

Part IV

Cross-Societal Comparisons: Are Gender Differences the Same Everywhere?

This part attempts to answer the compelling question: are gender differences the same everywhere? So far this book has essentially been a lengthy case study of post-World War II U.S. society. Now we consider to what extent the conclusions generated from studying the United States are generalizable, and what additional lessons can be learned from studying other societies.

Chapters 10 through 13 provide a framework for addressing these questions. Chapters 10 through 12 take up, in turn, three sets of societies, grouped roughly by the level and nature of their economic and social development. Chapter 10 considers those countries most similar to the United States in terms of level of economic development. Similarities and differences in gender-related work patterns are considered, and social policies are contrasted across these countries. Chapter 11 considers various examples of socialist and cooperative societies, some of which comprise an entire country and some of which comprise subsets within a country (e.g., Israeli kibbutzim). The tension between state-imposed gender equality norms and ongoing gender differences is outlined and discussed. Chapter 12 considers nonindustrialized societies that have tended to remain traditional in social structure. Patterns across broad geographic groups are contrasted, and the relationship between gender inequality and type of economic organization is discussed.

Chapter 13 addresses the question of how social and economic development processes affect gender differences within developing societies. The related questions of whether or not development leads to greater or lesser gender equality and how different approaches to development may increase or reduce gender inequality are also considered.

Industrialized Capitalist Societies

In comparing gender differences across societies, a natural place to start a comparison with the detailed U.S. experience presented so far is countries that have attained a similar level of economic and social development and have roughly similar political structures. This chapter first provides summary evidence on employment and earnings patterns for this group of countries; then, examples of recent changes in particular countries are presented. The chapter concludes with a survey of relevant social policies across these countries.

Overview of Levels and Trends in these Countries

What group of societies are generally regarded as being the most developed? In this chapter *society* is taken as being essentially synonymous with *country*, although there are social groups within each country that may differ greatly from the majority of the population in terms of various social and economic indicators (e.g., indigenous peoples in the United States and Canada tend to have much lower measures on the various development indicators mentioned below). For the purposes of this chapter, the comparison group of 25 countries (often referred to as the advanced industrialized countries) is taken as the 30 members (as of 2006) of the Organisation for Economic Cooperation and Development (OECD), excluding the Czech Republic, Hungary, Mexico, Poland, the Slovak Republic, and Turkey, and adding Israel. This grouping is partly data-driven, as these countries have roughly comparable data collection and presentation methods and are basically the same group as those that rank highest on the United Nations' human development index; Israel's high ranking on this scale (number 23) leads to its inclusion, and the other OECD countries' lower rankings (ranging from number 31 for the Czech Republic to number 94 for Turkey) lead to their exclusion.¹ This group of countries is characterized as of 2003 by high gross domestic product (GDP) per capita (with a cross-country mean of \$29,000), high rates of primary and secondary education for both sexes, high life expectancy at birth (79 years), low infant mortality rates (4 per 1000 live births), a highly urbanized population (78 percent), and low fertility rates (1.7 total live births per woman).² Whenever data are available for this group of countries, comparisons will be drawn in the following section between their employment and earnings patterns, including labor force participation rates, part-time rates, gender earnings ratios, and unionism rates.

Table 10.1 Labor force participation rates by sex and proportion of labor force that is female

Country	% Labor force/population		Women/labor force
	Women	Men	
Iceland	84.0	90.9	0.47
Denmark	76.3	84.5	0.47
Sweden	75.7	79.8	0.48
Norway	75.6	82.5	0.47
Switzerland	73.9	88.0	0.45
Canada	73.5	83.0	0.47
Finland	72.0	76.6	0.48
New Zealand	69.4	82.9	0.46
United States	69.2	81.9	0.46
Netherlands	67.9	83.7	0.44
Australia	66.9	81.4	0.45
Portugal	66.5	79.7	0.46
Germany	65.2	79.3	0.44
Austria	64.2	78.5	0.45
France	63.8	74.9	0.46
Japan	60.1	84.2	0.41
Ireland	58.0	79.1	0.42
Spain	57.7	81.6	0.41
Israel	56.2	66.3	0.46
United Kingdom	55.7	70.1	0.46
South Korea	54.0	78.3	0.41
Luxembourg	53.9	73.9	0.42
Belgium	51.8	67.3	0.43
Greece	51.1	77.2	0.40
Italy	48.3	74.8	0.39

Source: ILO, <http://laborsta.ilo.org/>. Data are from 2003–04 for persons ages 15 or 16 to 64 except United Kingdom (16+); Iceland (2002).

Labor force participation

Table 10.1 displays labor force participation rates, along with the percentage of the “economically active” population that is female. Countries are listed in decreasing order of female labor force participation rate. These data generally refer only to the middle-age range of the population (generally, ages 15 or 16 to 64). The term “economically active” used by the International Labour Office (ILO) is a broader term than “labor force,” reflecting differences in labor force definitions and data collection across countries. The cross-country mean ratio of economically active women to total economically active is 0.44. The 2004 cross-country mean labor force participation rates are 79.6 percent for men and 64.4 percent for women. These rates have followed a general trend of dropping rates for men and rising rates for women: the 1969 cross-country means were 90.6 percent for men and 44.8 percent for women. The correlation coefficient over time between the male and female rates has risen sharply from essentially no correlation in 1969 (0.03) to a positive correlation in 2004 of 0.69, so countries with a high

Table 10.2 Perc

Country
Netherlands
Switzerland
Australia
Japan
United Kingdom
Germany
New Zealand
Ireland
Norway
Belgium
Iceland
Luxembourg
Canada
Austria
Italy
France
Denmark
Sweden
United States
Spain
Finland
Portugal
Greece

Source: OECD, *Emp*
Luxembourg (2002).

rate of male labor force participation.³ The countries with the highest rates in 2004

Table 10.2 contains the percentage of the economically active population that is female for each country. The mean ratio of economically active women to total economically active is 0.44. The 2004 cross-country mean labor force participation rates are 79.6 percent for men and 64.4 percent for women. These rates have followed a general trend of dropping rates for men and rising rates for women: the 1969 cross-country means were 90.6 percent for men and 44.8 percent for women. The correlation coefficient over time between the male and female rates has risen sharply from essentially no correlation in 1969 (0.03) to a positive correlation in 2004 of 0.69, so countries with a high

Turning to differences in Western Europe, the correlation coefficient over time between the male and female rates has risen sharply from essentially no correlation in 1969 (0.03) to a positive correlation in 2004 of 0.69, so countries with a high

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Table 10.2 Percentage of employment that is part-time by sex

	Country	Women	Men
	Netherlands	59.6	14.8
	Switzerland	45.8	8.1
0.47	Australia	42.2	16.5
0.47	Japan	42.2	14.7
0.48	United Kingdom	40.1	9.6
0.47	Germany	36.3	5.9
0.45	New Zealand	35.8	10.9
0.47	Ireland	34.7	8.1
0.48	Norway	33.4	9.9
0.46	Belgium	33.4	5.9
0.46	Iceland	31.2	10.2
0.44	Luxembourg	28.1	2.3
0.45	Canada	27.9	11.0
0.46	Austria	26.1	3.2
0.44	Italy	23.6	4.9
0.45	France	22.8	4.7
0.46	Denmark	21.9	10.5
0.41	Sweden	20.6	7.9
0.42	United States	18.8	8.0
0.41	Spain	16.5	2.5
0.46	Finland	15.0	8.0
0.46	Portugal	14.9	5.9
0.41	Greece	9.9	2.9

Source: OECD, *Employment Outlook* (2004): 310 (Table E). Data are from 2003 except Iceland and Luxembourg (2002).

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...rate of male labor force participation generally also have a high rate of female labor force participation.³ The correlation between 1969 and 2004 rates by sex is 0.21 for men and 0.60 for women, showing that countries with high participation rates in 1969 were more likely to have high rates in 2004.

...percentage of the "economically active" population. These rates have followed a similar pattern to men. The correlation between 1969 and 2004 rates is 0.65 for men and 0.10 for women. The correlation between 1969 and 2004 rates is 0.65 for men and 0.10 for women. The correlation between 1969 and 2004 rates is 0.65 for men and 0.10 for women.

Table 10.2 compares part-time rates by sex across countries, with countries listed by decreasing value of female part-time rate. There is a wide variation in part-time rates around the cross-country means of 29.6 percent for women and 8.1 percent for men, and a strong correlation of 0.65 between the male and female part-time rates. However, in all countries, the part-time rate for women is significantly higher than the rate for men, indicating that hours-worked percentages would be more heavily male than the proportion of the labor force that is male.⁴ Finally, countries with high labor force participation rates for men also tend to have high part-time rates for men, with a correlation of 0.48; for women, the pattern is not significant (a correlation of only 0.10).

Turning to additional cross-country comparisons of employment patterns, women and men in Western Europe appear to display similar gender patterns of attitudes towards work schedules as do U.S. respondents. A 1983 survey of European Community members found that among persons employed full-time, 11 percent of the men and 22 percent of the women would prefer

to hold part-time jobs for less money; among persons employed part-time, 40 percent of the men and 18 percent of the women would prefer full-time employment. However, motivation levels for work were similar for men and women: 63 percent of men and 60 percent of women responded that they would continue to work even if they had enough money to live in whatever style they liked.⁵

In some employment-related areas, the United States remains an outlier. For instance, the number of businesses created by women is growing in nearly all developed countries, often at a rate greater than for men, but the greatest increase has occurred in the United States. Women average 25 percent of self-employed persons, with the highest percentages in the United States and Canada.⁶

Convergence in rates of economic activity and female participation appears to be occurring in developed countries, with similar relationships appearing between social and demographic factors.⁷ Women's participation rates rose mainly due to the growth of participation among married women. Common declines in fertility and rises in divorce in the 1970s appear to be related to these labor force growth rates, with the usual concerns about causal direction.⁸ A notable exception is Ireland, where from 1961 to 1981, Irish female labor force participation rates remained low even as significant structural shifts occurred. (Employment shifted out of agriculture into industry, and services as Ireland followed an export-led development strategy.) One analyst attributes this variance to blatant sex discrimination by the state.⁹

Unemployment rates have come down recently in these countries after years of high rates of structural unemployment, though discouraged worker rates and long-term unemployment rates are higher in these countries than in the United States. Women's unemployment rates tend to be higher than men's with an average difference of 115 percent of the men's unemployment rate across these countries.¹⁰ However, in several of these countries, including the United Kingdom and Ireland, the women's unemployment rate is substantially below the men's.

These labor market trends will become even easier to follow in the future. As data collection and definitions become increasingly standardized (often, as part of multi-country economic arrangements), data are becoming available on a more regular and consistent basis. For instance, each European Community member state is supposed to conduct an annual survey of its labor force and send the data file to the Statistical Office of the European Community.¹¹ The area of cross-country comparisons will become more and more important as a subfield within the economics of gender in following years.

Occupational segregation

Data limitations become more severe in the comparison of segregation patterns across countries. Strictly comparable data on occupational distribution by sex are generally available only for a very aggregated set of occupational categories. Table 10.3 displays sex segregation index calculations using nine broad categories.¹² Countries are listed in order of decreasing index value, where lower values imply less sex segregation.

The occupational sex segregation level, even at this very aggregated level of data, is substantial in most of these countries, but it is actually higher in Western Europe, as well as in other English-speaking countries, than in the United States. Why is segregation so low in Portugal, Greece, South Korea, Italy, and Japan? Some analysts have speculated that a stronger tradition of participation in physical work on farms for women in these countries leads to their high representation in both farm and manufacturing sectors (production workers).¹³

While there have been case studies that attempt to ascertain the extent of sex segregation within firms,¹⁴ index sensitivity to level of aggregation and sex segregation trends have not been

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Earnings differences

Table 10.4 displays earnings ratios of 0.76. Japan has

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Table 10.3 Occupational sex segregation indexes

Country	Index
Luxembourg	45
Israel	41
Ireland	41
Iceland	40
Finland	40
Germany	40
Norway	39
Spain	39
France	38
Switzerland	38
Denmark	38
Austria	38
Canada	38
Australia	38
New Zealand	37
Sweden	37
United Kingdom	37
Netherlands	35
Belgium	34
United States	34
Portugal	34
Greece	33
South Korea	31
Italy	29
Japan	23

Source: ILO, *Yearbook of Labour Statistics* (1985–2004) (Table 2C). Data are from 2002 or 2003, except Israel and United States (1994), Japan and United Kingdom (1993), Luxembourg (1991), and France (1982).

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Earnings differentials

Table 10.4 displays gender earnings ratios by country, with countries listed in order of decreasing earnings ratio value. For countries with available data, the cross-country mean earnings ratio is 0.76. Japan has the lowest earnings ratio (0.52).

It is notable that half of these countries display higher ratios than does the United States, even though occupational sex segregation is higher in many of these countries. In fact, the correlation between the segregation index and the gender earnings ratio is positive (0.61). This raises the question of whether it is necessary to reduce segregation in order to increase the gender earnings ratio.

How have these ratios changed over time? In general, they reached their relatively high levels (relative to the United States, that is) only in the mid-1990s, after being at similar or

Table 10.4 Nonagricultural hourly earnings ratios, women to men

Country	Women/men
Sweden	0.88
New Zealand	0.86
Denmark	0.85
Norway	0.85
Australia	0.81
Finland	0.81
Netherlands	0.81
Iceland	0.80
Ireland	0.79*
United Kingdom	0.79
United States	0.79
Germany	0.76
Switzerland	0.76
France	0.74
Portugal	0.73
Canada	0.72
Greece	0.71*
Luxembourg	0.71
Belgium	0.70
Austria	0.68*
South Korea	0.64
Japan	0.52

*For manufacturing only.

Sources: all countries except United States—ILO, *Yearbook of Labour Statistics* (Tables 5A, 5B) and <http://laborsta.ilo.org>. Data are from 2000–05, except Belgium, Portugal (1999); Greece, New Zealand (1998). United States—2005 median weekly earnings for year-round full-time workers, *Employment and Earnings* (January 2006): (Table 37).

lower levels than the U.S. ratio through the early 1970s. However, as we will see below in the examples of Australia and the United Kingdom, responses to equal pay initiatives in the 1970s appear to have been much stronger in these countries than the United States experienced from its equal pay legislation.

One factor in many of these countries that is very different from the U.S. experience is the strength of organized labor.¹⁵ Indeed, the experiences in some of these countries provide evidence to support the idea that women do better in general, across-the-board bargaining situations than in individualized wage-setting situations. Table 10.5 shows unionism rates by sex and proportion of female union members, with countries listed by decreasing female union membership rate. The Scandinavian countries stand out as having very high unionism rates, as well as high rates of female representation among union members. Overall the correlation between high female unionism (measured by the first column in Table 10.5) and the gender earnings ratio is 0.51 (0.42 using the third column in Table 10.5).

Case studies can shed additional light on the significance of bargaining structures in determining the gender earnings ratio. For instance, a study of the gender wage gap in Swedish banks found that the difference increased in 1983 after declining prior to 1983—the author attributed this change to increased discretionary wage decisions by management.¹⁶

Table 10.5 Unionism rates by sex and proportion of female union members

Country	Female union membership rate	Male union membership rate	Proportion of female union members
Sweden	0.88	0.88	0.88
Finland	0.86	0.86	0.86
Denmark	0.85	0.85	0.85
Ireland	0.81	0.81	0.81
Australia	0.81	0.81	0.81
Austria	0.81	0.81	0.81
United Kingdom	0.81	0.81	0.81
Canada	0.79	0.79	0.79
West Germany	0.79	0.79	0.79
Japan	0.76	0.76	0.76
Netherlands	0.76	0.76	0.76
Switzerland	0.76	0.76	0.76
United States	0.74	0.74	0.74
France	0.74	0.74	0.74

Average of estimated source: OECD, *Employment and Earnings*, except Ireland, which is based on 1998 data.

However, equalized sex differentials were not achieved in Ireland and Australia.¹⁷ In a woman was collective bargaining

Focus — Institutional

In New Zealand, on a national level unions and employment were particularly beneficial for women's wages. This was confirmed by the Court's 1903 Cl which prescribed a male rate. This was in the 1936 In Amendment Act, should fix the m

Table 10.5 Union membership rates by sex and proportion of union membership that is female

Country	Union members		
	Women	Men	Women/unions
Sweden	88.3	82.4	0.50
Finland	74.9	68.6	0.51
Denmark	71.6	78.0	0.46
Ireland	47.3	59.9	0.32
Australia	41.5*	53.2*	0.35
Austria	36.7	56.8	0.31
United Kingdom	33.3	44.0	0.38
Canada	30.2	39.4	0.37
West Germany	21.6	46.7	0.25
Japan	18.9	29.9	0.28
Netherlands	13.0	35.2	0.18
Switzerland	12.7	34.2	0.19
United States	12.6	19.7	0.36
France	7.0	13.0	0.30

Average of estimates from membership records and household survey.

Source: OECD, *Employment Outlook* (1991): 116 (Table 4.8). Data are from 1985, 1986, 1987, 1988, or 1989 except Ireland, which are from 1981.

However, examples from the recent past, where collective bargaining has led to institutionalized sex discrimination, are not hard to find. Prior to the mid-1970s, explicit sex-based wage differentials were commonly found in collective agreements in Denmark, Ireland, New Zealand, and Australia.¹⁷ In Ireland, wage differentials based on marital status were also common, and a woman was often required to resign her job upon marriage.¹⁸ The existence of widespread collective bargaining does not automatically lead to favorable outcomes for women.

Focus I Institutionalized Pay Discrimination in New Zealand

In New Zealand, as in Australia, wages are mainly set on a national level through national negotiation between unions and employers.¹⁹ This situation was not particularly beneficial for women, as it formally perpetuated lower women's wages for the same work that men were performing. This formal system began with the Arbitration Court's 1903 Christchurch Tailoring Trades Awards, which prescribed a female rate at about 50 percent of the male rate. This prescription received statutory sanction in the 1936 Industrial Conciliation and Arbitration Amendment Act, which specified that the Arbitration Court should fix the male basic wage rate at a sufficient level

to enable a man to support a family of five in a reasonable standard of comfort. In 1954, this statute was revised to omit the family support criterion, but the custom of setting sex-based wage rates continued.

Shortly after World War II, the Arbitration Court raised the women's rate to 70 percent of the male rate, mirroring changes in Australia. However, unlike the situation in Australia, the New Zealand Arbitration Court continued to resist abolishing the sex-based wage differential "on the grounds that such an important social and economic issue was a matter for Parliament, a matter which was not considered by Parliament until 1972."²⁰

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What caused the movement towards equal pay and also, in some countries, towards equal opportunity? The United States and the United Kingdom were influential through their examples in determining the shape that laws in various countries took. Additionally, two supranational instruments have greatly influenced the debate over equal pay. ILO Convention No. 100, drafted in 1951, states that signatory nations shall "ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value."²¹ Then, in 1957, six nations in Western Europe signed the Treaty of Rome, establishing the European Economic Community (EC). Article 119 of the Treaty of Rome sets out the EC's equal pay guarantee, stating that: "Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work."²² However, various deadlines for the implementation of Article 119 were missed and, throughout the 1960s, successive reports of the European Commission on the progress of the member states' implementation of the equal pay guarantee indicated that very little progress had been made.²³

Table 10.6 shows when various developed countries joined the group of countries having an equal pay act in effect. Notes in the table indicate where formal legislative action was preceded by collective agreement actions that embodied equal pay. The United States, along with Ontario, is a clear front-runner in this table, while Japan and South Korea are notable laggards. European countries tend to cluster in the mid- to late 1970s, due to pressure from the EC on member nations during this period to comply with Article 119.

Movement towards comparable worth laws has been slow, although collective bargaining agreements in some countries—notably, Australia—embody comparable worth principles. The Netherlands is the only European country that at one time had a national job evaluation system used to determine government pay policy. Although this is no longer the case, most firms in the Netherlands still use some job evaluation system when determining wages.²⁴

Besides legislative initiatives and their effect in reducing discrimination, one would also (based on the human capital theory) expect that countries where women and men had relatively similar productivity-related characteristics would tend to have more equal pay. As a very rough measure of this tendency, Table 10.7 displays data on percentage female rates among persons studying for or receiving bachelor degrees. There is a strong correlation of 0.62 between percentage female among bachelor degree students and the gender earnings ratio. While many of these countries have attained parity in bachelor degree reciprocity, or have notably higher percentages than would indicate parity, women continue to receive a smaller share of graduate degrees. Japan is a notable outlier in having much lower rates for both bachelor and graduate degree attainment for women. The United States is notable for having the highest proportion of women among graduate degree recipients. It should be noted that college attendance rates are much lower in other developed countries than in the United States, so data for them reflect a smaller body of persons. Additionally, vocational training, which is more common in other countries, may continue to lead to high levels of sex segregation by tracking young persons into occupations considered sex-appropriate.

Studies have been performed for other countries, similar to those using U.S. data, that attempt to ascertain how much of the gender earnings gap is attributable to differences in human capital and whether changes in the gap over time are attributable to decreased discrimination or relative increases in women's human capital. For instance, a study using Danish data from 1976 to 1984 finds that the gap narrowed over this period due to improved productivity-related characteristics of women, but that men still received a higher return to such characteristics; a more recent study using Finnish data finds much of the gap due to occupational segregation with human capital differences accounting for less than ten percent of the gap.²⁵ Wage

Table 10.6 First full

Country
Canada
Ontario
Quebec
United States
France
Australia
Luxembourg
Belgium
Netherlands
Ireland
United Kingdom
Denmark
Italy
New Zealand
Austria
Germany
Sweden
Japan
South Korea

Sources: Janice Bellace, "ed. E. Robert Livemash ("International Comparison Future, eds. Karen Shaller Bureau of National Affairs from the West," *Industry*. "An Information Base on (www.ilo.org/public/englis

structures for women women's still having gap varies across countries Lawrence Kahn have structure, including inequality, is greater structures and collect They conclude that the the countries with the even though U.S. women relative to men than

Table 10.6 First full year an equal pay act was in effect, selected countries

Country	Year	Notes
Canada		Legislation relating to labor relations and civil rights under provincial jurisdiction; 1956 federal statute for covered employees.
Ontario	1951	First province to enact equal pay statute.
Quebec	1976	Last province to enact equal pay statute.
United States	1964	
France	1974	1946 constitution guarantees equality; 1950 law covering collective agreements.
Australia	1975	National wage-setting agreements; 1972 ruling by national commission to take full effect by 1975.
Luxembourg	1975	1965 law covering collective agreements.
Belgium	1976	1975 national collective agreement.
Netherlands	1976	
Ireland	1976	
United Kingdom	1976	Enacted 1970 to take effect by 1976.
Denmark	1977	1973 national collective agreement.
Italy	1978	
New Zealand	1979	Equal pay implemented in public sector by 1965; national statute enacted 1972 to take full effect by 1979.
Austria	1980	
Germany	1980	1949 constitution guarantees equality; interpreted to mean equal pay in 1955.
Sweden	1980	1960 widespread collective agreement to take full effect by 1965; 1979 act concerns equal access as well as pay.
Japan	1987	1947 labor standards law prohibited discrimination in pay; 1985 act concerns equal access as well as pay.
South Korea	1987	

Sources: Janice Bellace, "A Foreign Perspective," *Comparable Worth: Issues and Alternatives*, 2nd edn, ed. E. Robert Livernash (Washington, D.C.: Equal Employment Advisory Council, 1984): 139-172; Alice H. Cook, "International Comparisons: Problems and Research in the Industrialized World," *Working Women: Past, Present, Future*, eds. Karen Shallcross Koziara, Michael H. Moskow, and Lucretia Dewey Tanner (Washington, D.C.: Bureau of National Affairs, 1987): 346-349; Linda N. Edwards, "Equal Employment Opportunity in Japan: A View from the West," *Industrial and Labor Relations Review* 41, no. 2 (January 1988): 240; International Labour Office, "An Information Base on Equal Employment Opportunities for Women and Men" (www.ilo.org/public/english/employment/gems/eoo).

structures for women and men appear to continue to differ in developed countries, as well as women's still having less human capital, but the relative contribution of these factors to the gap varies across countries. In an influential series of papers, economists Francine Blau and Lawrence Kahn have demonstrated that the contribution to the gender earnings gap of the wage structure, including the lack of decentralized wage-setting and the greater level of wage inequality, is greater in the United States than in the other countries; more compressed wage structures and collective bargaining, which tends to set a minimum pay level, reduce the gap.²⁶ They conclude that the U.S. gender earnings gap would be similar to that in Sweden and Australia, the countries with the smallest gaps, if the U.S. had their lower level of pay inequality.²⁷ Therefore, even though U.S. women's work qualifications are high relative to those of men, they fare worse relative to men than women in other countries.

Table 10.7 Percentage of women students and graduates in tertiary education, 1996

Country	Percentage female
New Zealand	57
Norway	56
Sweden	56
France	55
Italy	54
Finland	53
Spain	53
Ireland	52
Australia	51
United Kingdom	51
Austria	47
Germany	46
Japan	44
Switzerland	38

Source: UNESCO, *World Education Report* (2000): 160 (Table 9).

Focus I

Swedish Hiring Quotas and Norwegian Boardroom Quotas

In 1974, Sweden implemented a rule requiring that firms utilizing the national location assistance program, which includes loans, grants, and training subsidies, make available for each sex at least 40 percent of the total number of new positions in aided establishments. This approach to increasing female labor force participation is an alternative to the U.S. affirmative action program and, as such, has been studied to see if it has resulted in changes in total female employment and in sex segregation.²⁸ This program may be characterized as a net hire quota system, as compared with the U.S. new hire quota system.

Due partly to the limited scope of covered firms and the widespread use of exemptions, the program affected only a small portion of the labor market—approximately 0.05 percent of employment in 1983–84. However, it appears that the program is directly responsible for part of the rise in female employment since 1974. The impact can be judged by looking at how many firms in the program were right at the female quota level (assuming that these firms would have preferred to have hired fewer women). However, firms have no incentive

under the program to increase female employment beyond 40 percent of new employment, so the effect of this program in further increasing female employment may diminish over time. Finally, since placing women in nontraditional jobs was not required for firms to be in compliance, the program appears to have had little effect on occupational segregation.

More recently, Norway has tried a top-down approach to gender integration, requiring that by the end of 2007, 40 percent of the board members of its large publicly traded companies be women.²⁹ As of early 2006, when the law took effect, the percentage of women on corporate boards stood at about 16 percent, which had almost doubled from two years previously. This paucity of women at the top is quite common throughout the European (and international) corporate world, and contrasts unfavorably with their increased representation in continental parliaments. For example, there is only one female board member among the top 30 companies on the German stock exchange as of early 2006, even though one-third of the members of the German Parliament are women.

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Examples from Particular Countries

Having surveyed some relevant data for advanced industrialized countries, we now turn to a more detailed discussion of recent trends in some of these countries. First, it is instructive to compare recent experiences in three culturally similar countries, the United States, the United Kingdom, and Australia, so the U.K. and Australian cases will be developed at greater length. (Readers interested in an in-depth study of Canada along the same lines as developed in Chapter Two of this text, along with comparisons to the United States, should read the two-part publication in *Gender Issues* by Ronald Bodkin and Majed El-Helou.³⁰) Next, Japan provides an interesting example of a country that has a very high level of human development, but some low values of economic indicators for women. Finally, Sweden is an interesting and much-studied country because of its position at the forefront of changing social policy and the corresponding radical change in its socioeconomic variables over a short period of time.

The United Kingdom

The United Kingdom is the only country in the EC that passed an equal pay act before it was formally required to do so.³¹ Although fewer cases than were expected have arisen, the United Kingdom has experienced by far the most equal-pay suits of any EC country,³² which may indicate particularly egregious cases of discrimination or a greater willingness to report suspected discrimination.

In contrast to the U.S. experience, the U.K. equal pay legislation appears to have had a quick and notable effect on the gender earnings gap. Several studies of the U.K. experience have come to the conclusion that women's relative pay rose by about 15 percent as a result of this legislation, leading to a narrowing of the wage gap by between 30 and 50 percent.³³ The largest rise occurred in the year directly before the pay legislation took effect (there was a long gap between passage of the Equal Pay Act in 1970 and implementation of the legislation in December 1975); after passage, the earnings ratio actually dropped slightly before leveling off around 0.65 for full-time workers by the early 1980s. This strong positive relationship between equal pay legislation and women's pay increases is not found in any of the other countries in Europe. In general, in the rest of the EC the gender earnings ratio increased before equal pay legislation was enacted.³⁴ Relative pay increases do not appear to have occurred at the expense of increased unemployment among either sex.³⁵

Passage of the Equal Pay Act has apparently not completely eradicated discrimination. A study using 1980 data calculates that women's pay would then have been about 20 percent higher in the absence of discrimination.³⁶ However, this is a much smaller difference than is found in earlier years. Another study has found that women's pay would have been about 51 percent higher in 1972 without discrimination; this difference had dropped to 32 percent by 1977.³⁷

While the U.K. gender earnings ratio had risen and stayed above the U.S. ratio during the late 1970s and early 1980s, by the end of the 1980s the U.S. ratio had risen to surpass the U.K. ratio, though currently the ratios are the same. This latter rise appears to be related to differences in female work patterns between the two countries. The United Kingdom has continued to display a low labor force participation rate for women with a young child: among women with a child under five years of age, only 9 percent work full-time, while 23 percent work part-time.³⁸ The female part-time rate, as shown in Table 10.2, is much higher in the United Kingdom. Women have lower rates of representation in the higher-paying occupations.³⁹ Finally, life cycle work patterns differ: while women tend to enter the labor force at younger ages in the United

Kingdom than in the United States, they are far more likely to experience a subsequent interruption in their work-years, and their interruptions are generally of longer duration.⁴⁰

Australia

As in the other industrialized countries, Australian female labor force participation rates—for married women, in particular—have been rising rapidly. While only 6.5 percent of married women were in the labor force in 1947, by 1961 this figure had risen to 17 percent, by 1966 to 27 percent, by 1971 to 33 percent, and by 1987 to 49 percent.⁴¹ A prominent element in explaining this rise appears to be rises in female wages.

In Australia, minimum wage rates are set nationally for many occupations and/or industries by state or federal wage tribunals. By 1975, the concept of “equal pay for work of equal value” had been fully implemented for this wage-setting process.⁴² While many workers are paid wages above the minimum levels, apparently more women were at minimum levels than were men, and occupational sex segregation was high. The gender earnings ratio, which had been rising steadily anyway due in part to the gradual abolition of differential minimum wages by sex,⁴³ rose sharply in the mid-1970s, jumping by six points from 1973 to 1975.

As in the case of the United Kingdom, this is not to say that pay discrimination is not still widespread in Australia today. Studies still find evidence of pay discrimination, and Australian women experience a childraising earnings penalty that has decreased somewhat but is still substantial.⁴⁴ One Australian study, which considers 12 different models of pay differences, decides that the monopsony model and neo-Marxist theories (where internal labor markets and occupational stratification are artificial devices—that is, not related to productivity differences—used by employers to gain control), both of which assume employer power in the labor market are the only two not contradicted by the data.⁴⁵

Other forces have been operating to close the Australian earnings gap over time without the support of equal pay legislation, but differences in work patterns by sex remain. For example, women have been rapidly closing the gender gap in job tenure. Whereas in 1972 mean tenure was 38.4 months for men and 29.5 months for women, by 1986 mean tenures were 38.3 and 32.9 months for men and women, respectively.⁴⁶

In comparing the U.S., U.K., and Australia experiences, the different earnings patterns in the 1970s are intriguing. While the U.S. gender earnings ratio stayed relatively constant throughout the 1970s, earnings ratios in the United Kingdom and Australia took large jumps in the mid-1970s. Since human capital levels for women and men and labor force participation trends were quite similar across these countries, it appears that the institutional changes in the form of equal pay initiatives were responsible for these jumps.⁴⁷ In the 1980s, however, the U.S. ratio began to move upwards, while in Australia and the United Kingdom, the ratios leveled off with Australia now only two cents higher than the U.S. and U.K. ratios. It has not yet been adequately resolved by researchers whether this is due to greatly improved levels of female human capital in the United States relative to the other countries, a decrease in discrimination in the United States, institutionalized wage rigidity in Australia and the United Kingdom brought about by the higher level of collective wage-setting, or some other set of reasons.

Japan

Japan is an interesting example to contrast to the set of English-speaking countries discussed above. While Japan is ranked No. 11 on the United Nation’s Human Development Index, it has the lowest gender earnings ratio in Table 10.4, the second-lowest percentage of female bachelor degree students in Table 10.7, and one of the lowest female labor force participation rates

in Table 10.1. It has, however, the highest labor force participation rate. Japan is the only Asia country where such differences can lead to a significant increase in sex discrimination. The implementation of its equal pay law in 1970 is to see how Japan progressed more in line with that of the U.S. Even after passage of the Japanese society against discrimination in wages ratio.⁴⁸ First, although women bears her first child, they are not doing children. This prevents the provision of child care while dual-earner families. The relatively low labor force participation rate, even among more educated women, is a result of the dual-earner system found in Japan. It is difficult for women to find relative to men, but for childraising. Japanese women experience downward mobility while men (although not in Japan). Also, part-time work is common while Japanese women bear a heavy burden to macroeconomy. The gender earnings ratio of workers of either sex is low. One would expect a decrease in the continuing large gender gap to the continuing large gender gap. The education graduate rate is high as well. In addition, the gender earnings ratio is lower than in most other countries. The differential tends to level out to a greater gender earnings ratio. Analysts of Japanese society note extreme forms of discrimination against women has existed in Japan. As Japan has chronic labor shortages, it resists the social pressure to increase the labor supply. If Japanese economic growth is to continue, the labor supply caused by the gender earnings ratio, the elasticity of supply, and the undesired effect of reduced labor supply on both marriage and childbearing are important.

Sweden

Let us turn now to a country with a high gender earnings ratio

ience a subsequent inter-
nger duration.⁴⁰

in Table 10.1. It has, however, the lowest segregation index value in Table 10.3, and its female labor force participation rate is neither exceptionally high nor exceptionally low. Inasmuch as Japan is the only Asian country in this group of countries, it is natural to consider how cultural differences can lead to such divergent patterns. But it is also the case that institutions combating sex discrimination have developed much later in Japan than in the other countries; implementation of its equal pay and access law dates only from 1987. Therefore, it will be interesting to see how Japan progresses in the near future, now that its official status on discrimination is more in line with that of other industrialized nations.

Even after passage of equal employment opportunity legislation, there are strong forces in Japanese society against both higher female labor force participation rates and a higher earnings ratio.⁴⁸ First, although a woman is no longer required to quit her job when she marries or bears her first child, there is still strong social pressure on women to stop working while raising children. This pressure is reinforced by government policies: the income tax system supports the provision of nonmarket work by providing a high deduction for a nonworking spouse, while dual-earner families must file separate returns.⁴⁹ This pressure is manifested in the relatively low labor force participation rates among women ages 25 to 34 (52 percent in 1984), even among more educated women. Secondly, the internal job ladders and lifetime employment system found in large Japanese firms (where the better-paying jobs are) make it hard for women to find relatively well-paying work when they re-enter the labor force after taking time out for childraising. Japanese women are much more likely than Japanese men to experience downward mobility with age. While they are equally likely to start work in large firms as men (although not in the same jobs), their probability of leaving large firms is much higher.⁵⁰ Also, part-time work rates for older women are much higher than in the United States. But while Japanese women appear to bear a disproportionate amount of the employment adjustment burden to macroeconomic shocks, they still enjoy greater employment security than U.S. workers of either sex.⁵¹

One would expect little increase in the near future in the Japanese gender earnings ratio due to the continuing large gender differences in human capital acquisition. Differences in higher education graduate rates have already been noted, and differences in job experience are large as well. In addition, while on-the-job training rates are much higher in Japan for both sexes than in most other countries, the sex differential in training rates is much greater as well.⁵² This differential tends to lead to relatively high wages for both sexes compared to other countries, but to a greater gender earnings gap than in these other countries as well.

Analysts of Japanese society are in general agreement that Japanese women experience more extreme forms of discrimination than their Western counterparts but that pressure for more opportunities for women has been increasing.⁵³ These pressures are both social and economic in nature. As Japan has chronic labor shortages due to extremely limited immigration and as younger Japanese resist the social pressure to work long hours, women will have to increase their market work if Japanese economic growth is to continue at a high rate. Given the relatively inelastic female labor supply caused by cultural pressures, the predictions are that both upward pressure on female wages and social pressure to reduce nonmarket obligations for women in order to increase the elasticity of supply are inevitable. However, these pressures also appear to be having the undesired effect of reducing Japan's already-low fertility rate yet further as many women delay both marriage and childbearing in order to continue focusing on their careers.⁵⁴

Sweden

Let us turn now to a much-studied country, Sweden, which is notable for having the highest gender earnings ratio (see Table 10.4), high female labor force participation, and the highest

Table 10.8 Swedish work-family policy

Year	Policy
1901	Women gain right to four weeks unpaid maternity leave.
1931	Maternity insurance benefits introduced.
1939	Worker discrimination on the basis of pregnancy abolished.
1947	Child allowances introduced.
1955	Paid maternity leave of 3 months.
1971	Separate income tax assessments for husband and wife.
1974	Parents entitled to share parental leave upon childbirth.
1975	Preschool programs.
1978	Paid parental leave extended to 270 days.
1979	Parents of small children entitled to six-hour workdays.
1980	Paid parental leave extended to 360 days, leave for sick children increased to 60 days.
1994	Paid parental leave extended to 450 days, leave for sick children increased to 120 days.
1995	"Father's month" instituted, nonparents eligible for sick children leave.
2002	Paid parental leave extended to 480 days, 60 of which are reserved for each parent and cannot be transferred.

Sources: *Statistics Sweden* (March 1985); "General Facts on Sweden" and "Child Care in Sweden," *Fact Sheets on Sweden* (Stockholm, Sweden: Svenska Institutet, 1997); *Women and Men in Sweden: Facts and Figures 2004* (Stockholm: Statistics Sweden).

unionism rates for both sexes in Table 10.5. The Swedish industrial relations system is notable not only for these high unionism rates but also because the unions are highly federated and negotiations are generally at the sector level between national employers' associations and national unions. Most important labor market changes in Sweden, including equal pay implementation, take place through collective bargaining agreements rather than through legislative action. This accounts for the relatively late passage of equal opportunity legislation, since the general feeling in Sweden is that collective bargaining agreements are the best way to create and implement changes.

The Swedish government has, however, taken a lead in enacting social policies.⁵⁵ This has been done through a two-pronged approach of creating policies that affect both work and family. Table 10.8 lists some of the critical legislative initiatives, most of which were the first of their kind in any country.

While many of these programs have noteworthy aspects, probably the most famous Swedish policy is parental leave. It is the most generous such program, although the other Scandinavian nations also allow fathers to take paid leave.⁵⁶ The program is financed through payroll taxes and is paid out directly through social insurance offices. As of 2005, parents could share 480 days of paid leave per child, of which 60 are nontransferable days (leading to the dubbing "mummy/daddy month"). The first 12 months are paid at 75 to 85 percent of regular pay; the last 3 months are compensated at a minimum rate.⁵⁷

The program is not viewed as a complete success in terms of breaking down traditional gender roles. The percentage of eligible fathers who took parental leave has risen from 3 percent in 1974 to 78 percent by 1994; however, the percentage of total leave days accounted for by fathers was only 17 percent in 2003.⁵⁸ While fathers who take parental leave generally like it and are more likely to report significant involvement in subsequent child care than fathers who do not take leave, still only 40 percent report sharing equally in child care (as compared with 20 percent of fathers who do not take leave).⁵⁹

Two Swedish social trends have been widely noted: the high percentage of people who are cohabiting, with a corresponding high percentage of births to unmarried women; and the

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Focus
Comparing Taxation

While Sweden has high taxation, with high personal income tax rates, it has "split" income tax for two-earner couples. The two systems are different after-tax income. In Sweden, two-earner couples receive in each earner in one-earner

Germany:
two-earner couple
 $- t^G(w_m h_m + w_f h_f)$
one-earner couple
 $t^G(w_m h_m - 2b^G)$

Sweden:
two-earner couple
 $- t_m^S(w_m h_m - b^S) - t_f^S(w_f h_f - b^S)$
one-earner couple
 $t_m^S(w_m h_m - b^S)$

where
 $i = m$ (male) or f (female)
 $j = G$ (Germany)

below-replacement birth rate. The Swedish fertility rate, after reaching a low of 1.6 births per woman in 1981, has stayed in the 1.6 to 1.8 range ever since—well below replacement. These trends, particularly the latter, are viewed with some measure of concern in Sweden.⁶⁰ While only 1 percent of Swedish couples were in consensual unions in 1960, by the 1980s, about 25 percent of couples were in consensual unions, as contrasted to about 5 percent in the United States at the same time.⁶¹ By now, Swedish statistics do not distinguish between married couples and unmarried couples in their statistics for younger age groups, simply distinguishing between those living alone and those cohabiting. By the 1980s, over half of Swedish births were out of wedlock, as contrasted to about 20 percent of American births.⁶² Additionally, it appears that the high cohabitation rate does not lead to a significantly lower divorce rate. 45 percent of Swedish marriages end in divorce, as compared with slightly over 40 percent of U.S. marriages.⁶³ Additionally, women who marry subsequent to cohabitation have about an 80 percent higher subsequent divorce rate than those who do not cohabit.⁶⁴ The interesting question is whether or not these trends would have occurred without Sweden's social policies. Many observers have argued that they would not have occurred—or, at least, not with such force.

Has Sweden reached a state of equality between the sexes? The answer is clearly no, although the progress towards gender equality from a society with clearly defined gender roles is striking. Swedish women do not yet appear satisfied with the trade-offs they face. In a series of surveys in 1968, 1974, and 1981, Swedish mothers consistently reported lower levels of well-being and higher levels of fatigue and psychological distress in comparison with other demographic groups.⁶⁵ In some ways, it is amazing how little has changed: a 1975 survey found that women did much more of the housework among both married and cohabiting couples, and time use data from 2001 show that men spend no more time on unpaid work than they did in 1991.⁶⁶

Focus
Comparing Tax System Effects for Sweden and Germany

While Sweden has had a system of compulsory separate taxation, with high progressivity since 1971, Germany has "split" income taxation, with a substantial "marriage gain." The two systems can be compared in terms of the different after-tax incomes that one-earner and two-earner couples receive in each system (assuming that men are the earners in one-earner couples for notational simplicity):

Germany:

$$\begin{aligned} \text{two-earner couple's after-tax income} &= w_m h_m + w_f h_f \\ &\quad - t^G(w_m h_m + w_f h_f - 2b^G) \\ \text{one-earner couple's after-tax income} &= w_m h_m - \\ &\quad t^G(w_m h_m - 2b^G) \end{aligned}$$

Sweden:

$$\begin{aligned} \text{two-earner couple's after-tax income} &= w_m h_m + w_f h_f \\ &\quad - t_m^S(w_m h_m - b^S) - t_f^S(w_f h_f - b^S) \\ \text{one-earner couple's after-tax income} &= w_m h_m - \\ &\quad t_m^S(w_m h_m - b^S) \end{aligned}$$

where

$i = m$ (male) or f (female),
 $j = G$ (Germany) or S (Sweden),

w_i = hourly wage for spouse i ,
 h_i = number of hours worked by spouse i ,
 t_i^j = tax rate faced by spouse i in country j ,
 b^j = standard personal deduction in country j ,

and $t_m^S > t_f^G > t_f^S$ (assuming $w_m h_m > w_f h_f$); that is, the tax rate for the higher earner in Sweden (here assuming it is the male's earnings that are higher) is above the tax rate in Germany, which in turn is above the tax rate for the lower earner in Sweden.

If potential before-tax income were roughly equal by sex across the countries, we would predict that a greater percentage of spouses would be in two-earner families in Sweden. This would be the case because the second earner's after-tax income would be larger as a percentage of before-tax income in Sweden than in Germany, and one-earner families both receive a larger deduction and face a lower marginal tax rate in Germany than in Sweden, leading to a larger percentage of after-tax income in Germany.

Economist Siv Gustafsson has studied the relative effects of tax systems on women's labor supply across these two countries.⁶⁷ In the mid-1980s, real before-tax

family income (corrected for purchasing power parity) was very similar in the two countries. However, there was a higher percentage of two-earner married couples in Sweden, which is reflected in the different trends and levels in married women's labor force participation rates. As shown in Table 10.9, while they have risen in both countries, the rise has been much more pronounced in Sweden. Additionally, Gustafsson finds that the effect of children on female labor supply is strongly negative in Germany but has no effect in Sweden. She estimates that labor force participation by German women would increase from 50 to 60 percent if they were in the Swedish tax system, and would decrease for Swedish women from 80 to 60 percent if they were in the German system.⁶⁸

Another tax system effect is reflected in the different participation rates for unmarried women, as seen in Table 10.9. Germany's system provides a marriage incentive, while Sweden's system is neutral. Thus, in Sweden, younger women comprise a larger percentage of this participation category and create a higher (and

rising) participation rate than in Germany, where the unmarried category has a larger percentage of older women (particularly widows), with a correspondingly lower labor force participation rate.

Table 10.9 Female labor force participation rates by marital status, Germany and Sweden

	Married	Unmarried
<i>Germany:</i>		
1963	35.9	79.1
1984	47.5	58.8
<i>Sweden:</i>		
1963	47.0	69.6
1986	82.9	76.7

Sources: Germany—*Statistische Jahrbücher*, diverse Jahrgänge, Ergebnisse des Microzensus, 1983/1984 EG Arbeitskräftestichprobe; Sweden—*Statistics Sweden*.

rates (as people in rural areas 65 and over who live alone). Again an exception, with rates rising everywhere, which is not true. Because of this trend, also the percentage of households with one earner is higher in the United States. The United States and Germany continue to have more traditional in some ways and more untraditional in others (e.g., Sweden). The countries (such as Sweden) appear to have higher social insurance and pronatalist policies.

Pronatalist policies

Policies that have pronounced effects in Europe. This is not surprising in most of these countries, including such radical ones as Sweden. There have been on reducing the labor force in three categories: (1) family allowances and/or public provision of child care, (2) differences across advanced countries in quantity/quality trade-off

Social Policies across Advanced Industrialized Countries

This section first outlines demographic trends in advanced industrialized countries. The interrelationships of these demographic trends with the labor market trends outlined at the beginning of this chapter involve the usual causality questions; for example, does increased female labor force participation lead to declining birth rates and increased divorce rates—or vice versa? Then two important sets of social policies that address certain of these trends are considered: policies with pronatalist implications, and antipoverty policies.

Common demographic trends

It is clear that certain trends are shared across the advanced industrialized countries.⁶⁹ For instance, fertility rates have been declining for a long time, to the point where they are well below the replacement level (of 2.1 births per woman) in most industrialized countries. These birth rate declines have led to smaller household and family sizes in these countries, as well as a declining proportion of young and an increasing proportion of old people. Marriage rates have declined and median ages at first marriage have risen, although in the United States the marriage rate is still at a much higher level and the median age at first marriage at a lower level than in comparable countries. This difference is related to the higher incidence in Western Europe of consensual union, which in some families is increasingly viewed as an alternative rather than a prelude to marriage (e.g., in Sweden, where the average length of cohabitation is increasing).

All these countries have experienced increased divorce rates, although the United States continues to have a much higher dissolution rate (one of every two marriages) than Western Europe (one of every three or four marriages). Due to both decreased marriage rates and increased divorce rates, the share of households that contain married couples is decreasing everywhere except in Japan, mainly in the category of married couples with children (which has also declined in Japan). The big increase has come in one-person households, a trend related to increased urbanization

- Family allowances**—Policies that have pronounced effects in Europe. This is not surprising in most of these countries, including such radical ones as Sweden. There have been on reducing the labor force in three categories: (1) family allowances and/or public provision of child care, (2) differences across advanced countries in quantity/quality trade-off
- Family leaves**, which have a pronounced effect on the female labor supply and subsequently family size. This is ambiguous. On the one hand, women tend to have children and work the hours. National family allowances appear to have contributed to this. The United States has a much higher divorce rate in 1993. One study is finding no effect of family allowances on widespread view that comparing the U.S.

ian in Germany, where the larger percentage of older (s), with a correspondingly on rate.

orce participation rates by Sweden

	Unmarried
9	79.1
5	58.8
0	69.6
9	76.7

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ountries

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countries.⁶⁹ For instance, they are well below the untries. These birth rate ries, as well as a declin- riage rates have declined ates the marriage rate is ower level than in com- Western Europe of con- alternative rather than a abitation is increasing). h the United States con- es) than Western Europe tes and increased divorce ig everywhere except in s also declined in Japan)) increased urbanization

rates (as people in rural areas generally do not live alone). The percentage of the population 65 and over who live alone is over 30 percent in most of these countries, although Japan is again an exception, with a lower but rising rate. Finally, births to unmarried women are increasing everywhere, which is an additional factor leading to smaller household and family sizes. Because of this trend, along with the increased divorce rates, single-parent households as a percentage of households with children are increasing everywhere, with the greatest percentage by far in the United States.

The United States and Japan are notably out of step with the other countries: Japan because it continues to have more traditional demographic patterns, the United States because it is traditional in some ways (e.g., high marriage rate, high rate of children cared for privately) but untraditional in others (e.g., high divorce rate, large percentage of female-headed households). The countries (such as Sweden and other Scandinavian countries) that seem the least traditional appear to have higher social safety nets and more comprehensive work-family policies, including pronatalist policies.

Pronatalist policies

Policies that have pronatalist effects are widespread, and they are quite common in Western Europe. This is not surprising, given the below- or near-replacement birth rates currently found in most of these countries. While pronatalist policies can include a wide range of measures, including such radical ones as banning abortion and contraception, Western European emphases have been on reducing the costs involved with raising children. These policies basically fall into three categories: (1) family/child allowances, (2) family/infant care leaves, and (3) subsidization and/or public provision of child care. Let us briefly consider each category in terms of provision differences across advanced industrialized countries and effects on female labor supply and the quantity/quality trade-off in children:

1. **Family allowances** theoretically have the effect of reducing labor supply for all family members by increasing nonearned income. However, they will tend to reduce female labor supply more than male labor supply if women continue to bear responsibility for childraising and other nonmarket activities. In particular, family allowances that increase with family size may tend to reduce female labor supply as increasing demand for child care services leads women to value their nonmarket time more highly. However, while child allowances are very common (67 countries had them by the early 1980s, including all of the advanced industrialized countries except the United States⁷⁰), it is not apparent that they have had much effect on either female labor supply or fertility rates.
2. **Family leaves**, whether paid or unpaid, are more likely to lead to sustained or increased female labor supply in the life cycle sense of allowing women to avoid having to quit work and subsequently find a new job after caring for an infant. Their effect on the birth rate is ambiguous. On the one hand, they may raise the birth rate through causing more working women to have children. On the other hand, they may lower the birth rate by causing more women to work than would have otherwise, as working women tend to have fewer children. National family leave policies are extremely common in industrialized countries, and appear to have come into widespread use with little dissatisfaction voiced by employers. The United States is the last to join this group, with an unpaid leave policy effective in 1993. One study compares family leave policies for Sweden, West Germany, and France, finding no effect on the birth rate, a slight effect of increasing female labor supply, and a widespread view that such policies improve working conditions for women; another study comparing the U.S., Britain, and Japan finds an increased likelihood that the woman returns

to her employer after childbirth and thus a positive effect on women's wages.⁷¹ Another study of nine European countries from 1969 to 1993 also finds that paid parental leave policies cause small increases in female labor supply, and that lengthier leave policies have had some effect in lowering women's wages relative to men.⁷²

- 3. **Subsidized child care**, by lowering the price at which child-based consumption can be produced, should tend to increase this form of consumption for families. Since consumption can be taken in the form of increased investment per child rather than in an increase in the number of children, however, the effect on the birth rate is ambiguous. To the extent that women must work to take advantage of child care, this policy would tend to increase female labor supply. However, an Australian study found that many nonemployed women utilize child care services (particularly preschool) as well.⁷³ Publicly provided child care services levels vary across countries, with the highest levels found in Scandinavia and France,⁷⁴ and low rates in the United Kingdom and the Netherlands. For instance, in Sweden, about 62 percent of children under age seven are cared for in government-sponsored child care facilities.⁷⁵ All countries report a shortage of publicly funded child care, so queues abound for available care at existing prices (where sometimes the price is zero).⁷⁶

Have these various pronatalist policies been effective in increasing births? There is little evidence that they have been successful. For instance, in France, which has perhaps the most explicitly pronatalist policy stance, the fertility rate has been declining since 1961. Although it has leveled off recently, it is still below replacement level. The rest of Western Europe also continues to have fertility below replacement level, although it is certainly possible that rates might be even lower, were it not for these policies. It appears that other aspects of the labor market, in particular the continuing high unemployment rates for women and a shortage of part-time jobs in many countries, have had a significant effect in keeping the fertility rate low in these countries.⁷⁷

Finally, have these policies led to reduced female labor supply? The net effect also depends on the form of interactions between policies and between policies and the existing structure of labor markets. One study compares the British and French experiences. In France, government policies and the labor market structure appear to exert both stronger negative and stronger positive effects on female labor supply than in Britain. The negative effect comes from family allowance policies; the positive effects come from higher female wages in France and less part-time employment. Additionally, French child care and education policies have reduced the negative effect on female labor supply of having a young child. French women are, however, more polarized between continuously working or not working at all, while British women are more likely to work at some point during their lives.⁷⁸

Antipoverty programs

While poverty rates have generally fallen in industrialized countries, particularly among older people, demographic groups remain who experience higher than average poverty rates. In particular, an increasingly common problem in industrialized countries is the number of poor female-headed households.⁷⁹ This may actually be a relatively worse problem in developed countries than in undeveloped countries because of a lack of extended household structures. The rates vary across these countries: while female-headed families comprise about 25 percent of Swedish families, they make up only about 4 percent of Israeli families (and these families are mostly headed by widows).⁸⁰ Sweden is also notable for being especially generous to such families, raising the question of whether public income support is a significant factor leading to the formation of single-parent households.

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Endnotes

1. See <http://hdr.undp.org/statistics/> for how this index is calculated. The OECD countries included in the tables in this chapter include the top 21 countries by this index, plus Greece (number 24), Portugal (number 27), and South Korea (number 28). Norway is ranked no. 1, followed in order by Iceland, Australia, Luxembourg, Canada, Sweden, Switzerland, Ireland, Belgium, and the United States.
2. United Nations Development Programme, *Human Development Report 2005* (Tables 1, 5, 10, 12).
3. See endnote 72 in Chapter 6 for the correlation coefficient formula and discussion of its range.
4. Unfortunately, a similar systematic comparison of overtime rates by sex is not possible.
5. *European Women and Men in 1983* (Brussels, Belgium: Commission of the European Communities, 1983): 68; 71. The representative survey of persons 15 years and older covered 9790 people in the ten countries comprising the European Community in 1983: Belgium, Denmark, France, FRG, Greece, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom.
6. Candida G. Brush, "Women Business Owners: An International Perspective," Boston University, School of Management, Entrepreneurial Management Institute Working Paper no. 90-1-1 (January 4, 1990): 2.
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14. Cf., Catherine Dutoya and Annie Gaudin, "Assignment of Women Workers to Jobs in French Company Strategies in France," *Flexibility in Labour Markets*, ed. Roger Tarling (London: Academic Press, 1987): 127-144.
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18. Bellace, *op. cit.*: 150.
19. This section draws on Bellace, *op. cit.*: 167.
20. *Ibid.*
21. Bellace, *op. cit.*: 140.
22. Bellace, *op. cit.*: 141-42.
23. Bellace, *op. cit.*: 142.
24. Bellace, *op. cit.*: 155. For a general discussion of the Netherlands situation, see Marga Bruyn-Hundt, "Economic Independence of Women in the Netherlands," *Women's Work in the World Economy, Issues and Alternatives*, ed. Nancy Folbre (London: Routledge, 1992): 120-131.
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31. See A. Zabalza and J. Tzannatos, "Britain's Antidiscrimination and Employment," *Journal of Labor Economics* (September 1985): 199-210.
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36. bill increased at the time of the passage of the Robert E. Wright Antidiscrimination Act of 1985.
37. E. Wright and Peter J. Sloane, "Discrimination in the British Labor Market," *Journal of Labor Economics* 101, no. 406

In surveying antipoverty policies across developed countries, the generalization can be made that countries with universal benefits tend to provide higher income for poor families, particularly female-headed families, than countries with means-tested benefits. Such as the U.S.⁸¹ It also appears that it is possible, through use of universal benefits and/or non-means-tested benefits conditioned on other variables (e.g., child allowances and child support assurance), to reduce welfare use while both providing female-headed families with higher living standards and avoiding creation of work disincentives and long-term dependency. The larger question of whether more extensive social safety nets have been costly to Western European countries in terms of reduced economic growth (given that they are financed through highly progressive income tax systems) is important. The lower growth rates experienced in these countries in the 1980s— notable when compared with U.S. and Japanese growth rates—have led even rich countries such as Sweden and the Netherlands to feel some economic pressure to scale back their safety net, although wholesale reductions have not yet occurred.

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Organisation for Economic Cooperation and Development. The OECD maintains a publications list and data (by subscription) at its website (www.oecd.org), including a new Gender, Institutions, and Development database.

Persson, Inga, and Christina Jonung (eds.) (1998). *Women's Work and Wages*. Research in Gender and Society, Vol. 2. London and New York: Routledge. Ten papers using micro data for the U.S., France, the Scandinavian countries, and the U.S.S.R.

Rubery, Jill, et al. (1998). *Women and European Employment*; (1999) *Women's Employment in Europe: Trends and Prospects*. London and New York: Routledge. These two volumes provide a good overview of the European labor market situation in the mid-1990s.

United Nations. The UN maintains a publications list and some data at its website (www.un.org), and its statistics site (<http://unstats.un.org/unsd/demographic/>).

U.S. Department of Commerce, Bureau of the Census. The Census Bureau operates a useful international database at its website (www.census.gov/ipc/www/idbnew.html).
 Willborn, Steven L. (ed.) (1991). "Women's Wages: Stability and Change in Six Industrialized Countries,"

special issue of *International Review of Comparative Public Policy*, Vol. 3. Greenwich, Conn.: JAI. Discusses situations in Australia, Canada, Great Britain, Japan, Sweden, and the United States.

Socialist Societies

Discussion Questions

1. Order the countries in Table 10.1 in decreasing order of male labor force participation rate. Does this ranking provide any insights about cross-country similarities and differences?
2. Order the countries in Table 10.2 in decreasing order of male part-time employment rate. Does this ranking provide any insights about cross-country similarities and differences?
3. Consider the ordering of the countries in Table 10.7 (in decreasing order of percentage female in higher education). Does this ranking provide any insights about cross-country similarities and differences?
4. Consider the Focus on pay discrimination in New Zealand. Can you think of circumstances in which a pay system that provides a "male basic wage rate at a sufficient level to enable a man to support a family of five in a reasonable standard of comfort," with a correspondingly lower female basic wage rate, would be justified?
5. Consider the Focus on hiring quotas. Under what circumstances will a new hire quota system be more effective in increasing female employment than a net hire quota system? If the turnover rate for men is higher than that for women, which is more effective? Which is more effective in reducing sex segregation? Do you think there will be an effect on overall female employment if women have greater representation on corporate boards? What other effects might this change have?
6. What are the problems with interpreting the effects of Swedish family leave as increasing fathers' subsequent likelihood of sharing equally in child care?
7. The study of Swedish cohabitation mentioned in the chapter found that women who cohabited for three years or

- more had about a 50 percent higher dissolution rate than women who cohabited for shorter durations; also, after about eight years of marriage, the dissolution rates were identical across cohabiters and noncohabiters. What forces might generate these patterns?
8. Consider the Focus on tax system effects in Sweden and Germany. How do you think your country's income tax system compares with these two systems in terms of whether or not it tends to discourage the formation of two-earner couples, both through disincentives relative to one-earner couples and through disincentives to marry?
9. German social policy creates a much more secure safety net (set at about 40 percent of the population average net income) than U.S. social policy. But a study comparing outcomes after separation/divorce in the United States and Germany found that women in Germany experience even sharper drops in economic status after marital dissolution than do U.S. women, while men in the two countries fare about the same.⁸² What could cause this pattern?
10. One can consider child allowances as one way of replacing the traditional insuring function that child-bearing once was. In advanced industrialized countries now that children do not provide a return on the investment parents make in them by supporting their parents when they are old, the state will provide the return on this form of investment. Should the state do this? Is there an economic justification for such an action?
11. Do you think that the institution of the U.S. child allowance program is a good idea? If so, should the program be expanded beyond its current form? If so, in what ways?

This chapter discusses the differences in gender roles between communist countries of the former Soviet Union and high human development countries. While socialist societies, they are, none display significantly different gender roles. The case of Israeli kibbutzim as an example of this pattern. Recently undergone wrenching changes in capitalist systems, and on the effects that these societies. Their case during socialist regimes. The aim of comparing these societies discussed in Chapter 10.

Why these Societies Gender Equality

Starting with Marx and Engels' "woman question," as Engels argued, women were both influenced by the matrilineal theory of evolution of "the woman question." Engels viewed the economic changes that caused marriages to become more sexual and economic in nature.