Greenberg 1999, ii). While a majority of those without subsidies turned to relatives or neighbors, this type of care is not always reliable, making it difficult for former recipients to retain their hard-won employment.

Although PRWORA directs states to coordinate services for all categories of low-income families under one “lead agency,” the practice of prioritizing one group over another can often create discontinuities in child care as families exhaust their TANF benefits and/or begin earning wages that exceed state-set income maxima for publicly supported child care. The irrationality of such arrangements becomes evident if

we look at an individual case. In 1997, Christine Ferguson, a Wal-Mart cashier in Union Township, Ohio, found that her earnings of \$6.80 an hour put her above the state’s income maximum (which was set at 125 percent of the federal poverty level). When her county ran out of funds for child care, Ferguson and 109 other low-income parents were summarily cut off, and her child care costs jumped from \$65 to \$400 a month—an amount she simply could not afford. Reluctantly pulling her child out of care, Ferguson deplored her plight: “I’m really glad [President] Clinton wants to do this welfare reform—I think it’s time. But you’re going to send someone back to welfare if you take their child care” (quoted in Waller 1997, 1).

Ferguson’s situation was the result of her state’s interpretation of federal welfare requirements. Unlike most of its neighbors, Ohio had decided *not* to reallocate TANF funds to child care for low-income families as the number of TANF recipients fell, but instead lowered matching funds in order to reduce taxes.¹⁸ Thus, Ferguson’s county did not have enough funds to provide child care for all of its low-income, non-TANF families. In some states, former recipients are compelled to go back on TANF in order to receive child care benefits, thus keeping their “clocks” running and coming ever-closer to the five-year limit for benefits—precisely the course Ferguson was reluctant to take.

Bureaucratic Impediments and Local Conditions

Whatever the funding levels and priorities for their allocation, access to subsidized child care is ultimately determined at the local level, where widely varying bureaucratic practices can determine who receives services and who does not. Under previous “workfare” measures, states had an “affirmative responsibility” to provide services to all eligible families, and when these were not available, work requirements were waived for the families affected. Under PRWORA, this relationship is somewhat different; lone parents must still receive an exemption from work requirements if child care is not available for any child under the age of one, but states are no longer mandated to provide services (for the politics of this, see Levy 2000, 28–39). In order to receive an exemption, recipients must demonstrate that they cannot obtain child care “for one or more of the following reasons: a) unavailability of appropriate child care within a reasonable distance from the individual’s home or work site; b) unavailability or unsuitability of informal child care by a relative or under other arrangements; c) unavailability of appropriate and affordable formal child care arrangements” (Greenberg 1998, 2–3). Although states themselves can be penalized for refusing to grant exemptions in these instances (risking a loss of up to 5 percent of their CCDF block grants), this rule does not serve as an effective deterrent, since those who administer the rules arbitrarily or improperly are not directly affected—while their clients are.

The attitudes of local officials and their willingness to extend themselves on behalf of their clients can determine access to child care and clients’ prospects for success under the mandatory work program. Take, for example, Illinois. From a “macro” perspective, the state appears to be strongly committed to providing child care for

its poor and low-income residents. It drew down 100 percent of its federal funds in 1994 (for a total child care budget of over \$149 million), and from 1997 to 2000 its governors have consistently requested and won significant increases in state appropriations for child care (12 percent for 2000) on the basis of projected growth in the number of children requiring services (*Illinois Welfare News* 2000a, 6).¹⁹ In turn, these triggered increased allocations from the federal government. The present governor has also consistently shifted TANF monies from employment and training services to child care (Schumacher et al. 2001, 35), suggesting that, at least in the state of Illinois, welfare reform is moving in the direction intended by PRWORA's architects, with funding following need as recipients move from welfare to work.

If we look beyond these state-level indicators, however, we find anecdotal evidence to suggest that child care funds and services may not be reaching needy families in a timely fashion, thus preventing TANF applicants and recipients from complying with work requirements. Further, clients are being sanctioned—unfairly—as a result. Welfare rights advocates have found repeated instances in which caseworkers summarily deny benefits to such individuals, even though this practice is specifically prohibited by federal law. In Illinois, caseworkers are required by state welfare policy to refer all TANF applicants and recipients to child care referral agencies and arrange for payments to be made as soon as an appropriate slot has been located. But instead, according to *Illinois Welfare News* (2000b), caseworkers are, in effect, telling clients, “Getting someone to watch your kids so you can go to work is your problem and not mine” (6). While this is technically true under federal statutes, its outcomes defy the spirit of PRWORA. To take just two examples:

A Bloomington, Illinois, TANF applicant was unable to attend a job interview at a fast food employer on the day she applied for TANF because, as she informed her intake worker, she had no one to watch her three small children during the job interview. The intake worker deemed this a refusal to comply with job search requirements and denied her benefit application.

After telling her caseworker that she could not find anyone to care for her special-needs child, a Chicago-area TANF applicant never got a referral to a child care resource and referral agency for help in finding child care. (*Illinois Welfare News* 2000b)

Thus what we might call *negative administrative orientation* prevents what appears—on the surface, at least—to be adequate child care funding from reaching its intended recipients.²⁰ While it is difficult to know precisely how widespread such practices are, variations in child care availability, coupled with other regulations, the vicissitudes of the job market, and the complexities of the lives of the poor, would suggest that they occur not infrequently (for a vivid example, see Bernstein 2001).

In other states, different problems crop up as the result of local variants in regulations. In North Carolina, for example, state regulations prohibit reimbursement

for child care provided by “kith and kin.” For rural African-American mothers, however, this is often the only kind of care that is available or readily accessible, given a lack of public transportation. Moreover, given the racial dynamics of their state, it is the only kind they feel they can trust. Many of these women thus try to defer employment until their children reach school age, and then they limit themselves to part-time jobs that will allow them to be home when their children reach school age (Sinclair 2001; Uttal 1998).

Inadequate Compensation

To make matters worse, several features of the new system have actually reduced the amount of care available for children from poor and low-income families. For instance, TANF's work requirements have weakened the informal networks that low-income women, particularly those in urban neighborhoods, typically depended upon for care not only for their children but for elders, the chronically ill, and other dependents needing regular assistance (Oliker 2000).²¹ Such networks comprised kin, friends, and neighbors who were similarly situated economically and more or less available to provide services for one another.²² Some of these women relied on public assistance, while others held jobs that did not pay enough for them to afford formal services. Before TANF, they could turn to their networks to arrange care for those for whom they were responsible, either on a regular basis, if they took employment outside the home, or occasionally, in order to accomplish other tasks (such as dealing with the welfare bureaucracy). TANF, however, has had an ambiguous impact on such practices. Though federal regulations permit child care payments to be made to kith and kin, TANF's mandatory work regulations have removed many of the women who had previously been available to offer care, leaving tattered support networks in their wake (Waller 1997, 1).

A second feature of TANF that has reduced the capacity of the existing system to care for poor and low-income children is the level and manner in which providers are reimbursed. As noted above, states may set their own rates for reimbursement and these are often below market rates; moreover, many states are slow to pay, forcing providers who accept vouchers or certificates in exchange for services to wait months for payments. This places a particular hardship on small independent and individual family providers, many of whom are already on the margins financially and can ill afford to offer places at a discount or extend credit to the state. Since providers are not mandated by law to reserve slots for poor and low-income children, many have simply refused to or stopped doing so, with the result that in some locales the number of subsidized slots for poor and low-income children has simply declined (Children's Defense Fund 2001).

A third factor feeds into the paradox that, despite an apparent abundance of child care funding, the supply is not keeping pace: this is due, in part, to low salaries and poor benefits typically offered to providers. The Children's Defense Fund has documented that, year after year, child care workers are paid less than amusement park attendants and garbage collectors, while other studies have shown that child

care providers are less likely than other workers to receive needed benefits such as health care and pensions (Gallagher and Clifford 2000). For example, in 1997 in Champaign County, Illinois, the average annual salary of a lead teacher in a child care center was \$13,770—only \$440 above the federal poverty level for a family of three, and approximately half the average salary for all female workers in the United States with “some college education”—\$26,747 (University of Illinois Extension 2001, 2). As a result, in the recent climate of near-full employment, child care centers have found it increasingly difficult to attract and retain qualified employees, and women who might become independent home-based providers choose other occupations. Under CCDBG, states were required to set aside 25 percent of their funding for “activities to improve the quality of child care and to provide . . . early childhood development services”; current law reduces this to 4 percent. Using these funds, however limited, and sometimes augmenting them with state money, at least eleven states have initiated programs to encourage child care workers to obtain more training and then reward them for doing so (see, e.g. T.E.A.C.H. Early Childhood Illinois, n.d. [2001]; for an overview, Blank and Poersch 1999),²³ while one state, Rhode Island, subsidizes benefits for child care workers. Such measures are, however, few and far between; they do little to raise the status of child care as an occupation or address the attendant issues of working conditions and quality.

Some welfare reformers have suggested that child care would be ideal occupation for TANF recipients seeking employment, and indeed, PRWORA singles it out for special mention (Greenberg 1996). Accordingly, TANF-related jobs programs also promote this type of employment (Little 1999), but such training does not adequately prepare recipients for working in centers (many of which require at least an associate’s degree in early childhood education from a community college), or give them the wherewithal to overcome the many practical obstacles to starting a home-based service, such as lack of suitable housing, insurance and equipment costs, and so on. Moreover, child care analysts warn that not all women are, simply by gender, qualified to become child care providers. As one put it, “No public policies at the federal or state level should push or require people to care for children if they do not want to be providers” (Galinsky et al. 1994, 6). Thus the welfare-to-work program cannot, in itself, produce enough child care workers or providers to meet the increased need TANF itself has generated.

Quality and Coordination

The supply of child care is, of course, closely linked to its quality, and vice versa. When the supply is low and/or the variety of settings limited, parents may be compelled to settle for provisions with which they do not feel comfortable, that do not suit their child rearing preferences, or leave them feeling uneasy for any number of reasons. When, in addition, parents lack purchasing power, as do TANF recipients restricted by low rates of state reimbursement, their choices become even more limited. As noted above, prior to 1996, the quality of child care varied widely, with poor and low-income children more likely to be placed in low-quality settings.

More recent studies confirm that this is still the case, particularly for former welfare recipients who no longer receive child care subsidies (Fuller and Kagan 2000; Schumacher and Greenberg 1999).

Again, the paucity of federal funds for improving quality is partly responsible for this situation, but other factors feed into it as well. For example, child care facilities receiving TANF funds may have difficulty tapping into other funding streams or coordinating their services with those offered through other federal or state programs. The most obvious example of this problem is Head Start. Many low-income children participate in Head Start, the federally funded program of “compensatory” preschool education that had been in place since the mid-1960s. Beginning in 1990, appropriations for this program more than tripled, from \$1.235 million in 1989 to \$3.981 million in 1997, and enrollments nearly doubled, from 451,000 in 1989 to 794,000 in 1997 (U.S. House of Representatives 1999, 395, table 637). Explicitly designed to emphasize cognitive, social, and emotional development, Head Start programs are generally high in quality according to prevailing early childhood educational standards. But they usually run for only part of the day and thus cannot fully meet the child care needs of parents who work full-time or on irregular or night shifts. Moreover, income ceilings for Head Start families are extremely low—below what a parent might earn working full-time in a minimum-wage job. Thus, although both funding and enrollment in Head Start have increased since the implementation of TANF, the program is not ideally situated to address the new child care needs created by this policy.

Child care centers seeking to access Head Start funding or expose their charges to the benefits Head Start has to offer must not only meet cumbersome requirements but may also find that some of their families exceed income eligibility limits. In an effort to take advantage of Head Start for those of their children who do qualify, some centers transport them to Head Start classrooms for part of the day and offer “wrap-around services” during the remaining hours. Such plans are, however, awkward for staff and disruptive for the children involved. Centers attempting to coordinate their services with state-initiated prekindergarten programs for children of low-income families encounter similar problems. As of 1998–99, forty-two states had such initiatives, with a total of \$1.7 billion in funding, but these served only about 725,000 children—approximately one-third of those eligible (Blank, Schulman, and Ewen 1999).

A final quality issue has to do with the lack of federal standards for federally funded child care. Long a bone of contention among child care advocates and their opponents (see Michel 1999, chap. 7), this issue predictably raised the hackles of proponents of devolution and never made it into the final legislation. Moreover, because policymakers’ primary goal was moving welfare recipients into employment, they were not concerned when quality issues fell by the wayside. While licensed child care providers and centers must comply with state regulations, these vary widely, and weak enforcement often renders them virtually meaningless (Blank and Poersch 1999).

Conclusion

Although more public funding is available than ever before, the gap between the supply of child care and demand for it is, if anything, widening as the number of TANF applicants and recipients continues to grow, and rates of employment among moderate to high-income mothers remain steady or even climb (Children's Defense Fund 2001).²⁴ The obvious conclusion to be drawn is that while more funding is necessary, it will not be sufficient to carry out the task of meeting these new needs (though less funding would obviously make it even more difficult). States must be willing to loosen regulations, rationalize the organization of child care and facilitate access to it, and spend more of their own money in order to draw down maximum federal funds. While this last decision depends specifically on states' own fiscal capacity, all of these moves require a generally favorable and constructive attitude toward poor and low-income citizens. State-level decision making often founders on the paradox that the very political forces that are intent on reducing welfare rolls (primarily conservative Republicans²⁵) are also opposed to both expanding government services *and* encouraging maternal employment. It is thus difficult to mobilize political support and funding for the very programs that are needed to make workfare succeed even in its own terms.

At worst, the supply of child care will continue to fall short of demand, causing TANF recipients to renege on their employment and training responsibilities. Under pressure from state bureaucracies and politicians to meet quotas, caseworkers will deny or terminate benefits rather than place blame where it belongs—on the child care crisis—and join clients in calling for appropriate responses. Only slightly better will be a kind of “gray” solution in which parents and children seeking child care circulate in a maelstrom of irregular, ad-hoc provisions, settling for arrangements that may be inadequate or shifting children around in an attempt to find better provisions and maximize child care dollars, while providers themselves cycle in and out of business, quitting when they can no longer afford to subsidize the state with their own labor and capital and/or when they find more lucrative jobs. Both scenarios are exacerbated by the fact that states are more or less on their own in setting criteria and regulations for most aspects of public child care, and that parents' employment status, rather than children's needs for developmental and educational services, have become the paramount factors in setting policy.

To move beyond either scenario, the federal government must itself be willing (or must give states incentives) to improve the quality and supply of child care and the working conditions of those who provide it. Obvious measures might include offering or earmarking funds for start-up costs for new child care centers; setting minimum salaries and funding mandated benefits for workers; and creating packages of liability insurance and benefits for independent providers, coupled with much more stringent regulations and oversight for such provisions.²⁶ States might make it more feasible for TANF recipients and other low-income individuals who

want to go into child care (and this option should by no means be imposed on them) to receive training by providing tuition money, adequate living stipends, and benefits (including child care, of course) while they are preparing themselves.²⁷ In addition to sufficient funding, all of these measures require political predisposition and administrative capacity. While administrative capacity is probably best (and perhaps only) built up at the subnational (state) and local level, federal incentives, standards and regulations will undoubtedly be required to overcome local impediments and provide the necessary momentum when political predisposition is lacking.²⁸

There is, of course, always the danger that such measures will transform something that has usually been considered a social good—a boon to both parents and children—into an instrument of punitive control over women. In the feminist view, child care is an essential element of social citizenship; along with paid parental leaves and other policies allowing “time to care,” it should be part of any social structure that allows women to choose freely whether to work or pursue education or care for family members. But feminists also believe that child care should *never* be used to compel women to work.²⁹ One is reminded of Jane Addams's comment, made in 1905, that the day nursery (as child care centers were called then) “is a ‘double-edged implement’ for doing good, which may also do a little harm. . . .” (quoted in Michel 1999, 72). Indeed, today's public child care system may be used to do more than a little harm to poor mothers, but in the current political climate, there seems to be little hope of turning back policymakers' commitment to workfare, at least not for the time being. Perhaps the best that feminists can hope for—and certainly what they should work toward—is a greatly improved system of public child care, one that provides poor and low-income families with convenient, affordable, high-quality care of the types they prefer. Only with such a system in place will TANF applicants and other women who must work outside the home be able to avoid making a Solomonic decision between leaving their children in questionable circumstances in order to comply with work requirements or staying at home to care for their children and sacrificing the wages and benefits they need to support them. And perhaps with the addition of federal standards and an extended sliding scale, such a system could come to constitute the basis for a universal system of provision in the United States. But this may be too optimistic.

Notes

1. In 1999, the U.S. rate was 60 percent, compared to 59 percent in Canada, 48.9 percent in Japan, and 58.5 percent in Sweden (van der Lippe and van Dijk 2001).

2. In theory, consumers of both public and private provision have “free choice” as to the type of child care they access for their children, but in fact, in both sectors, parents are constrained by what is available and what they can afford; poor and low-income parents generally have the fewest “choices.”

3. As Jennifer Mittelstadt (2001) has recently shown, the idea of using public policy to

help poor women become self-sufficient actually had its roots in legislation passed in 1956, but implementation did not really get underway until the 1960s.

4. For a cogent critique of this term, see Young (forthcoming).

5. These included the Children's Caucus, led by Senator Christopher Dodd (D-Connecticut) and the Select Committee on Children, Youth and Families, led by Representative George A. Miller (D-California).

6. Another controversy arose around the issue of funding child care that included religious instruction. Republicans opposed any provision that would *not* fund child care sponsored by religious institutions, arguing that since most of the existing nonprofit centers fell into that category, excluding them from federal funding limited the available supply of child care and restricted parental choice.

7. Seventy-five percent of the funds was to be used for this purpose, while the remaining 25 percent was to be spent on quality improvement activities (5 percent), development of early childhood education (18.75 percent), and other quality-related activities (1.25 percent).

8. An alternative, less optimistic, interpretation is that devolution facilitates resolution by significantly reducing the power of diffuse interest groups such as poor families (Winston 1999).

9. The maximum time allowable is five years, but states have the option to reduce this, and many have.

10. Had PRWORA not been passed, maximum allocations for 1997 would have been \$1.4 billion for the Title-IVA programs and \$935 million under CCDBG (Long and Clark 1997, 2).

11. These include, for each state, the proportion of children who are under five, how many children receive free or reduced-rate school lunches, and the average per capita income. Thus, both overall wealth and the gap between rich and poor are taken into consideration.

12. For example, in 1994, Massachusetts, Connecticut, the District of Columbia, and Washington state all drew down 100 percent of their federal funds, while Louisiana drew down none, Mississippi 5 percent, and Tennessee 27 percent. Alabama, however, received 95 percent of its maximum.

13. For example, by failing to appropriate child care funds for 1997, only Arkansas, Mississippi, and New Mexico would end up with *more* money for child care than they had in 1995, while in most states, the amounts would range from 23 to 50 percent less (Long and Clark 1997, 4).

14. In 1997, the average SMI was \$38,370, but this varied from just under \$25,000 in West Virginia to just over \$52,000 in Connecticut.

15. In 1997, the federal poverty level for a family of three was \$13,330 (\$1110.80 per month) in all states except Alaska and Hawaii, where it was \$16,670 and \$15,330 respectively.

16. Consensus has formed around the idea that "affordable" child care should take up no more than 10 percent of a family's total annual income; this percentage is, of course, far more onerous for a family earning \$12,000 per annum than one earning \$50,000 or more.

17. Many states already attempt to discourage additional births through the use of "family caps" that deny benefits to children born to parents while they are receiving assistance.

18. It should be noted that in 2000, Ohio finally decided to reallocate funds, transferring more than \$77 million, or 11 percent of its TANF funds, to CCDF.

19. These projected increases in need were paralleled by equivalent, if not greater, *decreases* in the TANF caseload; for fiscal year 2001, for example, Governor George Ryan requested an additional \$66 million to cover a projected 12 percent increase in child care need, while calculating that the state would save \$76 million from a projected 16 percent decrease in caseloads, a savings of \$10 million. Other indicators, however, contradict the aforementioned signs of Illinois' generosity; according to Douglas and Flores (1998), the state is 33rd in child poverty, 8th in per capita income, and only 35th in fiscal effort (8, table 2). Indeed, for 2002, Ryan has drastically reduced his budget request for child care (Day Care Action Council 2001).

20. Negative administrative orientation has been flagrant in other areas of Illinois' welfare bureaucracy, as *Illinois Welfare News* (2000c) has demonstrated consistently since TANF went into effect. Its March 2000 column "Let's Get It Right" documented in detail one case of application delay and one of improper processing of appeals. *Illinois Welfare News* is published by the National Center on Poverty Law, which works with the Legal Assistance Foundation of Chicago and Prairie State Legal Services to advise TANF clients and assist them in making appeals.

21. The classic study of such arrangements is Stack (1974).

22. Assuming this was their preference; many women in these neighborhoods preferred placing their children in the care of coethnics rather than in formal centers that they perceived as sterile or culturally alien (Uttal 1998). For a historical perspective on this, see Lemke-Santangelo (1996).

23. The Illinois program requires the sponsoring child care program as well as the recipient to pay part of the cost; the sponsoring program must also provide release time and "agree to award the recipient either a bonus or raise at the end of the scholarship year." Students pay up to 20 percent of expenses; in return, they must "agree to remain at the sponsoring center, or continue to operate their center or home, for at least one year after the term of the scholarship and remain in the early childhood field in Illinois for an additional year" (T.E.A.C.H. n.d., 3-4).

24. It is not yet clear what impact, if any, the economic downturn of 2001 will have on these trends.

25. Indeed, many conservative women, with the support of their menfolk, have mobilized a back-to-the-home or mothers-at-home movement which is, among other things, adamantly opposed to child care (Michel 2000).

26. Americans might look to the French system for an excellent model of family child care, in which providers are linked into a local or neighborhood center that they visit regularly for advice and assistance with "problem" children, bringing their charges along with them to be supervised while they are attending sessions. Centers also loan toys, equipment, and other supplies (Richardson and Marx 1989).

27. As of March 2001, Democrats on the Senate Finance Committee, which oversees

welfare and child care legislation in that body, were considering proposing legislation to accomplish just these goals (Democratic Staff 2001).

28. Indeed, the history of federal programs like certain parts of Social Security should have taught us that certain states cannot be relied upon to make fair and equitable provisions for all of their citizens (Mettler 1998, 6–7 and *passim*).

29. Consider, for example, calls for nighttime child care to enable women to work the “swing” or “graveyard” shift. (This often becomes necessary because office cleaning, one of the few occupations open to unskilled entrants to the job market, is usually done at night.) On the one hand, such services enable women to take jobs, but on the other, they also disrupt children’s routines and probably lead to exhaustion for mothers who have no time to rest during the day. See also Arlie Hochschild’s (1995) comments about “hot” and “cold” modern relationships between work and family.

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Welfare State Restructuring and Child Care in Sweden

Christina Bergqvist and Anita Nyberg

Introduction

The 1990s was one of the most critical periods for the Swedish welfare model. The employment rate fell dramatically and unemployment soared to levels unthinkable since the 1930s.¹ The situation began to improve only as the decade came to an end. The employment crisis, in turn, produced an accelerating public sector deficit, with revenues plummeting and public expenditures skyrocketing.² In addition to the economic crisis, there were also other factors that constituted a challenge to the stability of the traditional Swedish welfare state. First, the Social Democratic Party lost its historically dominant position, which opened the way for neoliberal ideas of marketization and privatization. The internationalization of capital markets and financial transactions, plus Sweden's participation in the European integration project, also posed new challenges.

Given the unemployment situation, the financial strains, globalization, and the spread of neoliberal ideas, it is reasonable to assume that serious attempts to transform the Swedish welfare state might have been undertaken. The aim of this chapter is to analyze the characteristics of this restructuring and to determine whether retrenchment did indeed take place in the Swedish welfare state in the 1990s. We will do this through the lens of public child care. The Swedish welfare state has as a political goal included the provision of high quality child care since the 1970s.³ It was intended as a vehicle to promote gender equality and full employment, as well as equality between different kinds of families and equal provision of care and education for preschool children (Leira 1993; Hirdman 1998; Bergqvist 1999).

As Paul Pierson has argued, retrenchment involves more than cuts (1996, 157). In addition to expenditure cuts, changes in policies and program structure must also be examined. Our investigation accordingly relies on a combination of data on expenditures and qualitative analysis of the child care sector. We examine Swedish child care in relation to five important characteristics associated with the Swedish welfare state: (1) generous public spending; (2) high quality in social services; (3) limited scope for the private sector in social services; (4) universalism; and (5) egalitarianism (Esping-Andersen and Korpi 1987; Pierson 1996; Esping-Andersen 1999, 78–81; Sainsbury 1999, 259). By analyzing whether and how these characteristics have changed in the 1990s, we assess where the Swedish welfare state is heading.

The Historical Legacy and Development of Child Care Policies

The Social Democratic regime, for which Sweden is often the exemplar, is typified by universal benefits, a level of compensation and quality of service high enough to meet middle class expectations, and a strong commitment to equality and full employment (Esping-Andersen 1990). While Gøsta Esping-Andersen has focused on the relationship between the state, market, and class, feminist researchers have emphasized the importance of including the family and gender relations (Sainsbury 1994). The move from the male-breadwinner to dual-breadwinner norm has been one of the biggest social changes of the last thirty years, and the social democratic regime has tended to be more supportive of this change than other models (Hernes 1987; Borchorst 1994; Siim 1997). This is especially visible in Sweden's child care policies.

Although small public grants for child care institutions have been available since the 1940s, the demand for public child care has always been greater than supply. For example, in 1965, only 3 percent of all preschool children were in public child care. At the same time, nearly 36 percent of the mothers of preschool children were employed. The majority of parents arranged child care in the informal sector and this was common well into the 1980s (Nyberg 2000). It was, however, in the 1970s that public child care, together with the transformation of maternal leave into an income-related parental leave, became important characteristics of the "new" Swedish welfare and gender equality model.

The introduction of a National Preschool Act in 1975 imposed on local authorities the obligation to expand public child care. The municipalities were now required to provide all six-year olds with at least 525 hours of free preschooling—that is, at least part-time child care for six-year olds.⁴ For younger children, however, eligibility for a place in public child care was linked to parent's employment (or study) status. Exceptions were made primarily for children in need of special support. The demand for public child care was always greater than supply. In 1985, the Social Democratic government increased its efforts to make good on its commitment to working parents, aiming to ensure places in public child care for all children between one and a half and six years of age whose parents worked or studied (Bengtsson 1995; Ministry of Education and Science 1999).

As a result, the number of children enrolled in different forms of publicly subsidized child care increased substantially. The most common form of service is the child care center, but family child care units and preschools remain important. In 1975, only 17 percent of all children between one and six were enrolled in one of these forms of child care. By 1990 the number had risen to 57 percent (see table 12.1). The use of public child care has to be seen in relation to the age of the child and the length of the paid parental leave. Today, hardly any children under the age of one are enrolled in public child care because of the long parental leave period, which increased from around six months to over a year in the mid-1970s.

Between the 1970s and 1990s the expansion of public child care services was

generally an accepted policy objective (Gustafsson and Antman 1996). Two of the three bourgeois parties certainly remained in favor of a care allowance and were critical, in principle, of too much state involvement. Nevertheless, even when they formed the government in the latter part of the 1970s, they refrained from introducing any significant changes. During the 1980s, however, a debate, embedded in a discourse of "choice," arose over whether to increase for-profit alternatives. The social democratic government opened up the possibility for public support to centers not run by the municipalities but continued to exclude private for-profit child care, which prompted severe criticisms from the opposition, but also from some social democrats (Bengtsson 1995; Mahon 1997).

Choices and Challenges in the 1990s

Throughout the 1980s, the nonsocialist parties intensified their promotion of neoliberal alternatives that stressed choice, decentralization, markets, and privatization. In addition to questioning the rule prohibiting public subsidies for commercial child care, it was argued that parents did not have a real choice between staying at home with children or working. Introduction of a care allowance—long favored by the Conservative, Center (agrarian), and small Christian Democratic Parties—was again touted as a means for providing such choice. With the election in 1991 of a bourgeois coalition government, headed by Carl Bildt of the Conservative Party, a child care policy in line with neoliberal and conservative ideas was on the agenda. Interestingly enough, while the Bildt government introduced elements of a bourgeois policy, it also expanded the social democratic/liberal line of earlier child care policies.

Thus the care allowance was introduced in July 1994, just as new elections were approaching. The aim of the allowance was to make it possible for one of the parents to stay at home for a longer period than parental leave, which lasts for about a year with income compensation plus three months with a flat-rate benefit. This version of care allowance was, however, designed more as a child care check than as a mother's wage. The parents could use the money to enable one parent to stay at home or for child care. Parents could also choose between public and private forms of child care, both of which were eligible for public subsidies.⁵

TABLE 12.1: CHILDREN ENROLLED IN PUBLICLY SUBSIDIZED CHILD CARE CENTERS, PRESCHOOLS, AND FAMILY DAY CARE UNITS, 1975–1990
(IN PERCENT OF THE POPULATION BY AGE)

	1–2 YEARS OLD	3–6 YEARS OLD	1–6 YEARS OLD IN TOTAL
1975	16	17	17
1980	31	38	36
1985	45	55	52
1990	44	64	57

SOURCE: Skolverket (1998).

The government coalition, however, also included the Liberal Party, which continued to favor the right to institutionalized child care and a more equal division of labor between women and men in the family. In particular, the Liberal minister for social affairs and gender equality, Bengt Westerberg, was a driving force behind two important developments—a new Act on Child Care, and what is popularly known as the “daddy month,” a measure designed to get fathers to take a greater share of parental leave (Bergqvist, Kuusipalo, and Styrkarsdóttir 1999).

The Act on Child Care was introduced as part of a move from detailed state regulation of the municipalities towards a general decentralization of authority and responsibilities to the municipalities. This process involved a tightening and clarification of municipal obligations to provide child care without unreasonable delay for children between the ages of one and twelve. The main criteria remained, however, that the parents were working or studying or that the child had special needs. The municipalities were also given more freedom. During the phase of expansion in the 1970s and 1980s, public child care had been part of centralized government funding. Gross costs of child care were divided in such a way that the state and the municipalities each covered about 45 percent of the costs and parents' fees the rest. In 1993, program-specific state grants to the municipalities for child care were replaced by block grants (Ministry of Education and Science 1999; SOU 2000: 3; Oberhuemer and Ulich 1997). The municipalities thus have a higher autonomy today as to how these funds should be expended and how child care should be run and organized. At the same time, the act required the municipalities to provide child care “without unreasonable delay.”

To summarize, the family policies of the bourgeois government were grounded on a contradictory mixture of traditional family values, neoliberal ideas of privatization and of gender equality. It would thus be erroneous to conclude that a radical shift towards a new model was taken. The basic components of the parental leave legislation were maintained and the right to child care was strengthened. The care allowance, moreover, became but an historical parenthesis. The Social Democratic government that took office in the fall of 1994 abolished it while retaining the “daddy month,” the Act on Child Care, and the opening to public funding for commercial child care centers. Public responsibility for child care remained strong throughout the 1990s, even though the state had assumed a new role. Authority and responsibilities had been decentralized and, at the local level, the provision of child care became more diversified.

Public Expenditure on Child Care⁶

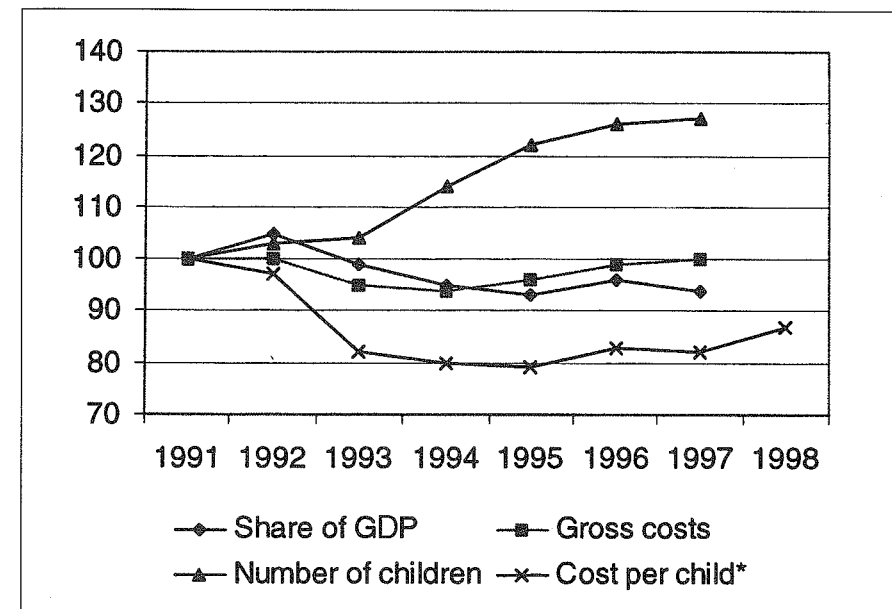
One criterion to distinguish types of welfare states is the level of expenditure on social services. In Sweden, a large proportion of national income is devoted to the goal of provision of high quality services for all. In terms of child care, the provision of accessible, high-quality child care services is understood to contribute to a good start

in life for children from all social backgrounds, as well as supporting parents, especially mothers, in managing the tension between paid work and caregiving responsibilities. The proportion of public resources spent on child care can thus be seen as an indication of the extent of the state's commitment to the two-breadwinner models and to equal opportunities for parents and children from different backgrounds.

The most common way of measuring the extensiveness of the public sector is the cost of social services as a share of gross domestic product (GDP). In this respect, public child care has become an increasingly important sector in the Swedish economy. The contribution of public child care to GDP increased from 0.2 percent around 1970 to 1.68 percent in 1980 and 2.4 percent in 1990. This contribution is larger than that of agriculture and comparable in size to the chemical industry (Kjulin 1995 III, 2; Edebalk, Ståhlberg, and Wadensjö 1998, 134; SCB 2000). This reflects the high priority attached to public support for child care, at least until the beginning of the 1990s when Sweden entered a severe economic crisis.

Given the state of the economy, the unemployment level, the increasing social expenditure, and the worsening of the public finances one might have expected calls for cost cutting and retrenchments in public child care. The costs of child care as a

FIGURE 12.1: COSTS OF PUBLIC CHILD CARE AS A SHARE OF GDP, GROSS COSTS FOR PUBLIC CHILD CARE, NUMBER OF CHILDREN IN PUBLIC CHILD CARE, AND COST PER CHILD (INDEX 1991 = 100)



*Costs per hour (1991–1995) and costs per child full-time (1996–1998) in public child care centers. Unfortunately, due to changes in the statistics in 1998 it is not possible to make comparisons with the years after 1997 in the other measurements. Until 1997 preschool covered one- to six-year olds, in 1998 one- to five-year olds.

SOURCES: SOU (2000 3, 115); SCB (2000); Skolverket (1999a, diagram 5).

share of GDP did decrease somewhat between 1991 and 1997 (see fig. 12.1). This provides, however, a rather crude measure of public commitment to child care provision, for it is affected by changes in the GDP as well as resources devoted to child care. If instead we look at the development of total gross costs in fixed prices, we find that the amount was the same in 1997 as it was in 1991, with a dip in between. This suggests that public child care remained a high priority.

When we take the number of children in child care into consideration, we get a somewhat different picture. Around 188,000 more children were in public child care in 1998 than in 1990. In other words, fewer resources were spent per child. In fixed prices the decrease was about 14 percent per child between 1991 and 1998 (SOU 2000: 3, 113ff). Moreover, parents have been contributing a rising share of the costs. In 1990 parents paid 10 percent of the total gross costs of child care in direct child care fees but by 1998 this proportion had increased to 17 percent. As the total gross costs for public child care remained the same, the total amount, as well as the amount per child, of "public" money spent on child care has diminished.

This development should not, however, be seen as a result of changed political priorities and restructuring, but as a "temporary" retrenchment. Harsh economic circumstances combined with increased demand for child care as a result of a high rate of fertility increased the strains on the system. Toward the end of the decade, the economy improved while fertility rates fell.⁷ The resources used for child care—independently of how it is measured—increased again. Due to new reforms, described in the next section, more resources will in the future be dedicated to the child care sector.

Public Child Care and Universalism

Social rights and benefits are usually classified as universal, labor market related, or income/needs tested. *Universalism* in a strict sense of the term means that all citizens or individuals in a specific category (e.g., a particular age group) get the same bene-

TABLE 12.2: DEMAND AND SUPPLY OF PUBLIC CHILD CARE 1980–1996.
NUMBERS IN THOUSANDS AND PERCENT OF ALL CHILDREN, PRESCHOOL-AGE
CHILDREN (3 MONTHS TO SIX YEARS)

YEAR	DEMAND		SUPPLY		DIFFERENCE	
	NUMBER	PERCENT OF ALL CHILDREN	NUMBER	PERCENT OF ALL CHILDREN	NUMBER	PERCENT OF ALL CHILDREN
1980	348	49	211	30	137	19
1986	374	58	299	47	75	12
1990	400	57	337	48	63	9
1993	443	56	386	49	57	7
1996	494	62	444	55	50	7

SOURCES: SCB (1994 and 1997).

fits and same rights without any restrictions based on need or labor-market status. The flat-rate child allowance for all children up to fifteen years of age is an example of a genuinely universal benefit and primary and secondary education are provided as a universal social service. As a concept, universalism is not always used in this way. In the Scandinavian context it is often used for social insurance and services that are widely available and apply to large segments of the population or all wage earners (Anttonen and Sipilä 1996).

From a comparative perspective, Swedish policies can perhaps be considered universal, but many programs have indeed been tied to employment status (Clayton and Pontusson 1998). More specifically, the main social programs usually consist of a flat-rate universal component, based on citizenship or residence, and a more generous component dependent on one's labor-market participation. In the case of parental leave insurance this means that citizens and permanent residents who become mothers or fathers are entitled to parental leave for the same length of time and everyone is entitled to a low flat-rate benefit. When one has been employed during the last eight months before the child is born, one receives the more generous income-related benefit. As long as almost everyone—including women—is employed, the vast majority of citizens are eligible for the richer benefits. When unemployment grows, however, as it did during the 1990s, a growing number of citizens are forced to rely on the flat-rate benefit (SOU 2000: 3).

As we have seen, the right to child care has never been universal in the same sense as education. Except for some hours of preschool for six-year-olds, the right to public child care has in practice been restricted to children whose parents are in paid work, or to children with special needs. That is, labor-market participation or need have formed the basis for eligibility to publicly financed child care. Moreover, supply has never matched demand, so even employed parents have been unable to find the child care they need, as table 12.2 shows.

In times of cuts in public spending, moreover, one might expect a tightening of eligibility rules as one way to save money. This has not, however, been the route taken in Sweden. In fact, more children than ever had access to child care institutions in the 1990s. As can be seen from table 12.2, both demand and supply increased substantially between 1980 and 1996. In 1980, the gap was 19 percentage

TABLE 12.3: CHILDREN ENROLLED IN PUBLICLY SUBSIDIZED CHILD CARE CENTERS,
PRESCHOOLS, AND FAMILY DAY CARE UNITS, 1990–1997
(PERCENT OF THE POPULATION BY AGE)

	1–2 YEARS OLD	3–6 YEARS OLD	1–6 YEARS OLD IN TOTAL
1990	44	64	57
1992	46	65	59
1994	48	70	63
1996	57	76	70
1997	59	78	73

SOURCE: Skolverket (1998).

points but by 1995, when the new Child Care Act came into effect, it had shrunk to 7. In that same year, 55 percent of all preschool children had a place in publicly financed child care. Of the remaining 45 percent, parents on parental leave took care of a large majority of the children. Overall, as table 12.3 indicates, the percentage of children from one to six increased considerably from 1990 to 1997.

Contrary to what might have been expected, then, universalism has been strengthened. This process of universalization and integration of child care and education reflects, in part, the commitment to "life-long learning." The goal of public child care is not only to serve working parents but also to educate and support the development of preschool children. This is, of course, not possible if eligibility is tied to the parent's status on the labor market. Of particular concern here are the children of families where the parents are unemployed. These children do not get the same support and early childhood education as those whose parents work and who therefore are eligible for a place in public child care.⁸

As a step toward a more universal preschool system, responsibility for child care at the national level was moved from the Ministry of Health and Social Affairs to the Ministry of Education and Science in July 1996, with the aim of strengthening the pedagogical profile of child care. This inaugurated a process of integrating child care and school into the same legislation. In the public documents the term *child care center* (*daghem*) has been replaced by references to preschool and preschool activities.⁹ Legislation for the whole child care sector has been brought into the School Act and the National Agency for Education has the supervisory responsibility.

Thus, contrary to what might have been expected in times of economic restraint, on the aggregate level universalism has been strengthened. Supply has increased, but so has demand. In 1998, 95 percent of the municipalities could offer a place within three or four months after application (Socialdepartementet 1999: 53, 26).

In addition, the social democratic government has put on the agenda new reforms that move child care further in the direction of universalism. These include child care for the children of the unemployed, a universal and free preschool for all four- and five-year-olds, and the imposition, by the national government, of a maximum parental fee (Socialdepartementet 1999, 53; Proposition 1999/2000, 129). In November 2000 the Swedish Parliament decided to implement the suggested reforms during the coming three years. The Social Democratic Party got support from the Left Party and the Green Party for these reforms. The four bourgeois parties in opposition did not support the reforms and instead suggested a lump sum (child care account) to all parents with preschool children, and the right to tax deductions of child care costs.

The Quality of Public Child Care

Cuts in public costs in child care have not been translated into fewer children in child care, which might suggest that quality has deteriorated. Quality in child care is not easy to measure but changes in child/staff ratios and group size provide a rough

indication. As figure 12.1 shows, the number of children in child care has expanded while gross costs and costs per child initially decreased, then rose somewhat during the latter part of the 1990s. This is reflected in the development of the child/staff ratio, with a lag. Until 1991, the number of children and the number of staff increased at about the same pace. Thereafter the number of children rose, but not the number of staff. While staff-child ratios were the same in 1980 and 1990 (see table 12.4), after that the number of children per staff rose rapidly such that by 1998 each staff member was taking care of 1.5 children more than in 1990.

Also, if quality is measured by group size, we find that quality has deteriorated. In 1990 the average group size was 13.8 children but by 1998 it was 16.5 children. There was, however, some improvement after 1997 (SOU 2000: 3, 116; Skolverket 2000a, 18).¹⁰

More children per group and per adult can be interpreted as a deterioration of the quality in child care, but it can also be associated with an increase in productivity. That is, it is possible that the municipalities are producing as high quality child care with fewer resources. It is difficult to assess whether lower costs mean lower quality or higher productivity. The large variation in child care costs among municipalities can be seen as evidence that productivity gains are possible.¹¹ It does not seem unreasonable to suggest that decentralization and increased coordination between child care and school have increased productivity. That the municipalities have increasingly substituted family day care for child care centers and, within the centers, child minders for preschool teachers, might have raised productivity.¹² There are, however, no systematic studies of how quality is affected by changes in resources over time (Svenska Kommunförbundet 1998).

It is hard to give a straightforward answer on the question of changes in the quality of Swedish public child care over the last decade. However, a recent investigation concerning the quality of nine different sectors in the economy found that child care was rated highest while local traffic companies and insurance services were rated lowest (Konsumentverket 2000).

TABLE 12.4: THE DEVELOPMENT OF THE AVERAGE NUMBER OF CHILDREN PER ANNUAL WORKER IN CHILD CARE CENTERS

YEAR	NO. OF CHILDREN/ANNUAL WORKER
1980	4.2
1985	4.3
1990	4.2
1992	4.9
1994	5.2
1996	5.5
1998	5.7
1999	5.4

SOURCES: Vålfärds Bulletinen (1994); Skolverket (1999a); Skolverket (2000a).

Also, an Organization for Economic Cooperation and Development (OECD) evaluation of public child care in various countries notes that Swedish staff have been under increased pressure to provide services to greater number of children (1999, 38). At the same time, the report found the preschool system outstanding and waxed eloquent about the Swedish child care system, noting that "it is said that the merit of any nation may be judged by how it treats its children—particularly the poor and needy. If that adage is true, then Sweden surely sits at an international pinnacle. Nothing honors Sweden more than the way it honors and respects its young" (OECD 1999, 43).

Privatization of Child Care

One dimension of variation between different welfare-state regimes is the role of the market in relation to the public sector. The characteristic of the Swedish welfare state has been to offer "high-quality public services that obviated the need for supplementary private solutions" (Mahon 1997, 385). During the last decades of the twentieth century, a political trend towards privatization has swept over the world. This has not left Sweden untouched, and this is visible in the production of social services such as child care.

Private solutions can be of different kinds. Child care can be purchased from profit-making enterprises or nonprofit organizations or it can be provided by the family. The implications of privatization will be different depending on whether privatization means expanding the role of commercial enterprises, nonprofit organizations, and/or the family. During the 1990s, the bourgeois government introduced a care allowance as a way of trying to privatize to the family.¹³ Upon their return to office, the Social Democrats abolished the care allowance.

Privatization to for-profit or nonprofit organizations was more successful. Such privatization can be divided into three aspects: provision, financing, and regulation. Swedish child care today is, even when it is "private," publicly regulated, and financed. Private—meaning not provided by the municipality—child care is nothing new in Sweden. Private child care centers have existed for a long time.¹⁴ The most common form of private child care in Sweden, as in other countries, until the 1990s was privately arranged (and paid for), unregistered family child care. In the 1980s, nonmunicipal child care centers became eligible for public subsidies, as long as they met certain requirements. The center had to be run by a nonprofit organization, such as a parents' cooperative, or offer a special form of pedagogy or other similar grounds. In 1991, when the bourgeois parties were in power, the law was changed to include child care centers run by personnel cooperatives, the Swedish church, and for-profit organizations. Parental fees had to be kept on a "reasonable" level, so as not to diverge too much from the parental fees in the municipally run child care (Nyberg 2000).

In 1990, there were some privately run, but publicly regulated and financed, child care centers. The proportion of children in private nonprofit and commercial child care centers rose from 5 percent in 1990 to 15 percent in 1999 (SOU 2000, 3; Skolverket 2000a). Most of the private child care centers are run by nonprofit organizations. The most common form is parental cooperatives. In 1998, parental cooperative child care centers provided places for 47 percent of all children in private child care centers. This form of child care offered in the 1970s and 1980s parents who could not get a place in a public child care center a chance to bypass the often long queue for public child care (Antman 1996, 150). In this form of child care, parents employ the personnel and often themselves participate on a rotating basis in the work at the child care center. Cooperatives run by staff and voluntary associations each accounted for an additional 10 percent of children in privately run child care centers (Skolverket 1999a, 21, table 1.2).

The ideological difference between social democrats and the bourgeois parties has not concerned child care centers run by nonprofit organizations such as parental cooperatives, but for-profit, company-run child care centers. The bourgeois parties opened the way for public subsidies to for-profit child care centers at the beginning of the 1990s. The Social Democrats did not reverse this decision when they came back into power. In 1998 commercial child care accounted for around a quarter of the privately run child care centers.

Another way of privatizing child care is to increase and restructure the fee system. During the 1990s a majority of the municipalities raised the level of fees and, to a greater extent, relied on time- and income-related fees to control demand and keep costs down. The difference between different municipalities is substantial.¹⁵

The general impression is that the private sector in child care has grown. This can, however, be contested. The proportion of children in private child care of all children in child care is smaller today (16 percent) than in the 1980s (40 percent).¹⁶ Private child care is also less "private" today since it is now publicly regulated and financed. In other words, the big difference between the 1980s and today is that the need for unregulated child care, organized and financed privately by the parents, has been crowded out by publicly financed child care. The great majority of child care is today run by the municipalities. At the same time, the way has been opened for public subsidies to nonprofit and for-profit child care.

More or Less Egalitarianism?

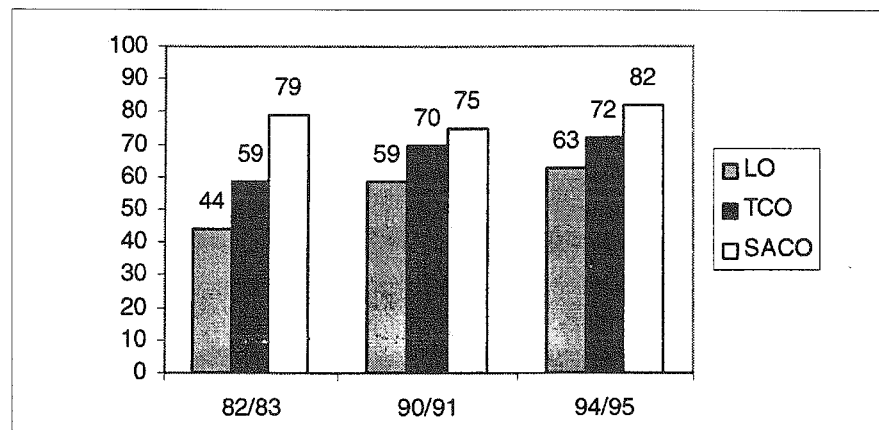
According to Esping-Andersen, "The social democratic model and egalitarianism have become basically synonymous. To many, the egalitarian element is simply the practice of universalism: everybody enjoys the same rights and benefits, whether rich or poor. To others, it refers to the active promotion of well-being and life chances—perhaps no more evident than for women. Still others equate egalitarian-

ism with redistribution and the elimination of poverty” (1999, 80). Public child care has contained all three of these elements. Here we examine how the increase in number of places in publicly financed and regulated child care has affected the distribution of public child care among different groups in society.

Lone and Cohabiting Mothers

It could be argued that the aim of early child care centers in Sweden was to enhance women’s “capacity to form and maintain an autonomous household,” to use the phrase of Ann Orloff (1993). The concern that women would be able to support themselves and their children, had little, however, to do with gender equality at that time. Child care was seen as a way to alleviate poverty by making it possible for poor mothers to work for pay and to be self-sufficient. Lone mothers have long had access to public child care to a greater extent than cohabiting mothers have. In 1966, 46 percent of the children in child care centers were children of lone mothers, which is well above their proportion of the population. From the 1970s through the 1990s, this proportion decreased. In 1994 only 16 percent of the children in public child care were children of lone mothers. This reflects the very substantial increase in the number of children of cohabiting/married mothers in public child care rather than a decline in access for lone parents. Access has, in fact, improved for the children of lone parents, too. In 1975, 56 percent of the preschool children of lone mothers were in public child care, but by 1994, 74 percent had places (Antman 1996, 148). Lone parents working full-time normally have their children in publicly subsidized child care and they make use of it—as always—to a higher degree than cohabiting parents (Prop. 1999/2000, 1).¹⁷ In 1996, 83 percent of cohabiting, employed parents had their children in public child care as compared to 91 percent of lone parents (SCB 1997, Översiktstabell 6).

FIGURE 12.2: PROPORTION OF CHILDREN TWO TO SIX YEARS OF AGE IN PUBLIC CHILD CARE, SWEDEN



SOURCE: LO (1996).

Workers and the Professional Classes

In the first half of the twentieth century, full-time child care was clearly linked to poverty relief, and child care centers did not enjoy a good reputation as long as their main role was to mind the children while their mothers, of necessity, worked. When their role was expanded to stimulate and educate the children too, middle-class parents became interested. This was reflected in a rapid increase in the share of middle-class children and a concomitant decrease in the share of working-class children among the children in public child care in the 1960s and 1970s. By the beginning of the 1980s, 18 percent of the children of parents organized by unions belonging to the blue-collar umbrella organization, LO (Swedish Trade Union Federation), had a place in a public child care center. The corresponding share was 26 percent among children of white-collar workers belonging to TCO (Swedish Confederation of Professional Employees), the largest umbrella organization for white-collar workers, and 43 percent of preschool children of professionals, organized by SACO (Swedish Confederation of Professional Associations).¹⁸ If public family child care is included, the proportion was 44 percent of LO children, 59 percent of TCO children, and 79 percent of SACO children (see Figure 12.2).

In the 1980s, part of the controversy surrounding child care policy stemmed from the fact that not all children of appropriate ages had placements in public child care, either because they did not demand it or because they were locked out due to rationing of scarce spaces. The heavy subsidization of some, but not all, families with young children can be regarded as unfair. To make matters worse for a Social Democratic government, the children of high-income parents were the main beneficiaries. Contrary to the original intention of Social Democrats and their blue-collar union partners, public child care was contributing to enhanced differences between parents and children from different classes. As public child care expanded in the 1990s, however, the proportion of LO children with access to public child care increased faster than the other two categories. By 1994/5, the distance between the groups had appreciably diminished, as figure 12.2 shows.

The main reason for the difference between blue-collar and white-collar and professional workers’ access to child care is the difference in mothers’ working time. Public child care is primarily used by families where both members work for pay on a full-time basis. Today almost all children of parents working full-time have a place in child care and the difference between those with higher and lower education levels is small (98 percent for higher educated, full-time working parents versus 87 percent for those with the lowest levels of education). The same picture emerges when the socioeconomic status of parents is examined. Around 97 percent of all children of higher-paid employees have a place in public child care, compared to 91 percent of children of full-time blue-collar workers (Prop. 1999/2000, 1 Bilaga 1).

In the 1990s, however, attitudes toward part-time child care began to change. Child care centers were originally thought of as full-time care. Families who did not need full-time child care were not given the same priority. The municipalities did not

want part-time children in child care since they reduced state grants and the families themselves often avoided child care since the fee was high relative to the time needed. The grant system was reorganized at the end of the 1980s, however, and in many municipalities, more flexible fee schedules were introduced (Antman 1996).

The Unemployed and Immigrants

In Sweden, egalitarianism has traditionally been discussed in terms of class, and later, gender. Today the concern to promote equality has widened to include employment status and ethnic background. The two are related. When parents are working outside the home, children of immigrants are as likely to have a place in public child care as other children (Ministry of Education and Science 1999, 43; Socialdepartementet 1999, 53, 29). Immigrants, however, today experience a higher rate of unemployment than Swedes and a greater share work part-time.

A recent study shows that in 40 percent of the municipalities, children lose their place in child care if a parent loses her job. Another 49 percent offer child care for a limited number of hours to children with unemployed parents and a few municipalities offer separate, short-term child care to unemployed parents to assist them in their job-seeking efforts. This means that it is already vulnerable groups are shut out of public child care. It should be observed that the number of children with unemployed parents today is a bigger group than the number of children with an "at-home mother." The Social Democrats have, however, proposed that the children of the unemployed be given a right to a place in public preschool.

Differences between Municipalities

In the 1980s, under the mantle of decentralization and democratization, new arrangements began to be worked out between the state and the municipalities designed to allow the latter greater latitude in adapting national legislation to local conditions. Some regarded this as a way of introducing more of a market orientation into the public sector, while others spoke about user influence and power of the citizens. During the 1990s, decision-making power was increasingly transferred from the state to the municipalities. This has led to a situation where child care, which once operated according to the same rules across the country, can vary substantially across municipalities.¹⁹ The question is, does child care in municipalities run by bourgeois governments differ from that provided by social democratic municipalities? Is public child care more universal, egalitarian and less oriented towards private provisioning in social democratic municipalities than in those where the bourgeois parties are in majority?

There are indications that this is the case. Universalism and egalitarianism seems to be a more common aim in Social Democratic municipalities than in bourgeois municipalities. An example of this is that, in 1998, the share of municipalities where the children of unemployed parents could keep a place in public child care, was considerably higher in municipalities with a Social Democratic/Left Party majority (58

percent) than in municipalities with a bourgeois majority (39 percent) (Skolverket 2000b, 9). Private child care—and, it is argued, freedom of choice—is higher in bourgeois than in socialist municipalities. In 68 percent of the Social Democratic municipalities, as compared to 86 percent of the bourgeois, there was an alternative to municipal child care (estimated from data from Skolverket 2000a).²⁰

The partisan cast of government is also connected to the size of parents' fees and their tax levels. Municipalities with a socialist majority on average have higher local taxes than municipalities with bourgeois majority and are more likely to have lower parental fees than municipalities with bourgeois majority. The connection is strongest with regard to single parents' families, which is the family type with the lowest incomes. Of the quarter of municipalities with the lowest fees on average for single parents, 64 percent had a socialist majority and only 7 percent bourgeois majority. Of the quarter with the highest fees, 56 percent had bourgeois majority and 17 percent socialist majority (Skolverket 1999b, 10). On average, staff ratios tend to be somewhat lower in bourgeois governed municipalities than socialist municipalities (Asker and Kehnberg 1999). A maximum fee in publicly financed child care can be seen as a strategy for the Social Democratic government to retain some of the power from the municipalities.

Conclusions

As the 1990s unfolded, some were prepared to declare the Swedish model of the welfare state dead. Comparative welfare research has however found that most social programs enjoy a surprising durability (Pierson 1996; Stephens 1996). Our analysis of Swedish child care suggests that Sweden is no exception in this respect. This does not mean that no restructuring has taken place. We found that restructuring has, on the one hand, served to strengthen several of the core features of the Swedish model. This becomes evident if one takes into consideration the decisions taken in 2000 about a maximum fee, the right of children of the unemployed and of four- and five-year-olds to preschool, proposed at the end of the 1990s. On the other hand, new features have also been introduced.

Certainly there was a modest reduction in the resources devoted to child care on a per-child basis in the 1990s, yet this is partly the result of changes in the number of children demanding child care. A "mini baby boom" around 1990 temporarily increased the demand for spaces. This also happened at a time when municipalities were trying to cope with sharper fiscal constraints while meeting an obligation to provide spaces for all children who need it, within a reasonable amount of time. This development probably affected the quality of the care, as each child care worker has more children to care for. There is, however, also some evidence of gains in productivity. The decisions taken in 2000 also mean that more economic resources will be devoted to publicly financed child care in the future.

The 1990s have witnessed a general trend toward a decentralization of responsibilities from the state to the local level and this has affected child care. State grants for child care and other social services now come in the form of block grants. In addition, regulation by central state authorities has become less detailed. As the system becomes more decentralized, it has also become more differentiated between municipalities concerning things like rules of eligibility, parental fees, and the share of private child care. At the same time, however, the 1995 Act on Child Care clarified the municipalities' obligation to provide child care for all who need it.

Another new element is a move toward greater privatization. The number of children in child care run by for-profit organizations remains small, yet the basic principle of private service delivery—within the framework of public financing and public regulations—has been accepted. In addition, the basic rationale of trying to improve performance by exposing public service production to market disciplines has become a key part of public management reforms, including the provision of child care. The idea is that by strengthening market elements, gains in economy and efficiency will be made at the same time as higher-quality service and greater choice can be offered.

At the same time, on aggregate, inequalities between different social groups have not increased. Today public child care provides places for a larger share of preschool children than it did in 1990. Those who earlier found it harder to get access to child care—particularly blue-collar workers—have found it easier to do so, reducing the “class gap” highlighted in the 1980s debates. The norm today is that children are in publicly financed child care except when parents are on parental leave. Nevertheless, the right to a place in public child care does not apply to children of unemployed parents in about half the municipalities. This has become an important issue as unemployment affected more people and as it became apparent that immigrants constitute a disproportionate share of the unemployed. However, from the year 2001 on, children of unemployed parents will have a right to at least three hours per day or fifteen hours per week of preschool.

In the 1990s we saw a higher degree of diversity at the local level, but during the second half of the decade there was also a trend toward a more universalistic system. This could be seen in the shift from a focus on child care as a service for working parents and children in need to a right for all preschool children to preschool education. Responsibility for child care has been transferred from the Ministry of Social Affairs to the Ministry of Education. In line with this, the Social Democratic government, with the help of the Green Party and the Left Party, have decided to create a universal (but not obligatory) preschool for all four- and five-year olds.

In the debate over the fate of the traditional Swedish welfare state some would argue that globalization and neoliberalism has put Sweden under pressure to reduce social standards and that profound retrenchment and restructuring is taking place. Others counter that the social system shows a high degree of path dependency and that the traditional Swedish welfare state still is strong. Our conclusion is that it is not a question of *either/or* but one of continuity *and* change—or, perhaps, continu-

ous change. Generous public spending, high quality in social services, universalism and egalitarianism are retained, while change is seen in increased marketization and privatization.

Notes

1. The employment rate was 85 percent for men and 81 percent for women in 1990 and 75 percent for men and 71 percent for women in 1999. The unemployment rate was 1.7 percent for men and 1.6 percent for women in 1990 and 5.9 percent for men and 5.2 percent for women in 1999 (SCB 1999).

2. In 1990 the central government budget showed a surplus of almost SEK19 billion. In 1993 the deficit amounted to almost SEK210 billion and in 1994 close to SEK200 billion. In 1998 there was again a surplus, this time slightly more than SEK20 billion (SOU 2000: 3, 40).

3. We use the term *child care* in a broad sense, including parental leave and care allowances as well as child care institutions and the like. The child care system can be seen as comprising a broad variety of different resources for caring for children. In this chapter, however, we mainly analyze child care institutions and preschools.

4. Children used to start regular school at age seven, but today it is also possible to start at six.

5. The care allowance was given to all children between ages one and three, and the amount was 2000 Swedish crowns a month, which is far from sufficient to be able to support oneself. In practice the reform meant that the ninety flat-rate days in the parental leave were replaced with a care allowance lasting until the child was three (Lag 1994: 553, om rätt till vårdnadsbidrag [Law 1994: 553, concerning the right to a care allowance]).

6. Public child care included publicly regulated, financed, and provisioned child care, but also publicly regulated and financed, but privately provided, child care centers.

7. The total fertility rates were: 1988: 1.961; 1990: 2.137; 1992: 2.090; 1994: 1.890; 1996: 1.606, and 1998: 1.504 (Statistisk Årsbok 2000, table 68).

8. There are no national rules for how the children of unemployed parents should be treated, and regional differences are substantial. Some municipalities offer child care for children of the unemployed but others do not. These differences will be analyzed later.

9. Preschool activities include what is now called preschool (*förskola*), which is part-time, and child care centers, family day care homes (*familjedaghem*), and open preschools, where parents can go together with their preschool children if the children are not attending any of the other activities.

10. The staff in Swedish public preschool child care fall mainly into two categories: preschool teachers and qualified child minders. Almost 98 percent of personnel working in preschool child care are trained to work with children: 60 percent of staff are university-trained preschool teachers, while the remaining staff are qualified child minders (Oberhumer and Ulich 1997). In family day care services, over 70 percent of day care mothers have been trained to work with children, having either earned a children's nurse certificate or

participated in special training provided by the municipality (Ministry of Education and Science 1999, 33). Up until 1990, child minders predominated in public child care, but today university-trained preschool teachers form the biggest category (VälfärdsBulletinen 6, 1994; Skolverket 1998).

11. In eight of ten municipalities, the cost of care per full-time child varies between SEK84,400 and 129,900, a difference of 50 percent (Skolverket 2000a, 18). Various studies report productivity increases in public child care centers (ESO 1988, 1994; Socialstyrelsen 1997; Svenska Kommunförbundet 1998).

12. The number of children in family day care decreased throughout the 1990s and continues to do so. Since 1990 the number of children has been halved. In 1999 11 percent of all children between one and five were in family day care (Skolverket 2000c, 12).

13. There has also been discussion about subsidized domestic services in the home similar to those in France, but no such policy has as yet been adopted (Nyberg 1999).

14. The highest *proportion* of private child care centers was found in the first half of the twentieth century, when it reached almost 100 percent. The highest *numbers* before the 1990s were found in the 1950s. In the 1960s and 1970s, however, private child care centers almost disappeared altogether. One important reason for this was changes in the rules for state grants. Of almost 9,000 child care centers in 1981 only sixty-four—less than 1 percent—were run by nonmunicipal organizations (Nyberg 2000).

15. A family with two children and an average income can pay as little as SEK1,300 and as much as 3,400 per month in different municipalities (Socialdepartementet 1999: 53, 4). These differences will diminish greatly with the introduction of a maximum fee to be implemented in 2002.

16. Calculated from SCB (1994 and 1997).

17. Traditionally the employment of single mothers has been higher than cohabiting mothers. Today, however, single mothers have a higher unemployment rate than married/cohabiting mothers. Single mothers have greater difficulties supporting themselves through paid work, and they have lower earnings than cohabiting mothers (Nyberg 1997).

18. The categorization is based on the union to which the interviewed parent belonged. It should be pointed out that a very high proportion of the employees in Sweden are members of unions.

19. In 114 municipalities, the Social Democrats/Left Party is in the majority; in 92 the bourgeois parties are in majority and in 83 there is no majority.

20. Sixty-four out of 289 municipalities only had municipally-run centers.

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