

**Inequality in the Family: The Institutional Aspects of Wives' Earning
Dependency**

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Haya Stier and Hadas Mandel

Comparative studies underscore the variation in women's labor market activity and market-generated inequality across industrialized countries. These studies contend that societies have different institutions for incorporating women into paid employment and rewarding them. Some countries developed strong mechanisms for integrating women into the labor market through family supportive policies while other countries rely mainly on market mechanisms. Yet, while the institutional context was found to affect significantly women's economic activity and their employment patterns (Esping-Andersen, 1990;1999; Gornick et al. 1998; Daly, 2000; Korpi 2000; Stier et. al, 2001), it is not entirely clear whether the state, through its social policies, managed to change the household division of labor and to reduce inequalities within the family. A striking similarity exists in the gendered division of labor within the family in all countries, in that women -- whether in or out of the labor force -- still do the major share of housework and childcare (Ferber 1991, Bruyn-Hundt 1996, Hakim 1997, Anxo and Flood 1998, Orloff 2002).

Most contemporary family policies are aimed at facilitating the employment of mothers by providing women with the necessary conditions to combine work and family. This is done either by direct payment to mothers (and sometime to fathers) for the period the children are young (i.e., maternal and parental leave), or by providing good and relatively inexpensive childcare facilities (OECD 2001; 2002). Yet, while these "women friendly" policies are expected to affect the decision of women to participate in paid employment, they might, at the same time, contribute to the reproduction of gender inequality since none of these policies seriously challenge the

unequal distribution of family responsibilities between men and women. In most countries, family oriented policies allow women to “compromise” and “adjust” to their home responsibilities. Consequently, many women work on a part time basis or in female type occupations, mostly within the public sector. These jobs offer the conditions to combine work and family duties, but at the same time, provide only limited access to economic resources and power positions. Thus women’s inferior position relative to men in general and to their spouses, in particular, is maintained.

The current paper sets out to explore the effects of social policies aimed at facilitating women’s economic activity, on wives’ economic standing **within** the family. Using data from 19 industrial countries, we examine the variation in wives’ economic dependency on their spouses and the extent to which institutional and characteristics at the country level affect it. Our main argument is that different aspects of social policy, which are assumed to encourage and support women’s employment, may affect their economic dependency in the family differently. In particular, we argue that, and test to what extent, policies which maintain women’s main role as care givers (such as generous maternity leave; part-time employment), also preserve the economic dependency of wives upon their spouses, while policies which allow women to participate in paid employment in a way equal to that of men, by reducing their home responsibilities (e.g., child care arrangements) lessen women’s economic dependency at home.

Women’s economic dependency within the family

Stratification research focuses largely on gender inequality in the labor market as a way to understand women’s position in society. Accordingly, much attention is paid to individual, structural and institutional factors that affect women’s participation in

paid employment and their access (or lack of access) to lucrative, well-paid jobs. The position of women within their families, while studied extensively by family scholars, was not always seen as part of the stratification research agenda. As Sorensen and McLanahan (1987) contended “Our understanding of women’s position in society requires us to look not only at individual women’s position in the labor market, but also at their familial position and the resources they derive from it...we suggest that women’s economic dependency on men is an important attribute of stratification systems and an essential force in the maintenance of gender inequality.”(p. 663).

In line with this approach, theoretical and empirical attention was given to the interplay between family arrangements and processes that take place in the market (see for example Brinton 1988; Stier 1990; Oren 2001). Recent literature on women’s position in the labor market emphasizes the effect of family obligations and family arrangements on women’s labor supply, and their patterns of involvement in market work. For example, women tend to interrupt their employment following a birth of a new child (Budig and England 2001); they sometime “scale back” and move from full-time to part-time employment or change their career plans when the family demands more of their time (Becker and Moen 1999; Stier 1998). Consequently, career interruptions affect women’s market rewards (Budig and England 2001). The way families organize their time and responsibilities, then, determines women’s ability to accumulate resources at any given point of time and along their life course.

Sociologists of the family emphasized the importance of women’s market resources for their power position within the family (Shelton and John 1996; Brines 1994). A major finding is that women participating in paid employment, especially those working on a full-time basis are able to gain equality in task and time allocation (Stier and Lewin-Epstein 2000). Access to independent resources, such as income

from paid work, increases women's power in two important dimensions, which Hobson (1990) defines as "voice" and "exit". On the one hand, power accrued from women's economic resources allow them to affect family decisions, to "have a voice" within the family in matters regarding the organization of the household, including who will take care of children and who will allocate more or less time to market work (Morris 1990; Brines 1994; Spain and Bianchi 1996). At the same time, access to independent economic resources also allows women to exit the relationship altogether if they do not achieve satisfying arrangements of time allocation to housework and market work. Thus, it is important to study the relationships within the family and the interplay between family arrangements and market behavior of men and women, in order to understand gender stratification in society.

Policy concerns regarding gender inequality indeed acknowledge the constraints family obligations impose on women's market participation. Thus, many of these policies are aimed at reducing the burden of family demands and allowing women to allocate more of their time to paid employment by providing good and inexpensive child-care arrangements, or to combine work and family by offering part-time or short-hour employment opportunities. Undeniably, access to market work, and thus to independent income, reduces women's economic dependency upon their spouses and increases their power position at home. Hence, the dramatic increase in women's economic activity during the last decades resulted in the reduction of wives' economic dependency over time (Sorensen and McLanahan 1987; van Berkel and De Graaf 2000).

However, the rise in married women's labor force participation, while reducing the number of households with wives totally dependent upon their spouses for subsistence, did not necessarily change the dependency relationship in dual-earner

households. In most European countries a substantial portion of the female labor force work on a part-time basis (Smith, Fagan and Rubery 1998) and in many countries women earn less than men even though they work full time (Blau and Kahn 1995, Gornick 1999). This is because women tend to be concentrated in female type occupations which offer only limited access to high income; they are absent from power positions; and they face different practices of discrimination (Willborn 1991, Persson & Jonung 1998). The consequences of women's market position to intra-household inequalities are illustrated by Van Berkel and De Graaf (2000) who studies wives' economic dependency in the Netherlands. They found that the dependency rate of women who worked part time was four times higher than the dependency rate of those who worked full time. They concluded that in the Netherlands the high rate of women's part time employment accounts for their intra-household dependency since full-time working wives tend to have equal income to that of their husbands. Similarly, Sorensen and McLanahan (1987) found that only half of the dependency rate among couples in the U.S. could be attributed to wives' labor supply. Working women contributed less than their husbands to the household income because they received lower rates of return for their hours of work. As Hobson (1990) contended: "Differences in husband's and wife's labor market position, as reflected in hourly pay, account for a substantial amount of the dependency level (about fourth in Sweden and about fifth in the U.S.)" (Pp. 245-6). Thus, while the overall rate of wives' dependency has declined over time, mostly through increases in women's labor force participation rates, there is still considerable inequality within families in all industrial countries. This is mainly due to women's inferior position in the labor market.

The Effect of Policies on Women's economic dependency

Alongside the dramatic increase in women's participation in paid employment, social policies aiming at facilitating mothers' employment and enhancing gender equality in the labor market were implemented in most western countries. Yet, none of these policies targeted directly intra-family relationships, and it is still an open question to what extent the achievements women gained through their economic behavior affected also different aspects of gender inequality within the family.

How can social policy influence the relative income of husbands and wives?

The correspondence between women's labor force participation and wives' economic dependency over time, leads to the assertion that policies promoting women's employment reduce the overall dependency rate of women because more women have access to a paycheck as a result of their own paid work. From this point of view, every policy that directly or indirectly increases women's labor supply is expected to reduce wives' earning dependency. Yet, as we mentioned above, the prevalence of part-time work among women, and their disadvantaged position in the labor market maintain their inferior standing within the household. Thus, to the extent that policies do not change women's position in the labor market, above and beyond their rate of participation, they will not affect the earning dependency of women in dual-earner households in a straightforward way. Some aspects of social policies may promote greater economic equality within the family. Among these are policies aimed at reducing gender inequality in the labor market, including those related to equal pay, equal opportunity and affirmative action. Similarly, national systems of wage protection, related to high degree of market regulation, unionization and collective bargaining may contribute to higher gender equality in pay (Blau and Kahn 1995, 2001, Rubery, Bettio, Fagan, and Maier 1997, Almond and Rubery 1998). Similarly,

Family policies that lead to extended and subsidized child care facilities may encourage more women to participate in paid employment on a full time basis, and enable women to maximize their economic rewards. However, family policies that offer long duration of paid maternity leave, or direct payment to mothers for child rearing may have negative consequences on women's ability to enter high status occupations.

In their comparative study of wives' economic dependency across seven industrialized countries, Bianchi et al. (1999) found that women were less dependent on their spouses in countries that implement policies aimed at supporting women's employment. Using Esping-Andersen's (1990) welfare regime typology they found that women's dependency was lowest in the social-democratic welfare regime. Countries in this category are characterized by high rates of female labor force participation, and generous social programs to support women's employment. The highest level of dependency was found in the conservative countries which promote a traditional gendered division of labor. Yet, Bianchi et al.'s (1999) study did not test directly the effect of social policies on the level of wives' dependency, and could not establish whether policy differences accounted for the variation in dependency across countries. A closer look at the distribution of wives' dependency's in comparative studies (Bianchi et al. 1999, Hobson 1990) reveals more complicated relationships between policies (or welfare regimes) and wives' economic dependency. For example, generous social programs (such as maternal leave policies) are available to women in many conservative countries, not only in Scandinavia, while they are absent in the U.S. and Australia. Yet, the level of dependency in the U.S. and Australia is lower than in Germany and the Netherlands (Bianchi et al. 1999: 17, Hobson 1990: 240). Furthermore, a comparison of the level of wives' dependency among dual

earner couples dramatically changed Bianchi et al.'s conclusions. First, the variation in dependency rates among countries declined considerably. Second, the rate of dependency was relatively low in Finland and Belgium, which represent two different welfare regimes. Similarly, Hobson (1990) found that among dual-earner couples, Sweden and Norway -- two social-democratic countries -- had relatively high levels of dependency, while the Netherlands and Germany -- two conservative countries, had the lowest (Hobson 1990: 240). These findings lead to the conclusion that the level of wives' dependency among dual earner couples is independent of the rate of women's labor force participation and the general support to women's employment.

These findings call for a closer and more comprehensive examination of the effect of policies on inequality within families in general, and among dual earners families in particular. In the current paper we contend that facilitating women's employment often means allowing women to combine work with family responsibilities rather than achieving equality with men in home and market behavior. It had been argued (Hansen 1997, 1998, Mandel and Semyonov 2003) that policies which encourage women to participate in the labor force often result in a less selective female workforce. Consequently, many women who are less committed to market work join the labor force either on a part-time basis or in occupations that accommodate their familial roles (e.g., short hours of work, less demanding tasks). Indeed, high support for women's employment correlates with high levels of occupational sex segregation, and low representation of women in managerial positions (Esping-Andersen 1990; Charles 1992, Chang 2000, Wright et al. 1995). These patterns of women's work limit the extent to which policies that encourage women's participation in the labor force, can lead to a significant change. Thus, family policies, although increasing the participation rates of women, may, at the

same time, preserve the gendered division of labor and, maintain gender inequality in the labor market and, consequently, within the family (Hernes 1987, Hansen 1997, 1998, Orloff 1996).

In this study we focus on the effect of different aspects of social policies and women's employment characteristics on wives' economic dependency. We aim at disentangling the effect of household's and country characteristics on the relative standing of women within their households. In particular we ask whether and to what extent social policies aimed at facilitating women's employment contribute to the reduction of inequalities within the household. We differentiate in our study between the total population of working age couples (i.e., including households where only one partner works and households where both participate in the labor force), and dual-earner families. As argued in past studies, variation in women's participation in paid employment accounts for most of the country differences in wives' level of dependency. In this sense, policies that support women's employment and encourage their market participation contribute as well to the reduction of intra-family inequality. As for dual-earner households, we hypothesize that policies that affect directly the time allocation in the household – such as the availability of child-care will reduce women's dependency as they facilitate their access to high-paying jobs, while those policies which maintain women's responsibilities to the family (such as generous maternity leave and availability of part-time employment) enhance the dependence of women on their spouses.

Data and Measurement

Data for the present analysis were obtained from the Luxembourg Income Study (LIS), which serves as an archive for comparable micro-dataset for a large number of

industrialized countries. The analyses are based on data obtained from 19 countries and include couple headed households, in which the heads (married or cohabited) were 25 to 60 years old¹. The countries include: Finland, Norway, Sweden, Denmark, Germany, France, Belgium, Luxemburg, the Netherlands, the U.K., Australia, the U.S., Canada, Italy, Spain, Israel, Hungary, the Czech Republic, and the Slovak republic. The country samples were collected during the years 1994-1999, and included between 5,000 to 18,000 households. We limited the samples to include couple-headed households² for which information pertain to both partners. To this survey we added information at the country level that was collected from various sources, as we detail below.

The analysis focuses on the conventional measure of economic dependency within the household suggested by Sorensen and McLanahan (1987). Accordingly, dependency between partners is defined as the difference between their relative contribution to the family income, as can be seen in the following formula:

$$Dependency = [(earnh/earnh+earnw)]-[(earnw/(earnh+earnw))]$$

Where *earnh* refers to husband's earnings and *earnw* indicates wife's earnings.

We introduce two types of explanatory variables: household level variables and country-level characteristics. Following prior studies of wives' earning dependency (e.g., Sorensen and McLanahan 1987; Bianchi et al. 1999) the household level variables included the couples' relative education; the present of young children in the household; number of children in the household; the wife's age, and the couple age difference.

¹ We refer to women as "wives" whether they are formally married or not, for simplicity.

² Household heads are either married or cohabited couples. We use the term "wives" to refer to all women living in couple-headed households independent of their marital status, for convenience.

The educational variables indicate whether the wife has higher education than her spouse; whether the husband has higher education; and whether both have academic education. The reference category includes couples that have high school or lower education. We expect the level of dependency to be lower for women who are more educated than their partners and for those whose level of education is high (both partners have post secondary education). This is because highly educated women (especially those who have higher education than their spouses, but also women who have high education in absolute terms), have better prospects in the labor market and access to the better paid jobs, and also a better position in the household which allow them to determine their time allocation to market work

Children, especially young ones, affect their mothers' employment pattern, thus we expect the presence of young children (0 to 3 years old) to increase the dependency of wives. Similarly, we expect that every additional child will raise the wife's dependency. In addition we control for the woman's age, and the age differences between the spouses (see Bianchi et al. 1999; Sorensen and McLanahan 1987). An important determinant of women's position within the household is their labor supply. The number of hours women worked, relative to their husbands, was found as the most important determinant of wife dependency (Bianchi et al. 1999; van Berkel and De Graaf 1998; Sorensen and McLanahan 1987). In our study, the information on the number of hours worked was available for only 14 countries. Preliminary analysis revealed that indeed the relative labor supply of women is an important factor in determining her dependency level, but including or excluding this variable did not change any of the results regarding the effect of other variables. Since our main interest is in testing the influence of family policies on intra-household inequality at the macro level, we decided not to include this variable in the analysis.

At the macro level, we introduce two components of family policy -- maternity leave and childcare arrangements -- that are aimed at supporting mothers' employment. Maternity leave is measured as the number of fully paid weeks of leave (Data obtained from: Gauthier, 1999, Mayers and Gornick 2000), and child care arrangements are measured as the percent of children age 0-3 in publicly funded childcare institutions (Data obtained from: OECD 2001; Kamerman 2000). According to our expectations, generous maternity leave encourage women's incorporation in the labor force because it allow them to combine work with childbirth. Yet, a prolonged separation from market work may result in a high concentration of women in female-type short-hour jobs that do not necessarily improve women's position within their households. Thus, after controlling for female labor force participation rate we expect maternity leave to increase the rate of dependency. As opposed to Maternity leave, child care arrangements, especially those which target very young children, are expected to reduce dependency by allowing women to enter full-time more demanding (and usually better paid) jobs.

In addition to the direct measures of policy, we include two characteristics of the female labor force: the rate of women's (25 to 60 years) participation (LIS 1992-1997), and the percent of women aged 15-64 in part time employment (OECD 2002). These two measures can be seen as a product of different policies, but both have direct effects on the status of women within the family. We expect the rate of female labor force participation to reduce the level of dependency among the total population of working-age couples, though it is not expected to affect wives' dependency among the dual earners. The rate of part-time employment however, is expected to increase the level of dependency among dual earners families, but not among the entire population. All else being equal, large supply of part time jobs will increase wives'

economic dependency. This is because women working part-time earn substantially less than their usually full-time employed, spouses. However to the extent that part time employment serves as an institutional mechanism to incorporate mothers into paid employment, it is expected to decrease wives' dependency in the entire working age population.

Aside from the effects of country characteristics on the general level of wives' dependency, we also expect the macro-level policy indicators and women's employment rate to affect the relationship between the presence of young child in the household and wife's earning dependency. We hypothesized that in countries with high level of child care arrangements, children will be less of an obstacle to mothers' employment (see Gornick et al, 1997), and thus, their effect on women's economic dependency will be lower. However, maternity leave and part-time work will enhance the costs of having children because of its effect on women's employment pattern and types of occupation.

Method of analysis

Since we are interested in the distribution of dependency within countries as well as among them, we employ multi-level modeling where the dependent variable is the Wife's dependency level and both household and structural variables serve as independent variables (Bryk and Raudenbush 1992). By using this type of analysis we are able to model the net effects of each of the two components (household and country level) simultaneously, and to differentiate between the effects of household characteristics and country level characteristics on the dependency levels. The two-level model can be represented by a set of equations, as illustrated below:

$$(1) (\text{Dependency level})_{ij} = \beta_{0j} + \beta_{1j} C_{ij} + \beta X + \varepsilon_{ij}$$

The dependent variable is the dependency level of household i in country j ; C_{ij} denotes the effect of having young children in the household, coded 1 for household with children under 3 years of age, 0 otherwise; \mathbf{X} is the vector of other household characteristics (i.e., spouses' relative education and age, number of children), and $\boldsymbol{\beta}$ is the vector of coefficients associated with these variables. ε_{ij} is the error term. This equation allows the intercept, β_{0j} , and the baby effect, β_{1j} , to vary (i.e., to be random) across countries whereas the effect of all other variables is fixed. At the second level, the country characteristics explain these random effects as presented in equations (2) and (3):

$$(2) \beta_{0j} = \gamma_{00} + \gamma \mathbf{Y} + v_{0j}$$

$$(3) \beta_{1j} = \gamma_{10} + \gamma \mathbf{Y} + v_{1j}$$

Where β_{0j} (in equation 2) is the intercept denoting the country dependency rate, \mathbf{Y} represents a set of policy and country characteristics and γ denotes the respective coefficients. β_{1j} in equation (3) denotes country variation in the effect of the presence of young children in the household on the dependency level, explained by the various country characteristics.

Findings

We begin the analysis by presenting the distribution of households by the number of providers, in the different countries included in the study. Figure 1 shows that the male breadwinner household became a minority in most countries, excluding Spain, Italy, and Luxemburg where the majority of couples live in households in which women do not participate in paid employment³. In the Scandinavian countries, Denmark, Sweden and Finland, more than 80% of couple-headed households are also

³ Not included in the figure are households with a female breadwinner and those in which none of the spouses works. Thus, percents for each country do not add to 100.

dual-earners, followed by Norway, the Czech Republic, U.S. and Canada. These findings suggests that the effect of policy which supports mothers' employment on the number of breadwinners is complicated by other factors, since the rate of dual earner households is high in countries with highly developed policies, such as the Scandinavian countries but also in countries with little or no support for the employment of mothers such as the U.S

(Figure 1 about here)

Figure 2 presents women's earning dependency in all working-age couple-headed families, and separately in dual-earner households. The figure depicts the overall country variation in the wives' dependency level, but also the role that women's labor force participation plays in reducing their economic dependency within the household. Not surprisingly, the countries with the highest level of women's dependency are those in which the proportion of dual-earner households is the lowest -- the dependency of wives is highest in Spain followed closely by Luxemburg, the Netherlands and Italy. Of those countries, only in the Netherlands the proportion of dual earner households surpasses that of the sole male breadwinner families. These findings indicate that wives' economic dependency is highly related to the rate of women's employment, as illustrated in Figure 3. Yet other factors, especially those related to women's employment patterns and their earnings (e.g., whether they work part-time; their types of occupations; access to managerial positions) affect their relative standing within the household. These factors may play an important role in explaining country variation in dependency levels among dual earners families.

(Figures 2 and 3 about here)

The comparison between the dependency level of the total population and the dual-earner households reveals some interesting points. First, cross-country differences in the dependency level among dual-earner households are smaller than the difference in the entire population of couple-headed households. This finding emphasizes the variation in women's labor force participation rates, in contrast with the similarity in women's work patterns across countries. Second, in most of the Scandinavian countries and Britain the level of dependency within all households and dual-earner households is quite similar. This is partly because the vast majority of households in these countries are dual-earners, although the level of dependency in Britain (0.357) is among the highest in our sample, and in the Scandinavian countries among the lowest (it ranges between 0.127 in Finland to 0.232 in Sweden). Thus, the similarity between all households and dual-earner households in the rate of dependency could as well result from women's position in the labor market and their earnings relative to that of men. Third, the difference in the level of dependency between dual-earner and all households is most notable in Spain and Italy, two countries with relatively low rates of female labor force participation. This finding suggests that women in these countries are highly (and positively) selected to paid employment.

The overall variation in the level of dependency between countries, and the comparison between all households and dual-earner households indicate that a complexity of factors operate to affect the relative standing of women within their families, above and beyond their labor force participation. For example, a relatively high dependency in countries with high female labor force participation may result from a high level of part-time employment, low access of women to lucrative jobs, or high level of gender inequality in wages. Similarly, low levels of earning inequality

and occupational segregation as well as high selection of women into full-time employment, may contribute to a reduction in wives' dependency among dual-earner families. Nonetheless, on balance, these figures suggest that in countries with high levels of support for mothers' employment such as the Scandinavian countries (e.g., Esping-Andersen 1999; Gornick et. al 1998; Stier et al. 2001), the level of dependency is low. A better understanding of these patterns would require considerations of other country and household level characteristics that might affect the divergent patterns we observed.

Household and country determinants of wives' dependency

The second stage of the analysis focuses on household and country level factors that affect the economic dependency of wives. The analyses are based on the multi-level models specified above, with wife's earning dependency as the dependent variable. This variable was multiplied by 100 so that the effects of the independent variables can be interpreted as percent change in the level of dependency. The household level characteristics incorporated in the models include the partners' relative education, the woman's age and the partners' age difference, the presence of young children and the total number of children in the household. At the country level, the models includes the two indicators of policy (maternity leave and child care arrangements); Female labor force participation rate and the level of part-time employment⁴. We allow a random effect of both the intercept and the presence of young children, and explain their variation by the policy indicators and the two measures of women's employment. Summary statistics for the variables included in the analysis are presented in

⁴ Initially we included in our models the GINI coefficient to control for the country's level of income inequality (see Blau and Kahn 1995, 2001). Since its effect was not significant we decided not to include this indicator in our final models.

Appendix Table A1 (for household-level variables) and A2 (for country-level characteristics).

The results of the analyses are presented in Table 1 (for the total population) and table 2 (for the dual-earner sub-sample). Turning first to the household level variables in model 1, the findings suggest that women's education has an important effect on their dependency level: wives with higher education than their husbands, and those with equally higher education (both spouses with academic degree) are less dependent on their partners ($b=-8.311$ and -4.751 , respectively) than women who have equal, but lower education (references category). When the husband is more educated than his wife, her level of dependency is higher by almost 9 percents than when their level of education is low but equal. This effect points to the importance of women's absolute and relative resources, as depicted by education, because of the relationship between education and earnings. A second important variable that affects the dependency level is the presence of children. The higher the number of children in the household, the higher is the dependency of women on their partners – each child increases the dependency level by almost 6 percents. In addition, having young children at home increases the dependency rate by additional 13 percents ($b=13.020$). These findings reinforce the claim that children, and especially young ones, entail high costs on their mothers' ability to gain access to independent market resources. The figures also suggest that the dependency level decreases with the age of the wife, and it declines as the age difference between spouses increases.

(Table 1 about here)

The first model of Table 1 includes two policy indicators at the country level – weeks of paid maternity leave and the percent of young children in day care. These policy indicators are negatively related to the country's level of dependency. In other

words, this model suggests that higher support for women's employment reduces their economic dependency within the family. One way for such policies to affect women's position at home is by encouraging women to participate in paid employment. As we argued earlier, female labor force participation rate contributed significantly to the reduction of women's economic dependency; therefore in the second model we introduce this variable directly at the country level. This model (Model 2) suggests that indeed the level of dependency is substantially lower in countries with higher rates of female labor force participation ($b=-0.725$), as expected. Furthermore, introducing the level of women's economic activity reduced significantly the effect of the policy variables, which turned to be insignificant. Thus, we conclude that the effect of family policy on wives' dependency rate is mediated through its effect on women's labor force participation. Model 3, adds to the former models the effect of part-time employment. The inclusion of part-time did not change the effect of women's labor force participation on the dependency rate. According to Model 3, as the rate of women's part-time employment rises, the level of wives' economic dependency increases as well. As mentioned earlier, part-time employment could reduce wives' dependency to the extent that it serves as a way to incorporate more women into paid work. Apparently, there is no correlation between women's part-time employment and the rate of female labor force participation (Fagan and Rubery 1996). Thus, our findings demonstrate once again the detrimental effect of women's part-time employment not only with regard to their market position but also in reference to their standing within the family.

The last model (model 4), which presents our full model of country level effects and interactions, reveals the complexity of factors that play a role in determining wives' economic dependency. This model tests whether the presence of

young children in the household affect similarly wives' dependency level in all countries, and attempts to explain this effect by the policy variables and the measures of women's employment. The availability of child-care arrangements, the country's level of females' labor force participation and part-time employment clearly mediate the costs entailed by having young children in the household. These interaction effects are illustrated in Figure 4. In line with our expectations, in countries that offer higher supply of childcare facilities, the difference between women with and without young children declines. As shown in figure 4, with an increase in child care arrangements, the dependency level of mothers to young children substantially declines. The overall effect of part-time employment is interesting: on the average, it increases women's dependency, because it entails lower earnings by channeling women into marginal jobs. However, it minimizes the costs of children, because it allows mothers of young children to participate in paid employment. Consequently, for this group, part-time employment actually lowers the dependency levels. Lastly, women's rate of participation in the labor force, while reducing the dependency level among women who are free to allocate more of their time to paid employment (those with no kids at home) has almost no effect on the dependency level of mothers with high family demands. Evidently, this is the group which is mostly constrained by family demands, and therefore is less likely to participate in paid employment during this stage of the family's life cycle. As more women participate in the paid work, the dependency gap between these two groups increases.

(Figure 4 about here)

While the effect of women's employment on their economic dependency is apparent, we are mainly interested in understanding the effect of policy on the status of working women within their families. Table 2 presents the models which pertain to

the dual-earner households. On balance, the effect of the household level variables on the dependency rate is similar in dual-earner and all families, although the coefficients are somewhat lower. This means that while similar household factors affect the relative position of working and non-working women, part of the effect is mediated by the employment status of wives. The first model in the table presents the gross effect of the policy indicators on the level of wives' dependency. The results do not support our expectations: increase in the number of fully paid weeks of maternity leave reduces – rather than increases - the dependency rate. The extent to which countries provide support for child care has no significant consequence for women's position in their families, once they decided to go to work. This basic pattern remained unchanged when the rate of labor force participation and part time employment are introduced (models 2 and 3, respectively). As expected, the overall female employment level has no effect on the dependency rate, while, increase in the rate of female-part time employment intensifies wives' economic dependency considerably.

(Table 2 about here)

The last model of the table (model 4), which tests the interaction of the country-level indicators with the presence of young children at home reveals that similar to the findings in the total population, the availability of child-care reduces the gap in the dependency level between women who have high family demands and those who have no young children at home. As illustrated in the first panel of Figure 5, in countries with no childcare facilities mothers of young children have higher dependency rate than other women, but the difference declines as the country offers better conditions for mothers' employment. It is important to note that the gap between those with and those without young children among the dual earner

population is smaller than among all working-age households. This is because child-care arrangements predict women's participation in paid employment in the total population. The effect of part-time work among the dual-earner population is similar for women with and without young children. For the two groups part time work increases the dependency rate. Among women who already decided to participate in the market, part time work can no longer serve as an incentive to work but rather it indicates women's pattern of work and their market position. Lastly, the rate of female labor force participation increases the dependency rate of women with young children but has no effect on the dependency level of those who have not. This variable exemplifies the effect of women's selection into paid employment: in countries with low level of females' employment, women are highly (and positively) selected into the labor. In this case, mothers of young children who participate in paid employment are those who have high reservation wage or those who must work because their spouses have low earnings. Thus, their level of dependency is much lower than that of other women. With the increase of women's employment rates the selectivity of women declines, so that women who have young children are almost as likely to work as those without high family constraints, but they often work in female-type occupation which offer the conditions to combine work and family. Consequently they have lower wages than women with no family constraints and their dependency within the household is higher.

(Figure 5 about here)

Summary and Conclusions

In most industrialized societies family policies were implemented to facilitate mothers' employment and to increase gender equality in the labor market. Most of

these policies are aimed at reducing the conflict between work and family, either by allowing women to take long leave when the children are young or by providing accessible childcare arrangements. In many countries women were incorporated to paid employment through the availability of part-time jobs, especially during periods of high family demand (Stier et al. 2001). In the current paper we argued that most of the policies which were aimed at increasing women's labor force participation, assumed a traditional division in which women are perceived as the main care givers, and thus, maintained the economic dependency of wives upon their spouses.

The findings of our study reveal a complex relationship between family policies and wives' economic dependency. Generally speaking, policies which facilitate women's participation in paid employment have an indirect effect on their position within the household. Thus, in countries which provide generous maternity leave and child care facilities women have better access to independent income. Moreover, our findings support the claim that child care arrangements reduce the costs of children (see also Gornick et al. 1997) most likely since they allow women to maintain their employment and work on a full-time basis. As we found, in countries with high supply of child care facilities, young children cease to become an obstacle to their mothers' access to economic resources.

The effects of women's labor force participation rate and the availability of part-time employment are more complicated. Our findings support the general assertion that increasing the level of women's economic activity improves their standing within the household. Nonetheless, their effect on the total population of working age women differs substantially from their effect on women who already decided to participate in paid employment. Obviously, part-time employment serves as a strategy for mothers of young children to combine work with family demands.

From this point of view part-time employment can be seen as a way to reduce women's economic dependency, and indeed in countries with high rates of part-time employment the difference in dependency between mothers to young children and all other women declines. However, our findings suggest that for the long run, part-time employment enhances the dependency of women: for women who already decided to participate in market work and especially for those who are (relatively) free of child care and family demands part-time employment becomes detrimental. They are trapped in jobs with little or no access to the lucrative, well paid positions. Thus, for most women, as part-time becomes a prevalent mode of employment, it becomes also a way to sustain their economic dependency.

Women's labor force participation is the prior and the necessary condition to mitigate the dependency of wives upon their spouses, as clearly shown in Figure 2. However, increasing women's employment rate may have some paradoxical consequences on their status in the labor market and within the family. As Hansen (1995) had argued, policies that offer the conditions to incorporate mothers into paid employment, manage to reduce the selectivity of working women. Consequently, many mothers prefer to work in female-type jobs that offer the necessary conditions to combine family and work, but also limited market opportunities. As mothers' employment becomes universal, more and more women are being channeled to marginal positions, which, in its turn, contribute to an increase in their economic dependency. Our findings suggest that in order to increase gender equality within the household, policies should aim not only at facilitating women's employment per se but also at equalizing the conditions under which men and women work.

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Table 1
Multi-Level Models Predicting Women's Dependency Rate,
All working age (25-60) Couples, in 19 Countries

Household Level variables	Model 1	Model 2	Model 3	Model 4
Wife more educated	-8.311* (0.434)	-8.303* (0.434)	-8.304* (0.434)	-8.358* (0.430)
Husband More educated	8.670* (0.404)	8.675* (0.404)	8.671* (0.404)	8.743* (0.401)
Equal education, BA	-4.751* (0.637)	-4.739* (0.637)	-4.741* (0.637)	-4.814* (0.632)
Wife's age	-0.067* (0.024)	-0.067* (0.024)	-0.067* (0.024)	-0.067* (0.024)
Spouses' age difference (male-female)	-0.473* (0.045)	-0.474* (0.045)	-0.474* (0.045)	-0.462* (0.044)
Number of Children in HH	5.739* (0.165)	5.736* (0.166)	5.736* (0.166)	5.680* (0.165)
Presence of Children<3	13.020* (0.545)	13.030* (0.545)	13.020* (0.545)	3.686 (0.148)
Intercept	44.620* (4.867)	84.910* (9.543)	78.840* (9.164)	80.950* (9.700)
Country-Level Variables				
Effects on Intercept				
weeks maternity leave	-0.407** (0.244)	-0.228 (0.173)	-0.147 (0.161)	-0.185 (0.171)
% children 0-3 in day care	-0.373** (0.214)	-0.142 (0.156)	-0.147 (0.142)	-0.056 (0.150)
% Women in Labor Force		-0.725* (0.160)	-0.746* (0.145)	-0.818* (0.154)
% women working part-time			0.230* (0.112)	0.317* (0.119)
% Women in Labor Force				-0.818* (0.154)
Interaction with "children<3"				
Weeks maternity leave				0.241 (0.259)
% Children 0-3 in day care				-0.739* (0.229)
% Women working part-time				-0.808* (0.182)
% Women in Labor Force				0.565* (0.234)
N (n countries)	80917(19)	80917 (19)	80917 (19)	80917 (19)

*p<0.05 ** p<0.10

Table 2
Multi-Level Models Predicting Women’s Dependency Rate,
Dual-Earner Couples (25-60) in 19 Countries

Household Level variables	Model 1	Model 2	Model 3	Model 4
Wife more educated	-6.719* (0.317)	-6.719* (0.317)	-6.721* (0.317)	-6.683* (0.315)
Husband More educated	5.257* (0.312)	5.256* (0.312)	5.251* (0.312)	5.251* (0.311)
Equal education, BA	-3.718* (0.444)	-3.718* (0.444)	-3.719* (0.444)	-3.580* (0.442)
Wife’s age	0.103* (0.019)	0.103* (0.019)	0.103* (0.019)	0.114* (0.019)
Spouses’ age difference (male-female)	0.108* (0.035)	0.108* (0.035)	0.108* (0.035)	0.106* (0.034)
Number of Children in HH	3.509* (0.130)	3.509* (0.130)	3.510* (0.130)	3.510* (0.130)
Presence of Children<3	2.749* (0.437)	2.749* (0.437)	2.736* (0.437)	-23.580* (9.004)
Intercept	22.310* (2.924)	17.880* (8.147)	9.040* (6.108)	12.770* (6.120)
Country-Level Variables				
Effects on Intercept				
Weeks maternity leave	-0.282* (0.144)	-0.301* (0.147)	-0.188** (0.106)	-0.226* (0.106)
% children 0-3 in day care	-0.105 (0.127)	-0.130 (0.133)	-0.135 (0.093)	-0.108 (0.094)
% Women in Labor Force		0.080 (0.137)	0.052 (0.097)	0.009 (0.097)
% Women in Part Time Employment			0.329* (0.075)	0.339* (0.075)
Interaction with “children<3”				
Weeks maternity leave				0.212 (0.149)
% children 0-3 in day care				-0.232** (0.132)
% women working part-time				-0.095 (0.111)
% Women in Labor Force				0.435* (0.139)
N (n countries)	51822(19)	51822(19)	51822(19)	51822(19)

*p<0.05 **p<0.10

Appendix Table A1
Household Characteristics in the Total Working Age Population and in Dual-Earner Families, (Couples aged 25-60)

	All Families	Dual-earner families
Wife More Educated (% Households)	24.9	28.2
Husband More Educated (% Households)	30.2	29.0
Equal Education, Both with BA (% Households)	8.1	9.9
Equal Education, less than BA (% Households)	36.8	32.9
Average Wife's age (SD)	40.9 (8.5)	40.3 (8.0)
Spouses' age difference (male-female) (SD)	2.3 (3.9)	2.2 (3.8)
Average Number of Children (SD)	1.2 (1.12)	1.2 (1.1)
Presence of Children<3 (% Households)	13.7	11.4
N	82157	52,273

Appendix Table A2

Means (SD) of Country Characteristics Included in the Analysis

Variable	Definition/Source	Mean Value (SD)
% Female in Labor Force	OECD, Employment outlook 2002	64.2 (15.3)
% Female 15-64 in Part Time Employment	OECD, Employment Outlook 2002	26.3 (14.4)
Weeks of Fully Paid Maternity Leave	OECD, Employment Outlook 2001; Kamerman 2000	18.2 (11.6)
% Children 0-3 in Publicly Subsidized Day Care Institutions	Gauthier, 1999, Mayers and Gornick 2000.	13.8 (13.2)
N		19

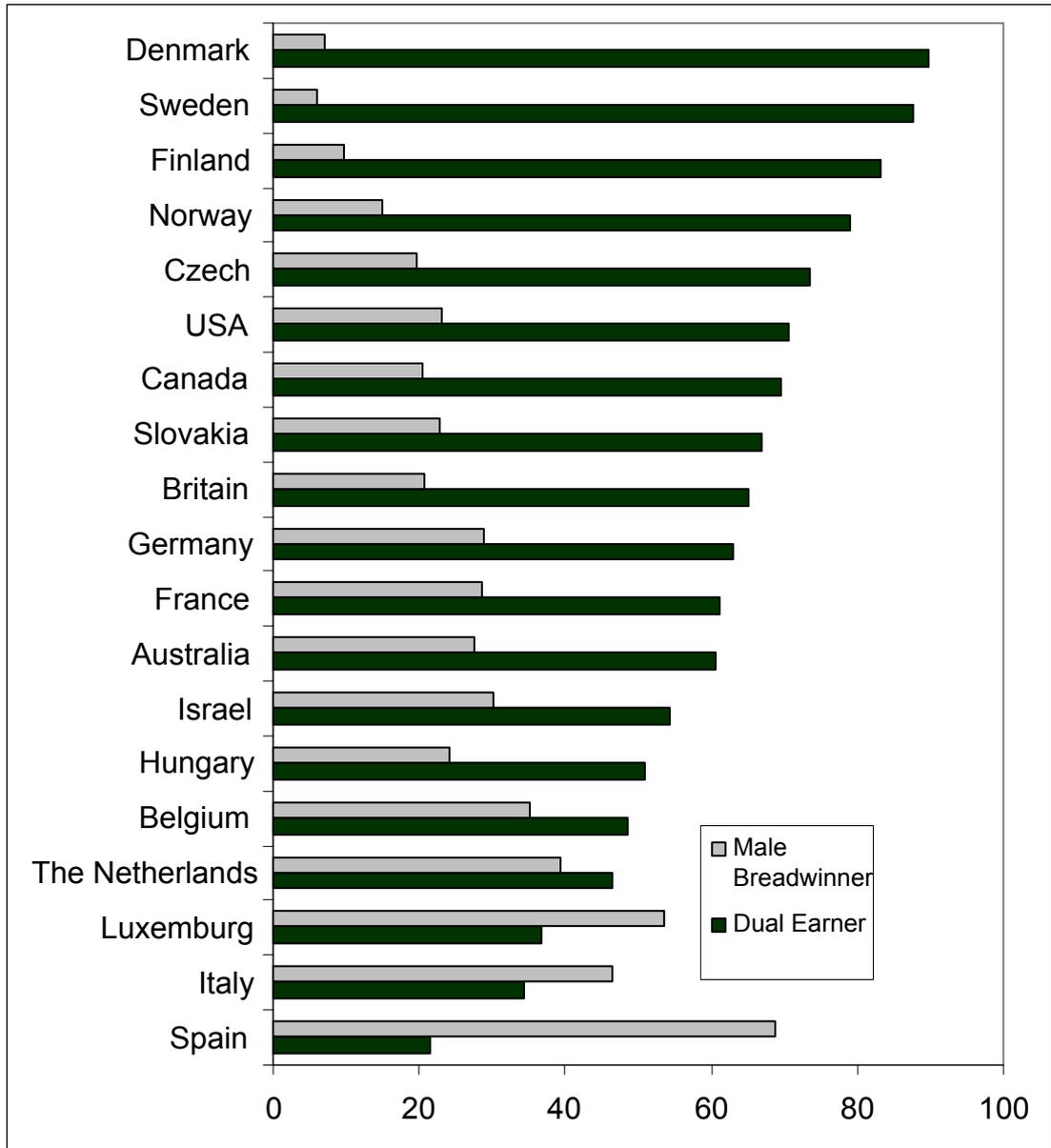


Figure 1. Distribution of Households by Breadwinner Type

Note: the figure does not present households with a female breadwinner and those in which none of the spouses works.

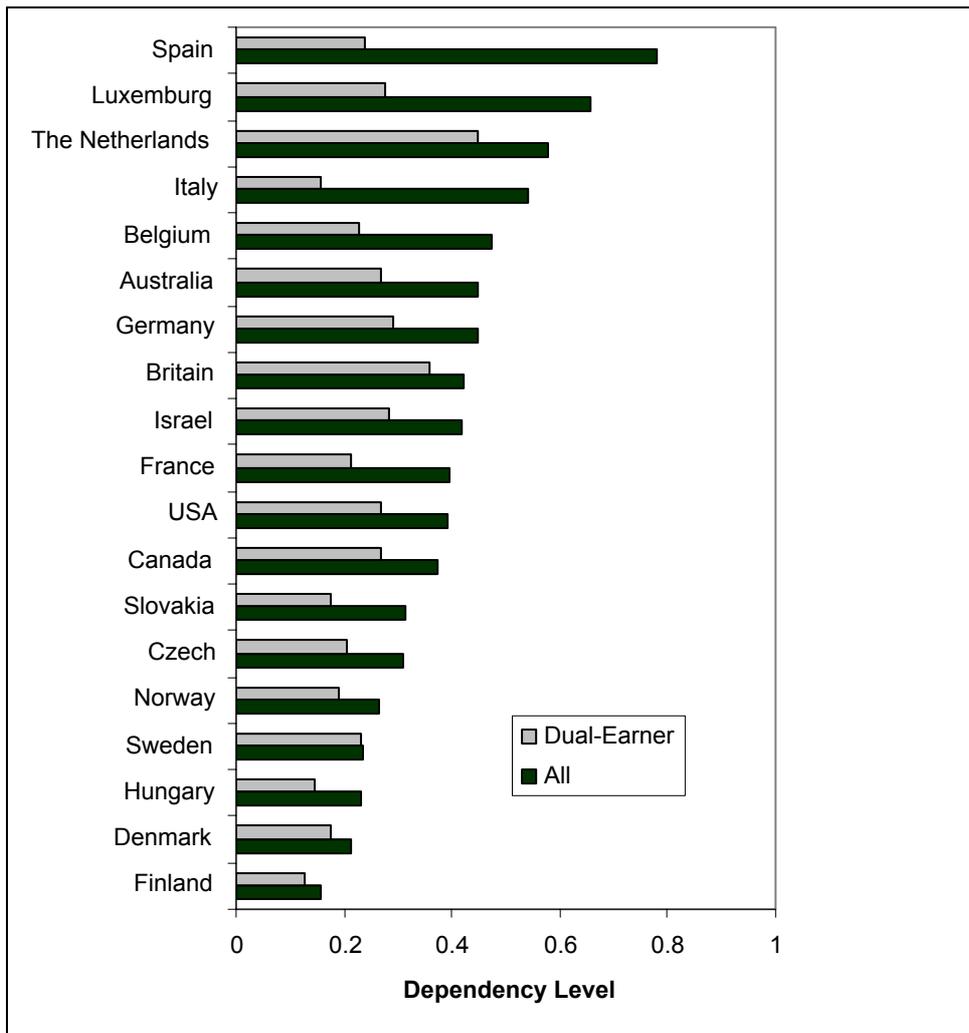


Figure 2. Wives' Earning Dependency by Family Type

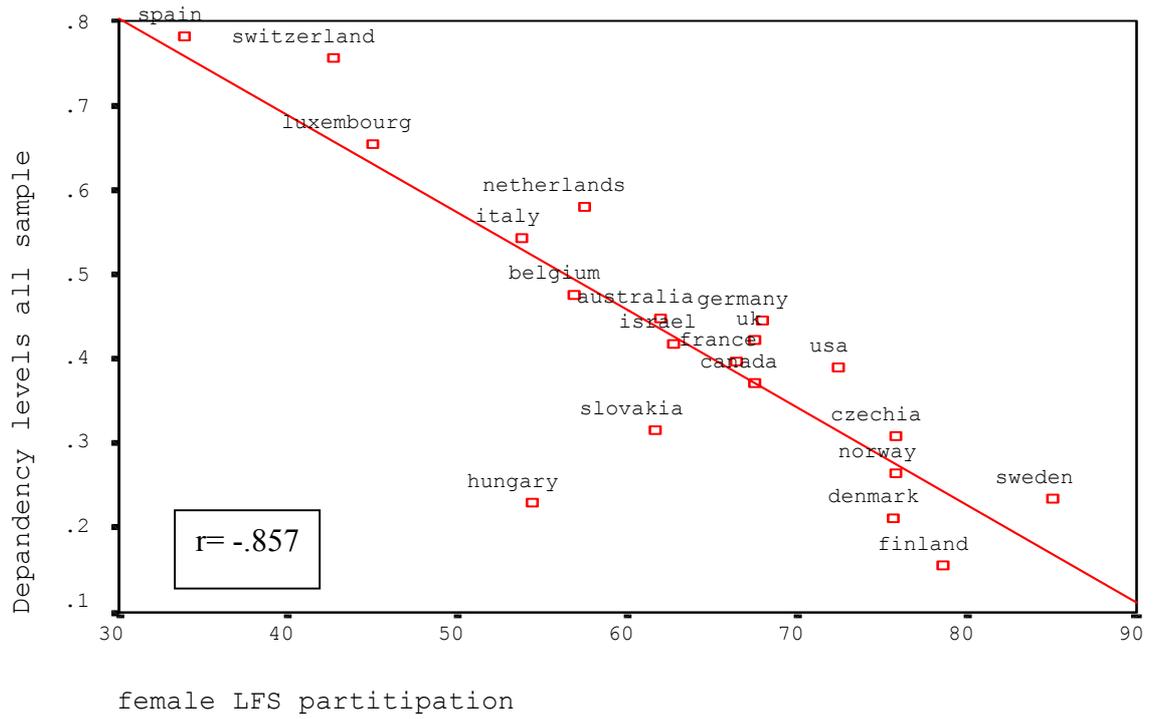


Figure 3. The Relationship between Female Labor Force Participation Rate and the Dependency Level

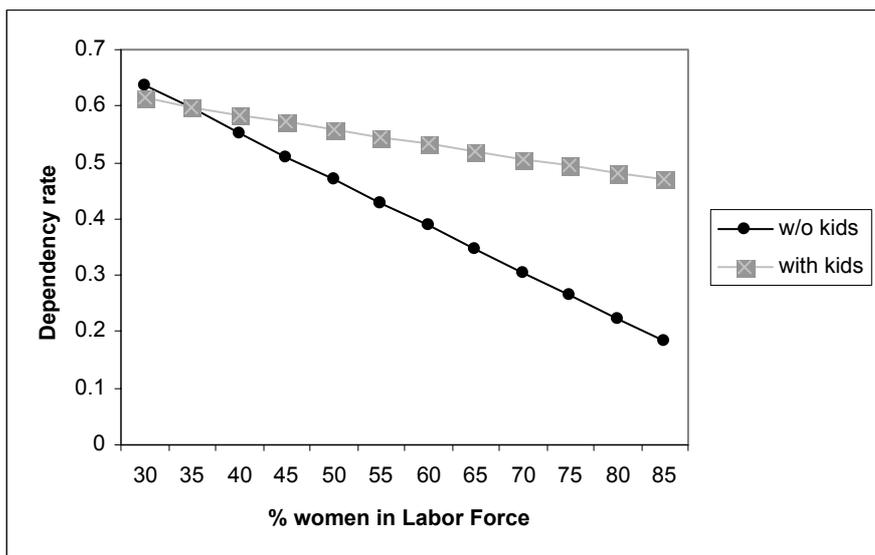
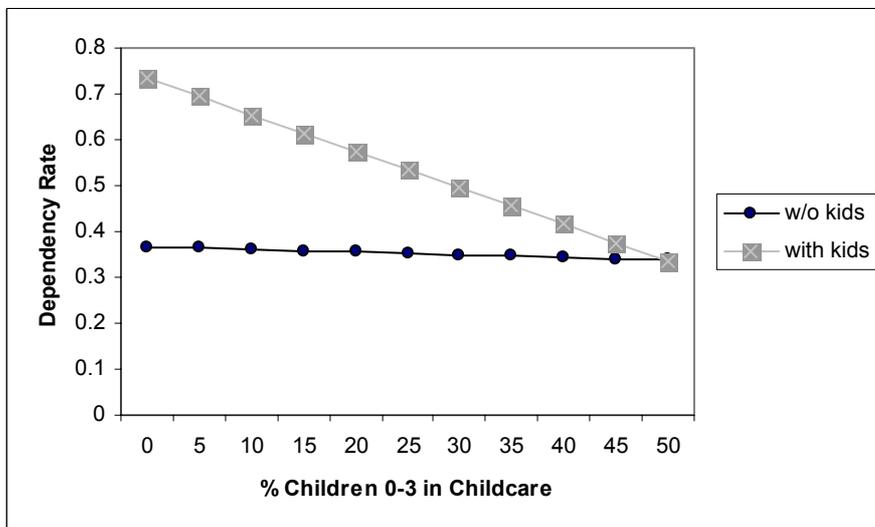
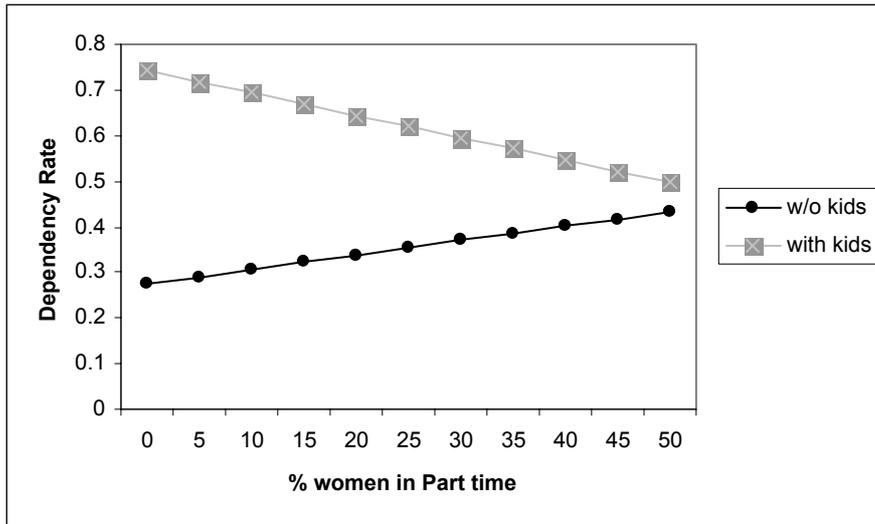


Figure 4. Predicted Dependency Level by the Presence of Young Children and Country Characteristics, All households

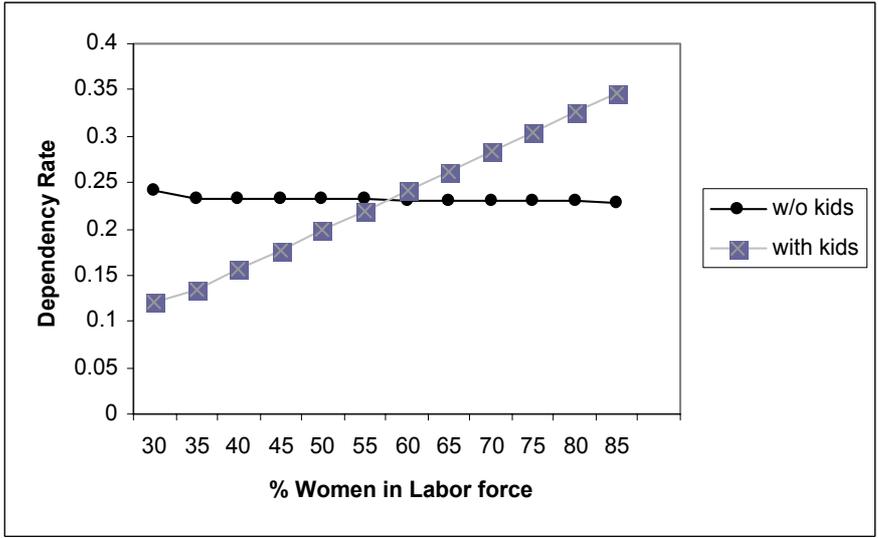
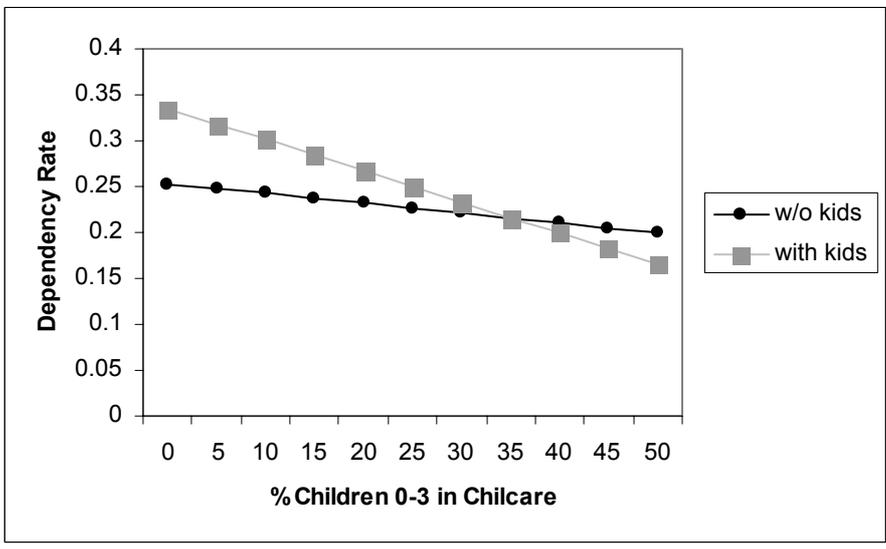
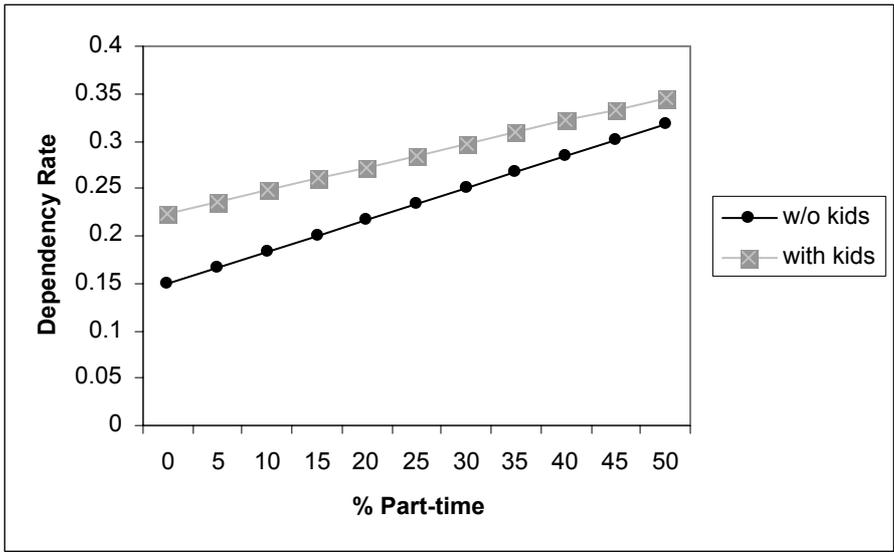


Figure 5. Predicted Dependency Level by the Presence of Young Children and Country Characteristics, Dual-earner Households