

Gornick, Janet C.; Meyers, Marcia K.

**Article**

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## SUPPORTS FOR WORKING FAMILIES: WORK AND CARE POLICIES ACROSS WELFARE STATES<sup>1</sup>

JANET C. GORNICK \*

MARCIA K. MEYERS \*\*

This contribution highlights key aspects of variation in family leave policy, working time regulations and child care provisions across ten countries: Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden, the United Kingdom and the United States.

### Introduction

Parents throughout Europe and the United States share the common challenge of balancing responsibilities in the labor market and at home; mothers and fathers everywhere grapple with establishing a division of labor at home that is equitable and economically viable. Yet despite relatively common problems across contemporary welfare states, social and labor market policies vary dramatically

in the level of support that they provide for parents and the extent to which they encourage gender-egalitarian divisions of labor in paid work and care.

Parents in some countries – especially in northern Europe and, to a lesser degree, on the European continent – benefit from family leave policies that grant them paid time off to care for their young children, labor market regulations that shorten their regular working time throughout their children's lives, and public programs that guarantee access to high-quality substitute care during the hours that they spend on the job. In some countries, public provisions not only grant parents caregiving supports, they also encourage gender equality, by strengthening mothers' labor market attachment and/or allowing and encouraging fathers to spend more time caregiving at home. Public financing of these programs distributes the costs of childrearing broadly, spreading the burden across family types, throughout the income distribution, between generations and among employers. In other countries – most markedly, in the US, where child rearing is viewed in exceptionally private terms – parents are largely left to craft market-based solutions to work/family conflicts. For the most part, US parents rely on their employers to voluntarily provide paid family leave and options for reduced-hour work, while turning to consumer markets to obtain child care services.

In this article, we characterize “work/family” policy packages across a group of relatively similar industrialized countries – the United States and nine diverse European welfare states, Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, Sweden and the United Kingdom. Our goal is to assess the extent to which existing policy packages in these countries support parents' time to care and/or encourage gender-egalitarian divisions of labor.

### Policy variation across paid work and care regimes

At least three areas of family policy influence dominant patterns of parental caregiving, the gender



\* Janet C. Gornick is Associate Professor of Political Science at Baruch College and at the Graduate Center, at the City University of New York, US.

\*\* Marcia K. Meyers is Associate Professor of Social Work and Public Affairs at the University of Washington, US.

<sup>1</sup> Portions of this article are excerpted from a recent book and a related book chapter:

Gornick, J. C. and M. K. Meyers (2003a), *Families That Work: Policies for Reconciling Parenthood and Employment*, Russell Sage Foundation, New York.

Gornick, J. C. and M. K. Meyers (2003b), “Welfare Regimes in Relation to Paid Work and Care”, in J. Zollinger Giele and E. Holst, eds., *Changing Life Patterns in Western Industrial Societies*, Elsevier Science Press, The Netherlands.

*Families That Work* is a detailed study of work/family reconciliation policies in twelve OECD countries. The book covers three policy areas: family leave policy, working time regulations, and early childhood education and care. Twenty policy tables that appear in *Families That Work* are also available on-line through the Luxembourg Income Study (LIS), along with a list of the references on which the tables are based. To access these tables, go to: <http://www.lisproject.org/publications/fampol/fampolaccess.htm>.

division of labor and child well-being. First, *family leave policies* grant parents the right to take time off for caregiving, especially when children are below school-age, and they replace some or all wages during parents' time off. Short-term paid leaves also contribute to gender equality in the labor market by facilitating continuous maternal employment and reducing wage penalties associated with motherhood. Family leave policy designs vary dramatically across countries on at least two core dimensions: the generosity of leave available to new mothers and the degree to which policy designs encourage men's engagement in caregiving.

Second, *working time regulations* can free up parents' caring time – for both fathers and mothers – by limiting normal employment hours to, say, fewer than 40 per week and by guaranteeing a minimum number of days for annual vacations. Some feminist scholars have concluded, furthermore, that shortening working time may be the most promising tool for achieving a gender-egalitarian redistribution of domestic labor.

Third, public provisions for *early childhood education and care* further strengthen maternal employment by providing alternatives to full-time maternal caregiving and high-quality early education and care can also enhance child well-being. Public financing and delivery, rather than a market-based system, alleviates the economic burden of child care costs, especially for low-income families, and raises the wages of the caregiving workforce as well.

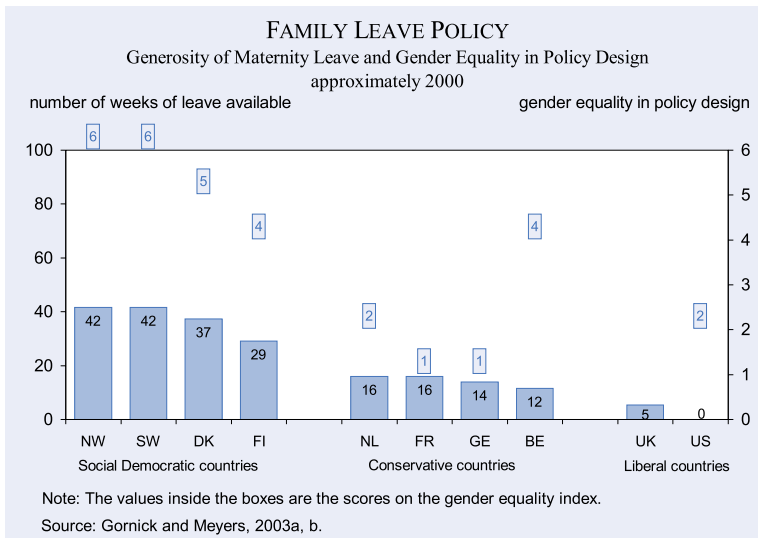
In this article, we present the highlights of contemporary policy variation in these three policy arenas as of approximately 2000, using the well-known welfare state typology of Gosta Esping-Andersen as an organizing framework. Esping-Andersen classified the major welfare states of the industrialized west into three clusters, each characterized by shared principles of social welfare entitlement (with an emphasis on class) and relatively homogeneous outcomes. He characterized social policy in the Nordic countries as generally organized along *Social Democratic* lines, with generous entitlements linked to universal social rights. Social policies in the other countries of the European continent are largely *Conservative*, typically tied to earnings and occupation, with public provisions replicating market-generated distributional out-

comes; in these countries, social policies are often shaped by the principle of subsidiarity as well, which stresses the primacy of family and community in providing dependent care and other social supports. Social benefits in the English-speaking countries are described as *Liberal*, that is, organized to reflect and preserve consumer and employer markets, with most entitlements deriving from need based on limited resources.

In the 1990s, many critics (including us) charged Esping-Andersen with ignoring gender issues in the construction of this typology. His primary dimension of variation, decommodification – the extent to which the state protects waged workers from income insecurity – applied poorly to women as a group. In addition, his underlying policy variables excluded most programs targeted on women, such as family leave and child care. Yet, somewhat surprisingly, subsequent empirical efforts to establish new welfare state typologies that did incorporate gender largely corresponded to Esping-Andersen's classification. This suggests that the welfare state principles underlying these categories are highly correlated with factors that shape family policy. In the Nordic countries, the social democratic principles that guide policy design are generally paired with a commitment to gender equality. In the Conservative countries, the market-replicating principles are often embedded in socially conservative ideas about family and gender roles. In the Liberal countries, the supremacy of the market system generally drives social welfare designs across all policy arenas.

All told, the Esping-Andersen regime-types provide a fruitful starting point for assessing welfare regimes in relation to paid work and care. We make use of them here partly because they push us to think theoretically about social policy and partly because they help us to identify empirical patterns across our comparison countries. By working with these well-known groupings, policy comparativists can also situate our findings within the larger literature on the welfare state. Note that the ten countries in this study fall into these country groups as follows: four Social Democratic countries: Denmark (DK), Finland (FI), Norway (NW) and Sweden (SW); four Conservative countries: Belgium (BE), France (FR), Germany (GE) and the Netherlands (NL); and two Liberal countries: the United Kingdom (UK) and the United States (US).

Figure 1



### Family leave policy

Across these ten countries, family leave policies vary markedly, and on two distinct dimensions. First, there is substantial variation in the total number of weeks of full-time wage replacement available to new mothers, assuming that mothers take all of the leave available to them through existing maternity and parental leave schemes. Second, there is variation in the extent to which family leave policy features are egalitarian with respect to gender: countries vary in the generosity of their provisions for fathers and the extent to which policy designs encourage fathers to take up the leave to which they are entitled. In Figure 1 we compare these ten countries on both of these dimensions.

The indicator “weeks of leave” (see the vertical bars) reflects a combination of duration and benefit generosity. In Finland, for example, the 29 weeks reported results from 44 weeks at about two-thirds pay. Note that Figure 1 reports only *earnings-related components* of family leave and assumes earnings below any existing earnings caps. About half of these countries supplement the benefits captured in this figure with additional periods of leave paid at a low flat-rate – most substantially in Finland, France and Germany. We exclude these low-paid benefits from this comparison because, in some cases (Finland and Germany), the benefits are not conditioned on employment, so characterizing them as wage replacement is not fully accurate. In addition, the program in France is payable only for second and subsequent children. Furthermore, take-up is much lower than in the earnings-related programs, so

including them distorts the level of provision upward. (Also note that this figure excludes the United States’ Temporary Disability Insurance programs, which offer some maternity pay, because they operate in only five American states.)

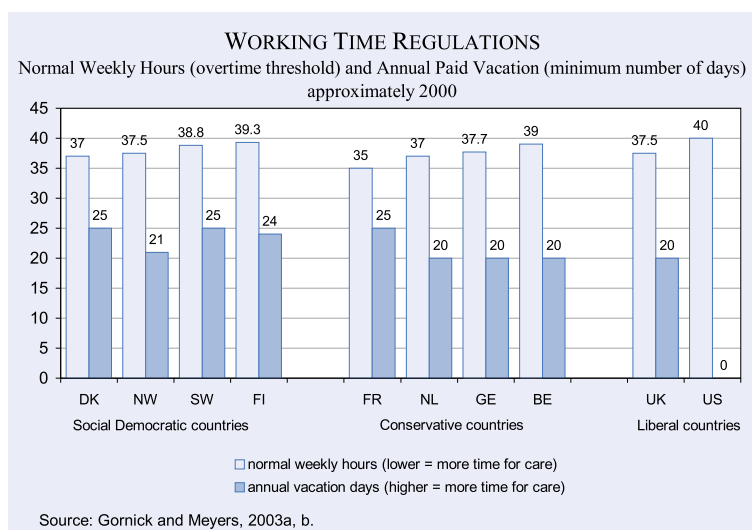
Figure 1 also includes our comparison of policy design features that encourage gender equality. Our “gender equality scale” (see the values in the boxes) derives from empirical research findings that indicate that male take-up is encouraged by non-transferable

rights (rights that cannot be transferred to female partners) combined with high wage replacement. We assigned countries one point on this gender equality scale if they offer any paid paternity leave, two points if fathers have parental leave rights that are non-transferable and up to three additional points capturing the level of wage replacement (three points if benefits are wage-related and at 80 percent or higher, two points if benefits are wage-related but at less than 80 percent and one point if benefits are paid but at a flat rate).

These results indicate that the most generous and most gender-egalitarian family leave policies are found in the Social Democratic countries, where mothers have access to about 30 to 42 weeks of full-time wage replacement and fathers receive comparatively generous benefits bolstered by incentives for take-up. The Conservative countries provide substantially less generous benefits for mothers – about 12 to 16 weeks of fully-paid leave – and provisions and incentives for fathers are generally weak.

Provisions in the UK are minimal, but the US stands out as exceptional. It is alone among these ten countries (and one of only a handful of countries in the world) with no national policy of paid maternity leave. In addition, gender-egalitarian provisions in the US are weak. Fathers in the US have some incentive to use the unpaid leave granted to them through national law (the Family and Medical Leave Act) because their entitlements, if not used, are lost. At the same time, however, the absence of wage replacement constitutes a substantial disincentive because for most men use of the leave would result in a serious loss of income.

Figure 2



### Working time regulations

Working time policies can increase workers' available time at home through at least two mechanisms. Limits on normal weekly employment hours, which are set via direct ceilings on maximum allowable hours or limits on overtime, reduce actual hours worked on a regular basis throughout the year. In addition, guaranteed vacation time grants workers unbroken periods of time that they can spend with their families. Vacation rights also alleviate child care strains during summer months when schools are generally not in session.<sup>2</sup> In Figure 2 we report normal weekly hours, indicated as the shorter of normal hours set by statute or by standard collective agreements. Vacation time captures the minimum number of days required by national statute.

As of the year 2000, following several years of working time reductions enacted throughout Europe, all of the countries in this study – both Social Democratic and Conservative – set normal employment hours in the range of 35 to 39 per week, with the exception of the US, where the normal work week remains 40 hours. Efforts to reduce working time even further remain active all across Europe. In both Belgium and Finland, for example, collectively agreed upon hours fell between 2000 and 2002, from about 39 into

<sup>2</sup> Working time regulations can also aim to increase the feasibility of reduced-hour work by raising its quality. The 1997 European Union Directive on Part-Time Work, for example, required member countries to enact measures that prohibit discrimination against part-time workers, thus aiming at parity in pay, benefits and working conditions, relative to comparable full-time workers.

the range of 35 to 38. Many European working time advocates characterize the ongoing changes seen across these countries as indicative of an unfinished transformation, continent-wide, to a 35-hour work week.

In addition, all of the European countries included in this study provide a minimum of twenty days (approximately four weeks) of vacation. France and three Nordic countries – Denmark, Finland, and Sweden – grant most or all of a fifth week. Intra-European

homogeneity is partially explained by the enactment of the 1993 European Union Directive on Working Time, which stipulates that employees be granted not less than four weeks of paid vacation per year, an increase from the three weeks previously in place. In several countries, collective agreements add even more vacation time; agreements in Denmark, Germany and the Netherlands provide the most generous benefits, about 30 days a year. And, as with normal weekly hours, changes continue to unfold; after 2000, collectively-bargained vacation rights increased in about half of these countries.

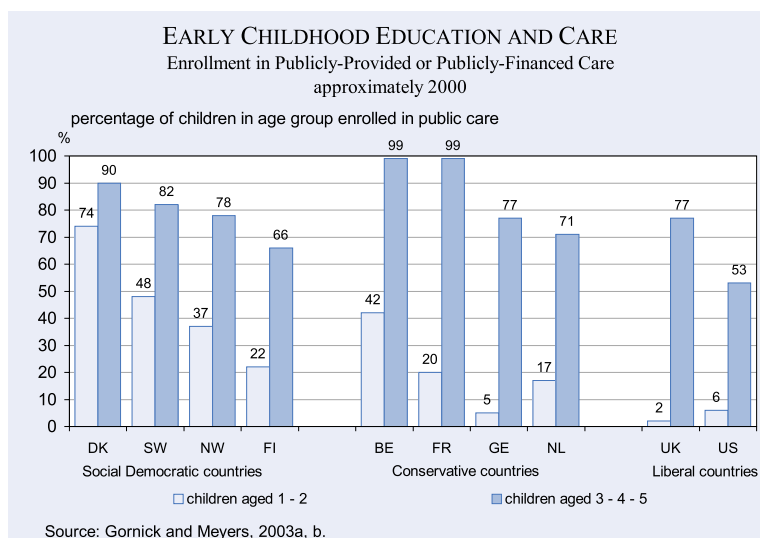
Again, the US stands out as the exceptional case. It is the only country among these ten where the normal work week remains at 40 hours (with little ongoing activity aimed at lowering that threshold) and the only one without a nationally-mandated vacation policy. In the US, vacation rights and benefits are left to the discretion of employers. In practice, employees at medium and large enterprises are granted an average of about ten days per year during their first five years of service, rising to about 14 days after five years of service and about 17 days after ten years. Workers use about 93 percent of earned days, with slightly higher take-up reported by non-professionals and by women. Not surprisingly, the US has been dubbed “the most vacation-starved country in the industrialized world”.

### Early childhood education and care

The ten countries in this study also vary markedly in their provision of publicly-provided and/or pub-



Figure 3



licy-financed child care. While public care is limited everywhere for children in the first 12 months of life, many industrialized countries invest substantial public resources in early education and care for children starting at the first birthday, with more extensive provisions for children aged three through five (see Figure 3).

For the most part, the Social Democratic countries are high providers of public care. The most extensive public provisions are found in Sweden and Denmark, where one-half to three-quarters of children aged one and two are in public care, and about 80 to 90 percent of children aged three and older. In the Conservative countries, care for the “under threes” is less available – and thus, support for continuous maternal employment is more limited – but universal full-day preschool for the “over threes” is the norm in France and Belgium, with increasing preschool enrollments in recent years in Germany and the Netherlands as well.

Publicly-supported child care for one- and two-year-olds is very restricted in both the UK and the US, where government subsidies are limited almost entirely to low-income parents. The US, in particular, is a cross-national laggard, especially with respect to provisions for the “over threes”. In the US, just over one-half (54 percent) of three-, four- and five-year olds are in publicly-subsidized care. Of those in public care, nearly all are five-year-olds in part-day kindergarten programs.

## Conclusion

Welfare states vary widely in the ways in which they support parents in their efforts to balance employment and caregiving responsibilities; they also vary in the extent to which they encourage an egalitarian division of labor between women and men in employment and at home. Family leave policies can grant parents time for caring for their young children; and working time regulations can shore up caregiving time throughout the life cycle. Family leave designs can also

both grant men generous paid leave rights and raise the likelihood that they will take them up, while child care policies that ensure available, affordable and high-quality alternatives to maternal care can strengthen women’s employment as well as enhance child well-being. Cash benefits, in addition to paid family leave, can shore up family economic security, although their effects on parental caregiving time and gendered labor patterns are ambiguous.

Overall, the Social Democratic countries have enacted policy packages that are the most generous and gender egalitarian as well. Policies in the Conservative European countries help to secure time for caring and family economic stability, but they do much less to enable or encourage gender equality in paid and unpaid work. Not surprisingly, it is in these countries where inequality in the division of labor between women and men is still most evident.

In the market-based Liberal countries – the UK and especially the US – public policy supports for employed parents are minimal. In these countries, most parents are at the mercy of their employers for paid family leave, reduced-hour options, and vacation time; the vast majority of parents have to turn to private markets to secure care and educational arrangements, especially during the first five years of their children’s lives. Considerable evidence suggests that when states do little to help parents with the costs of childrearing – that is, when provisions are distributed via labor and consumer markets – parents and children suffer, on

average, as does gender equality. Equally compelling evidence indicates that, when supports for families are not provided publicly, distributional results are also highly regressive within countries. In the US, families and workers with the fewest resources have access to the most limited employment-based family leave provisions and the least vacation time; they also spend the largest share of their disposable income on substitute child care while receiving the lowest quality care.