



CENTRAL  
EUROPEAN  
UNIVERSITY

THE UNIVERSITY *of York*

**THE IMPACT OF WELFARE REGIMES ON GENDER EQUALITY**

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Submitted to  
Department of Public Policy  
Central European University

In partial fulfillment for the degree of MASTER OF ARTS IN PUBLIC POLICY  
**Research thesis type**

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Budapest, Hungary  
@Summer 2013, Karolina Króliczek



## **In Dedication for**

**Dear Thilo Daniel Bodenstein** (Central European University, Hungary)

**Dear Steven Saxonberg** (Masaryk University, Czech Republic)

**Dear John Harbord** (Central European University, Hungary)

**Dear Lea Sgier** (Central European University, Department of Political Science)

**Dear Carole Spary** (Department of Political Science, University of York, UK)

**Political science area** that inspired me last five years

For **My Mother** who tells me that everything is for people

**For My Father** who fly happy in the sky

For my cat **Gizmo**

For **Izabela Jaruga Nowacka** (Minister of Social Policy) who died in the Smolensk's plane  
crash

For all thoughts that were in my head when I was writing that paper and inspired me or  
blocked me

Personally this thesis is dedicated also for me.

***“When states do little to help parents with the costs of childrearing - that is when provisions are distributed via labor and consumer markets - parents and children suffer, on average, as does gender equality” (Gornick&Meyers, 2004:18).***

The writing process of this paper was rewarding experience in my life. I spent around 2 months in loneliness and even more about thinking how to deal with incorporation of gendered public policies into welfare state regimes and from the other side how to deal with welfare state regimes incorporation into gender policy on a parallel line.

Many thanks to the Department of Politics at the University of York and the Department of Public Policy at the Central European University for led me where I wanted. I would like to say Thank You for Steven Saxonberg who firstly showed me Sweden four years ago. But firstly at all, I have say Thank You for Dear Thilo Daniel Bodenstern for a smile, blue eyes, no coffees and plentiful of intriguing questions!



The purpose of this research paper is to make a distinctive contribution to the further observation of welfare regimes and their influence on gender policy, especially in promotion of gender equal solutions by public policies in favour of female presence on the labour market and their ability to deal with work and family reconciliation.

Date: 31 August 2013

### **Author's Declaration**

I, the undersigned *Karolina Króliczek* hereby declare that I am the sole author of this thesis. To the best of my knowledge this thesis contains no material previously published by any other person except where does acknowledgement has been made. This thesis contains no material which has been accepted as part of the requirements of any other academic degree or non-degree program, in English or in any other language.

This is a true copy of the thesis, including final revisions.

*Karolina Króliczek*

# **THE IMPACT OF WELFARE REGIMES ON GENDER EQUALITY**

By Króliczek Karolina

## **Table of Contents**

**Abstract** ..... 10

### **CHAPTER 1. RESEARCH INTRODUCTION**

1.1 Research Mapping ..... 11

1.2 Limitations of Esping-Andersen’s typology of welfare regimes for gender policy analysis  
..... 12

1.3 Literature Review ..... 13

1.4 Data and Methodology ..... 15

### **CHAPTER 2. THE IMPACT OF GENDERED POLICIES ACROSS DIFFERENT WELFARE REGIMES**

2.1 Welfare Regimes and Gender Equal Economic Opportunities ..... 17

2.2 Welfare Regimes and Reconciliation of Work and Family ..... 26

### **CHAPTER 3. CASE STUDIES. SWEDEN, GERMANY AND THE UNITED STATES**

3.1 **The Social-Democratic Welfare Regime:** Sweden ..... 36

3.2 **The Bismarckian Corporatist Statist Welfare Regime:** Germany ..... 40

3.3 **The Liberal Welfare Regime:** The United States (USA) ..... 44

### **CHAPTER 4. HIERARCHICAL CLUSTER ANALYSIS AND GENDER EQUAL OUTCOMES WITHIN WELFARE REGIMES**

4.1 The Utility of Hierarchical Cluster Analysis (HCA) in Welfare Regimes Research ... 49

4.2 HCA Final Result according to Gender Equal Outcomes inside Welfare Cluster ..... 50

### **CHAPTER 5. CONCLUSIONS AND FURTHER RECOMMENDATIONS** ..... 53

### **REFERENCES**

## List of Figures&Tables

### Figures

<b>Figure 1.</b> GGG Economic Participation and Opportunities Subindex (WEF, 2012) vs. Female Participation on Labour Forces (ILO, 2012) .....	18
<b>Figure 2.</b> GGG Economic Indicator: Estimated Earned Income F/M Ratio vs. Female Labour Participation (% , ILO 2012) .....	19
<b>Figure 3.</b> GGG Economic Indicator: Wage Equality F/M ratio vs. Female Participation Rates on the Labour Market (%; ILO 2011) .....	20
<b>Figure 4a.</b> Female Trade Union Density (ICTWSS, 2011) vs. Female Labour Force Participation (ILO, 2011). Correlation trend with outliers presence .....	21
<b>Figure 4b.</b> Female Trade Union Density Female (ICTWSS, 2011) vs. Female Labour Force Participation Rates (ILO, 2011). Correlation trend after outliers removing .....	22
<b>Figure 5.</b> Women Earnings 67 of APW Second Earner/Single Individual Ratio (OECD, 2003) vs. Female Labour Market Participation (%; ILO, 2012) .....	25
<b>Figure 6a.</b> Total spending on childcare as % of GDP (OECD, 2009) vs. Maternal Employment under age of 3 (OECD, 2009). Correlation trend with outliers presence ...	26
<b>Figure 6b.</b> Total spending on childcare as % of GDP (OECD, 2009) vs. Maternal Employment under age of 3 (OECD, 2009). Correlation trend after outliers removing ...	27
<b>Figure 7a.</b> Access to the childcare under age of 3 (%; OECD, 2009) vs. Maternal Employment under age of 3(%). Correlation trend before outliers removing .....	28
<b>Figure 7b.</b> Access to the childcare under age of 3 (%; OECD, 2009) vs. Maternal Employment under age of 3(%). Correlation trend after outliers removing .....	28
<b>Figure 8.</b> The average hours of childcare attendance per week (OECD, 2009) vs. Female Full Time Employment Rates (OECD, 2011) .....	30
<b>Figure 9a.</b> Net costs of childcare (% of average wage) (OECD, 2011) vs. Maternal Employment under age of 3 (%OECD, 2009). Correlation trend before outliers removing ..	31
<b>Figure 9b.</b> Net costs of childcare (% of average wage) (OECD, 2011) vs. Maternal Employment under age of 3 (%OECD, 2009). Correlation trend after outliers removing ..	32
<b>Figure 10.</b> Total and FTE paid parental leave, in weeks (Ray&Gornick&Schmitt, 2010)...	33
<b>Figure 11.</b> Parental leave duration in weeks (Gornick, 2010) vs. Maternal Employment Rates (% , OECD 2009) .....	34
<b>Figure 12.</b> HCA Final Result according to Gender Equal Outcomes inside Welfare Clusters. Economic Opportunities and Policies of Reconciliation.....	51

## **Tables**

<b>Table 1.</b> Employment characteristics for welfare clusters (OECD Employment Outlook 2011) .....	23
<b>Table 2.</b> Parental leave policy: Maternal employment rates (%) and the length of parental leave policy classified within welfare regime clusters .....	33
<b>Table 3.</b> HCA dataset of gendered outcomes within welfare regimes .....	50
<b>Table 4.</b> HCA Proximity matrix for welfare regimes .....	51



## Abstract

This paper assesses the impact of welfare state regimes on creation of gender equality which is understood as equal economic opportunities and greater reconciliation<sup>1</sup> of work and family between sexes. It identifies which welfare regime supports women the most in both dimensions. It uses the Esping-Andersen's typology of welfare regimes (1990) to segregate welfare regimes according to promotion of gender equal economic opportunities and their ability to reconciliation of work and family life.

The paper investigates the outcomes of different indicators that affect presence of gender equality across welfare clusters (15 OECD countries), furthermore three case studies of welfare regime characteristics and their linkage to presence of gender equal policies is investigated. These cases are: Sweden (socialdemocratic regime), Germany (corporatist-statist regime) and the United States (liberal welfare regime).

At the final stage, clusters are examined under the Hierarchical Cluster Analysis (HCA) to confirm dissimilarities of welfare characteristics towards creation of gender-equal economic and reconciliation of work and family. As the result of this research paper, further strengthened by HCA statistical investigation, the socialdemocratic cluster emerged as the most equal in creation of gender equal opportunities in both dimension. The liberal cluster lags in underdeveloped policies of work and family reconciliation, while corporatist-statist suffers from inability to create equal economic opportunities, further negatively strengthened by minimal state welfare provision towards reconciliation of work and family responsibilities.

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<sup>1</sup> Reconciliation implies "to ensure that family responsibilities of all concerned may be reconciled with their job aspirations." Moss (1996:23).

## **CHAPTER 1. RESEARCH INTRODUCTION**

### **1.1 Research Mapping**

This paper investigates the significant link between gender equal economic opportunities on the labour market and ability of particular welfare regime characteristics to create equal economic opportunities and work and family reconciliation. It determines whether female presence on the labour market depends on particular welfare regime characteristics and to what extent different welfare regimes favour female workers (equal economic opportunities) and influence on equal division of paid and unpaid work between sexes through presence of set of public policies associated with them. It tries to answer whether the characteristics of particular welfare regime and their family and labour policies translate into specific outcomes which as promote gender equality on the labour market and work and family reconciliation. It recognizes the construction of different welfare regimes as the construction of different levels of gender equality outcomes (in both dimensions)

Chapter 1 provides review of the recent welfare regime's research which deals with implementation of gender policies into particular welfare regime types. Chapter 2 estimates the relationship between welfare regime and women's presence on the labour market under sets of correlated indicators observed in accordance to follow Esping - Andersen's typology (1990). Accordingly, 15 OECD countries are classified as liberal welfare regimes (Australia, Japan, Canada, Switzerland, the United States), corporatist-statist regimes (Austria, Belgium, France, Germany and Italy) and social democratic welfare regimes (Denmark, Finland, Netherlands, Norway and Sweden).

Chapter 2 associates the presence of gender equal outcomes on the labour market established by equal economic opportunities (Chapter 2.1) and investigates the presence or absence of reconciliation policies within different regime clusters (Chapter 2.2).

Chapter 3 provides the distinctive analysis of cross-country cases is to investigate the phenomena of welfare regime influence on the female presence on the labour market and their ability to work and family reconciliation. These case countries are: Sweden (social democratic welfare regime). Germany (corporatist-statist welfare regime) and the United States (liberal welfare regime).

Chapter 4. uses the method of hierarchical cluster analysis (HCA) to confirm the paper's findings. On the basis of set of indicators (used in Chapter 2) it creates two dimensions of gender equal outcomes: Dimension of Labour Market and Dimension of Work and Family Reconciliation. Gender equal outcomes of both dimensions are coupled together and examined towards creation of gender equal policies. The results are presented on the dendrogram tree and examined under their similarity or/and dissimilarity in respect to Esping-Andersen's (1990) typology of welfare regimes.

## **1.2 Limitations of Esping-Andersen's typology of welfare regimes for gender policy analysis**

Several limitations to this pilot typology need to be acknowledged. The typology of welfare regimes based on decommodification index has no direct relevance for gender policy investigation; in contrast what has the relevance is the extracting of gender equal outcomes that empower women under particular welfare regime presence and no under presence of another one. Decommodification index investigates the male workers eligibility of conditions for pensions, sickness benefits and unemployment benefits (1990). The key typology's weakness is the oversight of the state-market-family-gender relations.

While it original typology measures the male workers market dependency within different welfare regimes through decommodification index, this paper in contrast measures gender equal outcomes through presence or absence of state's family and labour market policies in a particular welfare cluster type. However, for the intellectual flow of this paper in one aspect the logic of Esping Andersen's thinking is followed. That Danish political scientist assumed that decommodification is the lowest in corporatist-statist countries and peaks in the social democratic welfare regime with the liberal cluster classified somewhere in the middle of the observation. The similar logic follows here, where welfare regimes are screened as potential producers of equal economic opportunities and in some cases are fasteners to work and family reconciliation of under particular welfare provision characteristics.

In a great attention, that paper extends the "lost family dimension" which was largely ignored within original framework (1990) mostly focused on labour, states and markets, with absence of family dimension, gender sphere of analysis and women portrayed as workers and mothers (Orloff, 1993). It asks why women's presence on the labour market and their ability to balance work and family responsibilities follows different trajectories (more or less equal) as the outcomes of welfare regimes. However, the paper does not define and does not

generalize the welfare regime outcomes into the clearly one predictable to occur under in a given country under presence of set of welfare characteristics. It does not prescribe the ideal model for cluster gendering towards the most equal outcomes, although it outlines the particular welfare regimes characteristics which make the particular cluster closer to maintain the goal of gender equality.

### 1.3 Literature Review

One of the first researches about welfare regime and its outcomes on gender equality on the labour market and reconciliation of family and work responsibilities was written by Titmuss's (1963). Titmuss in his essay about welfare state and the division of the social welfare provisions was more focused on the relation between welfare policies and capitalism than women as a part of the labour market analysis (Lewis, 1997). Later, Myrdal's research (1941) might be recognized as the pioneer of the work and family reconciliation. He examined that working-class women do not want to have a children that further decreases fertility rates, while easily accessible childcare is recommended solution to deal with that policy problem.

Contemporary, one of the first frameworks in a comparative welfare research under gendered lenses has been developed by Orloff (1993), who incorporated the family notion into welfare state research and proposed two solutions for equal division of labour as increasing of men's engagement into unpaid work or/and greater allocation of childcare services by state (1993). According to her analysis (1993) state is recognized as women-friendly when provides the ability to share the market sphere with a private sphere of domestic responsibilities.

Not without reason, most of the current welfare regime and gender-family research pays attention to welfare regime ability to reconciliation of paid work with family and caregiving responsibilities (e.g. Hobson, 1990, Korpi, 2000). These papers investigate the share of *woman-man* unpaid work (care responsibilities) and the impact of different public policies (as for ex. childcare provision) for shifting of this *paid-unpaid border line* on more gender equal position, ex. through shifting man towards the *carer model*.

Jane Lewis (1992) organized welfare state regimes into four categories of gender and welfare state relations under breadwinning model assumptions, namely as *strong breadwinner*, *moderate breadwinner* and *weak breadwinner model* and she linked them to a presence of particular welfare regime type. Welfare regimes and their influence on the women

on the labour market under presence or absence of particular economic behaviours, social policies and family policies has been conceptualized under typology created by Chamberlyne (1993) and later developed by Kjeldstad (2001). In this typology, the role of welfare regimes has been estimated within four significant models of relation between state-market-family and gender relations. Kjeldstad (2001) proposed four models for researching gender aspect within welfare regime as: *gender reinforcement model* (conservative regime), *gender neutral model* (liberal welfare regime), *gender recognition model* (typical for social-democratic regimes) and observed as extreme policies that permanently change the traditional division of sex roles. Impressive example of *gender reconstruction model* is Denmark's full-paid parental leave<sup>2</sup> or non-transferred "daddy quota policy" in Norway.

The governmental spendings are often investigated as the way to create gender equality. Researchers (e.g. Korpi, 1998) focus on women's employment, state's social spendings (the higher spending, the better women's employment) and its redistribution (the more universalist, the better for gender equal outcomes). However, in respect of that research line, it is mistake to associate the real ability to create gender equal outcomes only by looking how much the welfare cluster spends on the social expenditures. In fact, often policy of state's redistribution (mean-tested or universalist) matters more. That welfare generosity (ex. % of GDP spendings) is not a good predictor of the regime's friendliness towards women and that "paradox of redistribution" is in a similar way to Korpi's paper (1998) which confirms that the more state targets the benefits to the "gender-inequal" social groups via public transfers, the less gender-equal outcomes is redistributed.

The significance of latest Sainsbury's research (1999) cannot be omitted in the literature review. Sainsbury (1999) delivers the conclusion that particular policies of welfare regimes cluster themselves around three distinctive welfare regimes lines, similarly as Esping-Andersen observed (1990). Sainsbury's work fruitfully tries to deal with welfare regimes and their impact on gender outcomes. On the basis of welfare regime type presence, she specifies three types of gender policy regimes: *male-breadwinner regime*, *separate gender role regime* and *individual earner - carer regime*. Sainsbury's defines welfare regimes in her own words "on the basis of ideologies that describe actual or preferred relations between women and men, principles of entitlement and policy constructions" (1999:77).

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<sup>2</sup> Parental leave is characterised as "employment-protected leave of absence for employed parents that is often supplementary to maternity and paternity leave periods and usually follows the period of maternity leave. Entitlement to the parental leave is individual, while entitlement to public income support is often family-based, so that only one parent claims such support at any one time (OECD, 2012:6)

## 1.4 Data and Methodology

That part presents the sources of data that are used in this paper as the set of trustworthy data to estimate the observational indicators. The OECD Databases (Family Database and Labour Market Database) are widely used in this paper (Chapter 2.) Chapter 2 also investigates the gender equal economic opportunities on the basis of Global Gender Gap Index 2012 (World Economic Forum, Geneva).

The International Labour Organization (ILO) is also utilized as trustworthy source of female labour market forces participation rates. Chapter three focuses on policies of family and work reconciliation and uses of OECD Childcare and OECD Employment Outlook Databases to estimate the provision of childcare services within different welfare regime clusters and their conditions of eligibility and the mother's access to them.

To draw the impact of particular policies within the welfare clusters, linear correlations are conducted under IBM statistical software, known as Statistical Package for the Social Sciences (SPSS). Additionally, intercluster outliers are pointed out if exist as the result of linear correlation. In the Chapter 4, hierarchical clustering analysis (HCA) is conducted on the basis of set of indicators used in Chapter 2 and Chapter 3. On the basis of them, hierarchical cluster-analysis couples outcomes of gender equal economic opportunities and policies of family and work reconciliation under HCA dendrogram tree. That provides the final verdict which welfare regime is the most efficient in promotion of women's presence on the labour market as well as in provision of policies for reconciliation of work and family structures.

## **CHAPTER 2. THE IMPACT OF GENDERED POLICIES ACROSS DIFFERENT WELFARE REGIMES**

According to O'Connor (1996) welfare state regime refers to clusters of distinct welfare states described as having different state, market and family arrangements which have deeper reflection in the requirements of the social programmes, conditions of eligibility (mean-tested or universalist) quality of services and benefits provision. Sumer (2009) defines gender equality on the labour market as the “social condition in which women and men are not constrained by expectations and structures assuming a certain biological trait.”(2009:1).

Sainsbury (1999) characterizes the gender regime as a set of common rules and norms that creates expectations about the incorporations of the gender into states and as allocation of different responsibilities between sexes. According to her, presence of particular policy regimes is can be understood as preferred relations between sexes, principles of their state's entitlements and policy constructions (Sainsbury, 1999). That set of social assistance and programs, mean-tested or universalist entitlements and policies characteristics covered under “welfare state” term are reflected in gender relations and produce different regime outcomes in policy areas as labour market and work and family reconciliation depend on the welfare characteristics (Orloff, 1996).

The impact of the welfare regime on women's economic opportunities on the labour market has been divided into the two prominent bodies of the research. The first recognizes the role of the state as the main implementer of the family services (e.g. Orloff, 2002, Wilensky, 2002, Gornick and Meyers, 2004). The second focuses on the role of the welfare provided by the state in the creation of employment opportunities (Esping - Andersen 1990, Kolberg, 1991). This relationship between the provision of the extended family policies and the women's labour market presence has been shown to be significantly positive (e.g. Esping Andersen 1990, Korpi 2000, Orloff 2002).

There is considerable attention given towards the differences within the particular regimes, although the problem of the “gender equality” on the labour market remains to have deeper roots. Mandel&Semyonov (2006:5) investigated that implications of the welfare regime on the women economic opportunities might be more important than enhancing the state's family policies and childcare access. The state might facilitate and increase the GDP spending on family policies (e.g. prolong the paid maternity leave) but it does not directly

guarantee that the female will finish with a favourable market position.<sup>3</sup> Gender relations have to be linked to state-market-family relations which are undermined by welfare regimes with input hidden under particular social policies (Shaver, 1990). However, different welfare regimes place different social policy arrangements, which reduce or increase the female presence on the labor market and balance or block their ability to equal division of work and family responsibilities between sexes. For example, Sweden achieves full defamilization of the women's unpaid work (care responsibilities) due to high level of childcare access which further benefit in high women's full-time employment rates estimated at 81.6% (OECD Employment Outlook 2011). Indeed, state's ability to engage into caring tasks is recognizable as beneficial for female presence on the labour market and creates healthy balance between work and family obligations.

## 2.1 Welfare Regimes and Gender Equal Economic Opportunities

Welfare regimes have different consequences for gender equality on the labour market as the result of their dissimilarities within state-market-family arrangements. Orloff points out that "emphasis on state provision of services in social-democratic regimes supports mother's employment and reconciliation between employment and care." (2001:82). The liberal state's discourages the provision of income and services what result in fact that women leave the market, that create higher vulnerability to poverty and mother's reliance on the childcare purchased on the private market-services to support employment (Orloff, 2001). In comparison, the corporatist statist regime "constrains women's employment, or forces a tradeoff between care/childbearing and employment" (Orloff, 2001:82).

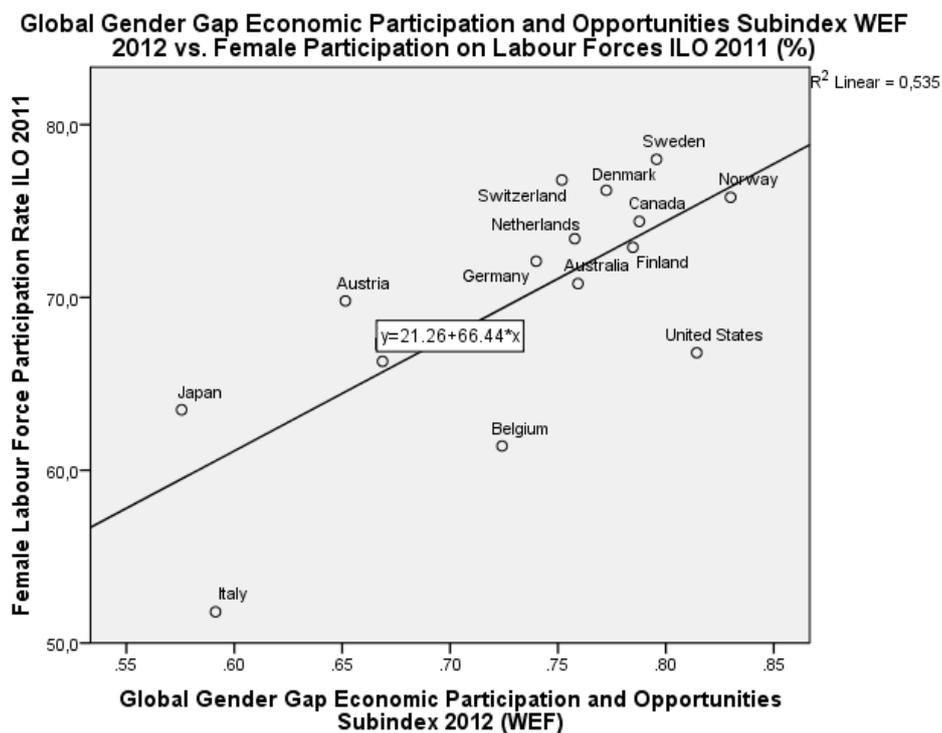
That differentiation of state-market-family expectations of "neoliberals who promote primacy of markets and ignore family, conservatives who favour family responsibilities and socialdemocrats with longstanding collective model and egalitarian solution both for family as the market in fear of the open market" (Esping-Andersen, 2001:14) does not deliver the equalized gender outcomes in welfare clusters.

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<sup>3</sup> Extending of the parental leave in fact might remove the female from the paid employment on the longer term, but what is more hurting female might be discouraged by employers due to the fact of being on the longer leave then (Mandel&Semyonov, 2006:6).

Figure 1. indicates that social democratic cluster (like Norway, Sweden, Denmark and Finland) report significantly better results towards creation of women's equal economic participation and equal opportunities on the labour market. The GGG Economic Participation and Opportunities Subindex shows positive correlation between creation of equal economic opportunities and female presence on the labour market (ILO, 2012) with R2 linear correlation results estimated at 0.54.

**Figure 1.**



\*Global Gender Gap Economic Participation and Opportunities Subindex 2012 Indicators Consistency: Labour force participation (F/M ratio), Wage equality for similar work, Estimated earned income (PPP US\$), Legislators, senior officials and managers, professional and technical workers.

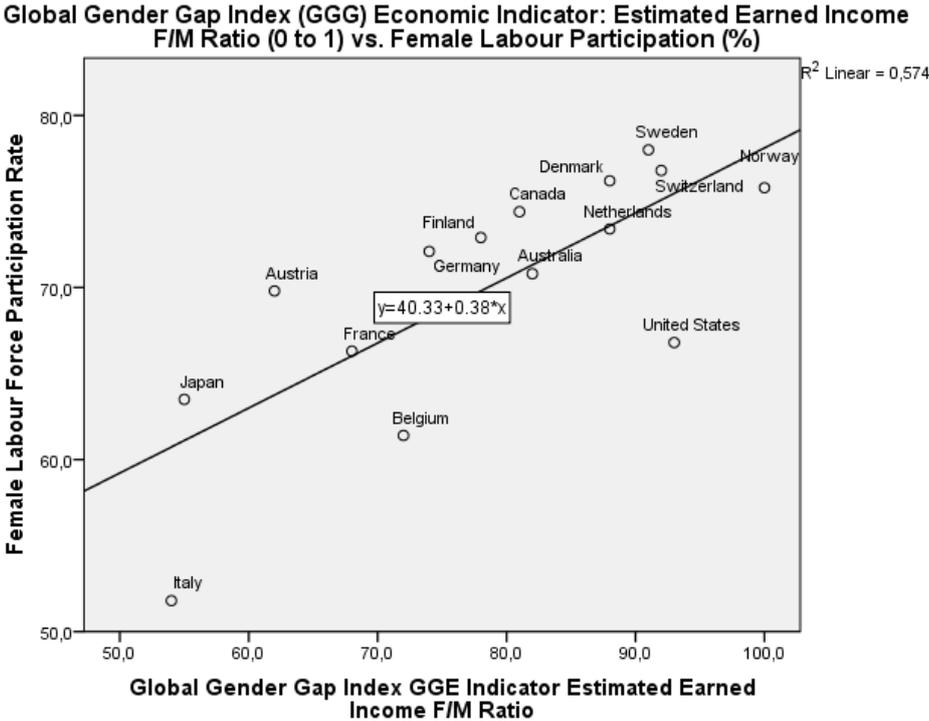
Liberal welfare regimes like the United States, Canada or Switzerland according to GGG Subindex (2012) are classified on the second place in creation of gender equal economic opportunities. The lowest correlation achieves corporatist-statist cluster with Italy, Belgium, Austria, France and Germany. It is on the top of the pyramid of gender equal economic opportunities which varies a lot, but the GGG subindex for that cluster does not overcome the score of 0.75 (on 0 -1 scale) while for example Germany has only 70% of women on the labour market. It can be hypothesized that countries follow the Esping Andersen's typology of welfare regimes and cluster in a similar way in creation of equal economic opportunities on the labour market.

Socialdemocratic Sweden has the highest women presence on the market (78%) in the 15-64 age cohort of observation (ILO 2012), while Norway scores the best within the GGG Subindex of Gender Equal Economic Opportunities (Figure 1).

Figure 2 below shows strong correlation between the estimated earned income and the % of female within the labour market forces (R2 linear: 0.57). Similarly as before, Norway leads the socialdemocratic cluster with a score of total equality (1.00) with 75.8% of women on the labour market. Sweden with gap income F/M ratio estimated at 0.91 has the highest % of women on the labour market, respectively 78.0 %. The liberal states like the United States have high level income equality between sexes while suffer from one of the lowest women’s presence on the labour market.

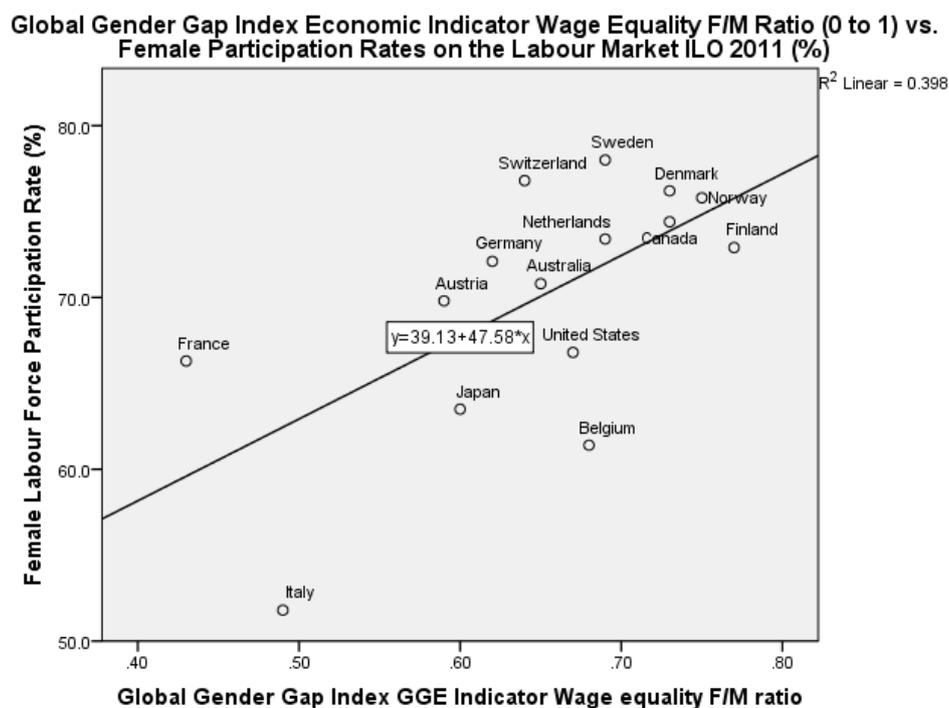
Japan examined to be closer to corporatist-statist cluster than to its liberal cluster due to higher (than for liberal) income inequality between sexes. The liberal cluster (excluding Japan) has women’s presence on the labour market which ranges from 66.8% for the USA to 76.8% for Switzerland. However, Switzerland achieves greater income equality (0.92) which makes its closer to social-democratic cluster than to the liberal one. The corporatist cluster (excluding Germany) achieves the lowest equality of earned incomes as well as the lowest women’s presence on the labour market. Germany classifies closer to liberal cluster, while Finland classifies closer to liberal cluster than to its social-democratic ones (Figure 2).

**Figure 2.**



The greater equality of wages between sexes is positively correlated with a high level of women's presence on the labour market (Figure 3). Gender wage gap is investigated as the difference between male and female earnings taken as the percentage of male earnings (OECD, 2011). The socialdemocratic cluster (excluding Netherlands) has the highest gender equality of wages. Especially in case of Sweden and Denmark that is furthermore occupied by high women's presence on the labour market, respectively 78% and 76.2% (ILO, 2012). Netherlands as an outlier, its gender equality of wages is closer to the liberal cluster than to the socialdemocratic ones; in contrast Canada's (liberal regime) results are closer to socialdemocratic cluster than to its own cluster (Figure 3).

**Figure 3.**

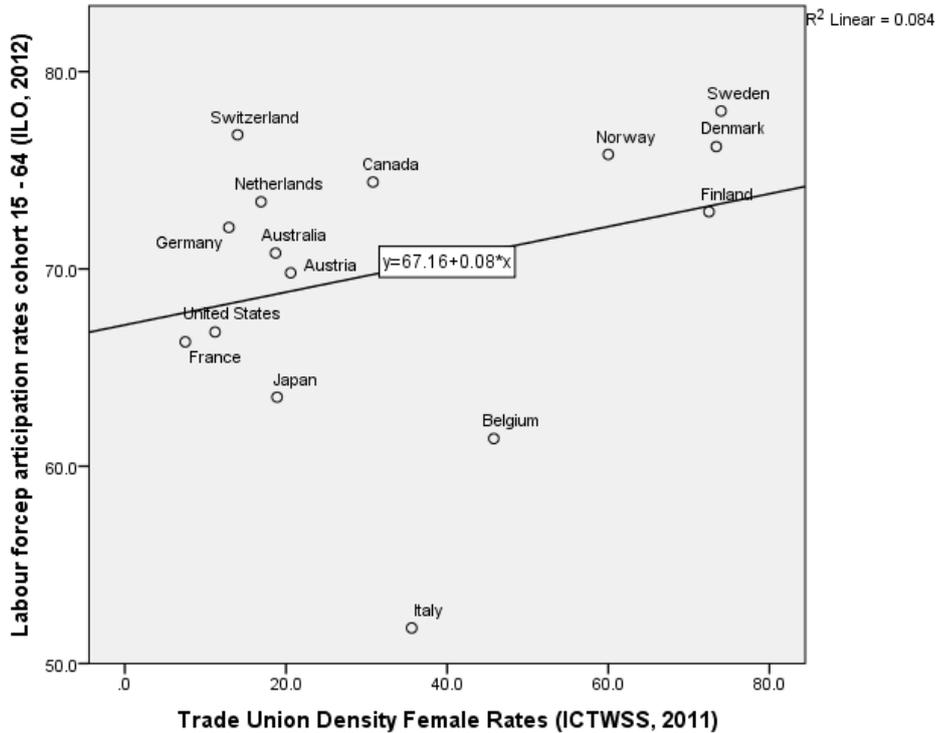


Belgium, Austria and Germany, differentiate from the conservative cluster and are positioned closer to liberal one than to their original cluster's cases like Italy and France. Those two countries are associated with the lowest gender equality of wages, respectively estimated at 0.43 and 0.49 within 0-1 scale (GGG, 2012). The correlation between estimated earner income (F/M ratio) and female presence on the labour market is highly positive with  $R^2$  squared level of 0.39, which confirms Mandel&Shavel (2009) recognition of substantial difference between female and male wage across different welfare regimes.

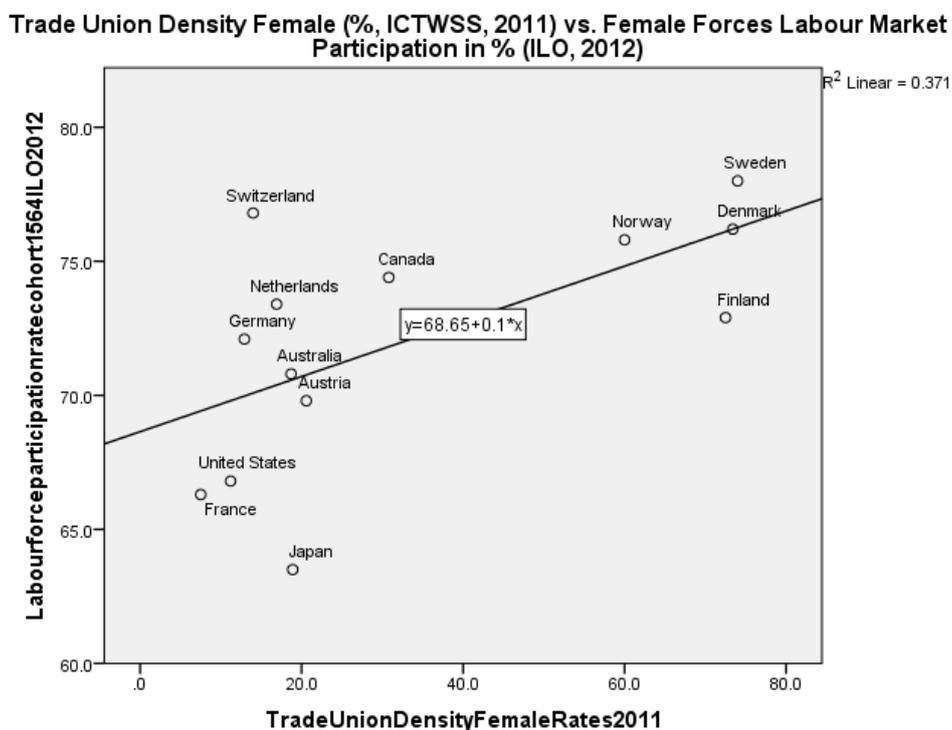
The examination of women’s participation on the labour market cannot be conducted within investigating of trade unions strength within different welfare regimes. Correlation between female trade union density (based on ICTWSS datas; 2011) and women’s presence on the labour market (after outliers removing) is significant and indicates R2 squared on 0.37. (Figure 4b.)

Four out of five socialdemocratic regimes like Sweden, Denmark, Finland and Norway achieves the highest density of female unionization which suggest the bargaining relationship between state and trade unions, that further results in equality of wages and equal incomes between sexes. This consensual relationship between trade unions and state is particularly unfamiliar for women in liberal and corporatist statist clusters, which scores far below Scandinavian cluster (excluding Netherlands) in female involvement into trade union activities.

**Figure 4a. Trade Union Density Female Rates (ICTWSS, 2011) vs. Female Labour Force Participation (ILO, 2012). The trend with outliers presence (R2=0.08)**



**Figure 4b. Trade Union Density Female Rates (ICTWSS, 2011) vs. Female Labour Force Participation (ILO, 2012). After outliers (Italy and Belgium) removing (R2=0.37)**



Netherlands is recognized as socialdemocratic cluster's outlier and is closer to the corporatist-liberal observation with female trade union density estimated at 16.9% (Figure 4b) which suggests that trade unions have minimal impact on shaping gender equal economic arrangements in Netherlands, in contrast to its socialdemocratic cluster countries like Sweden or Denmark. Surprisingly corporatist Belgium and Italy have higher level of female trade union density (respectively 45.8 % for Belgium and 35.6% for Italy) than liberal cluster. However, that relationship does not benefit in the high presence of women on the labour market. These two countries score with one of the lowest scores of female labour market participation estimated at 61.4% for Belgium and 35.6% for Italy, which suggest that high female density within trade union structures in case of Belgium and Italy cannot be directly associated with a direct factor of estimation for women's presence on the labour market.

The Esping-Andersen typology of welfare regime has the utility to further screen division of paid responsibilities between sexes. Table 1 below provides the division of full time and part time work arrangements between sexes within different welfare regime clusters in accordance to Esping-Andersen's classification of welfare regimes (1990).

The social democratic cluster have the highest female employment rates with the average rate estimated on 71.8, in comparison to the liberal regime (68.9%) and corporatist-statist regime with the lowest female employment rates estimated at 60% (Table 1).

**Table 1. Employment characteristics within welfare clusters (OECD Employment Outlook 2011)**

Welfare regime	Employment rates		% of PT jobs		% of FT jobs		Full-time equivalent		Gender gap	
	Women	Men	Women	Men	Women	Men	Women	Men	Employment rate gap	FTE employment rate gap
<b>Liberal</b>										
Australia	68,2	81.7	38,5	13,2	61,5	86,8	42,0	70,9	13,5	28,9
Japan	65,7	88.8	34,8	10,3	65,2	89,7	42,9	79,6	23,0	36,8
Canada	70,6	77.9	27,2	12,9	72,8	87,1	51,4	67,8	7,3	16,4
Switzerland	75,0	88.6	45,5	9,4	54,5	90,6	40,9	80,2	13,5	39,3
United States	64,9	75.2	17,1	8,4	82,9	91,6	53,8	68,9	10,3	15,1
<b>Total Average:</b>	<b>68.9</b>	<b>82.4</b>	<b>32.6</b>	<b>10.8</b>	<b>67.3</b>	<b>89.2</b>	<b>46.2</b>	<b>73.5</b>	<b>13.5</b>	<b>27.3</b>
<b>Corporatist</b>										
Austria	67,5	79.4	32,8	7,0	67,2	93,0	45,4	73,8	11,8	28,5
Belgium	57,0	67.9	32,4	7,0	67,6	93,0	38,5	63,1	10,9	24,6
France	60,1	68.7	22,1	5,9	77,9	94,1	46,8	64,7	8,7	17,9
Germany	68,7	79.1	38,0	8,5	62,0	91,5	42,6	72,4	10,4	29,8
Italy	47,0	68.9	31,3	6,6	68,7	93,4	32,3	64,4	22,0	32,2
<b>Total Average:</b>	<b>60.0</b>	<b>72.8</b>	<b>31.3</b>	<b>7.0</b>	<b>68.7</b>	<b>93.0</b>	<b>41.1</b>	<b>67.7</b>	<b>12.8</b>	<b>26.6</b>
<b>Social democratic</b>										
Denmark	71,5	78.1	25,2	13,8	74,8	86,2	53,5	67,3	6,6	13,8
Finland	68,4	72.5	16,0	9,6	84,0	90,4	57,5	65,6	4,1	8,1
Netherlands	70,7	81.6	60,5	17,1	39,5	82,9	27,9	67,6	10,9	39,7
Norway	75,2	79.9	30,0	11,0	70,0	89,0	52,7	71,1	4,7	18,5
Sweden	73,2	78.7	18,4	9,8	81,6	90,2	59,7	71,0	5,5	11,3
<b>Total Average:</b>	<b>71.8</b>	<b>78.2</b>	<b>30.0</b>	<b>12.3</b>	<b>70.0</b>	<b>87.7</b>	<b>50.3</b>	<b>68.5</b>	<b>6.4</b>	<b>18.3</b>

The most striking observation which emerges from that datasets comparison is the presence of the huge gap between F/M division of part time jobs which directly indicates how particular welfare regime is related to the female reconciliation of paid and unpaid work (care responsibilities). It is observed that the highest gap between % of female and male in part time jobs is associated with corporatist-statist regime, estimated at 24.3%, where only 7% of male attend part-time jobs, in comparison to 31.3% of female (Table 1.). That women's unfriendly results are the outcome of male breadwinner model strengthened by limited and expensive access to the childcare and long (ex. 52 weeks for Germany, 78 weeks for Austria; OECD, 2011) but relatively low paid parental leave policy<sup>4</sup>

<sup>4</sup> Parental leave policy can be shared on paid and unpaid time-period. German parent is obliged to 34.8 weeks of parental leave paid at 100% of last earnings (out of total 142 weeks), while Austrian parents are obliged to take up 100% of paid parental leave until 41 out of total 126 weeks (OECD Family Database 2012: 2)

Low father's engagement into childrearing effectively blocks German women from full time-paid jobs what pushes them to insecure market of part - time arrangements. According to OECD (Employment Outlook 2011) 38% of German women work under part-time labour market arrangements. That is the indirect results of low childcare access for children under age of 3 and later expensive net costs of childcare facilities which start from the age over three. In most of the conservative countries the extensive public childcare provision starts for children aged 3-5, what is recognized as too late to reinforce the mother into the labour market again.

However, France and Belgium are recognized as significant deviations from its conservative cluster with long - lasting attention to childcare and pronatalist policies. It has been reflected in French women's presence in the part-time jobs, which for France is estimated at 22.1%, the lowest score within the corporatist cluster, particularly due to extensive public childcare provision.

Once again, socialdemocratic cluster is the most supportive for female full-time work arrangements with only 30% of female working part-time. Finland with its female part-workers estimated at 16% of labour forces thus women's full-time employment estimated at 84% is recognizable as the winner of equal division of work arrangements between sexes (Table 1.).

In contrast, the liberal cluster does not fulfil the gender equal division in full-time jobs. In the Switzerland around 45.5% of female work part-time (OECD Employment Outlook 2011) and the childcare system is one of the most expensive in Europe with net cost of childcare estimated on 77.7%; % of average income earner's wage (OECD, 2011). That later creates short hours of childcare attendance, only 24 hours per week (OECD, 2011). Switzerland like Austria, which classifies as cluster laggard of childcare access under age of 3 (12%), does not classify far better and around 25% of Swiss children attend to childcare services with Swiss state spendings on childcare policies far below 0.2% of its GDP (OECD, 2009).

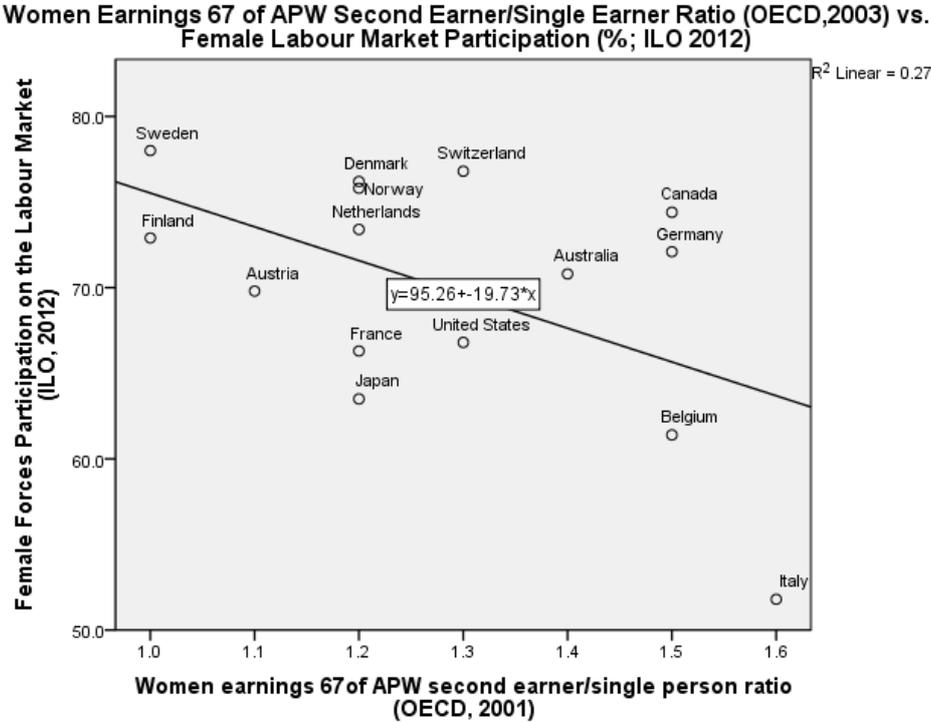
Furthermore, taxation system as the public policy which affects gender policies, thus gender equal outcomes, especially redistribution of women's incomes on the labour market is particularly omitted and rarely discussed in the academic debates associated with economic equality between sexes. The impacts of taxation system also differentiate within particular welfare regimes. The taxation policies which support female participation within the labour forces include the more neutral tax treatment of the second earners (also single individuals), and tax incentives to divide market work between spouses more equally (OECD, 2003:6).

While social democratic cluster encourages separate taxation system, the corporatist and liberal one are rather associated with joint taxation type which promotes male breadwinner and discourage the family’s movement towards dual-earner model, typically associated with Scandinavian separate taxation (Schwarz, 2012). According to Schwarz (2012) system of separate taxation which is used in social democratic cluster holds to influence female labour market presence through higher ability of women’s shift towards paid work, while in contrast joint taxation promotes male breadwinner model and shapes female dependency on the second-earner’s incomes.

Furthermore, liberal (earned-related model) and corporatist statist countries (carer-related model) have relatively higher vulnerability towards posttax and posttransfer poverty, also in case of lone mothers and it should be recognized as the indirect result of publicly approved male breadwinner model that leads to aggregation of incomes in men hands (Misra, 2007).

Figure 5. investigates that separate taxation thus low taxation burdens on individuals forces higher rates of female market participation, and also reduces negative influence of taxation on married women (Schwarz, 2013).

**Figure 5.**



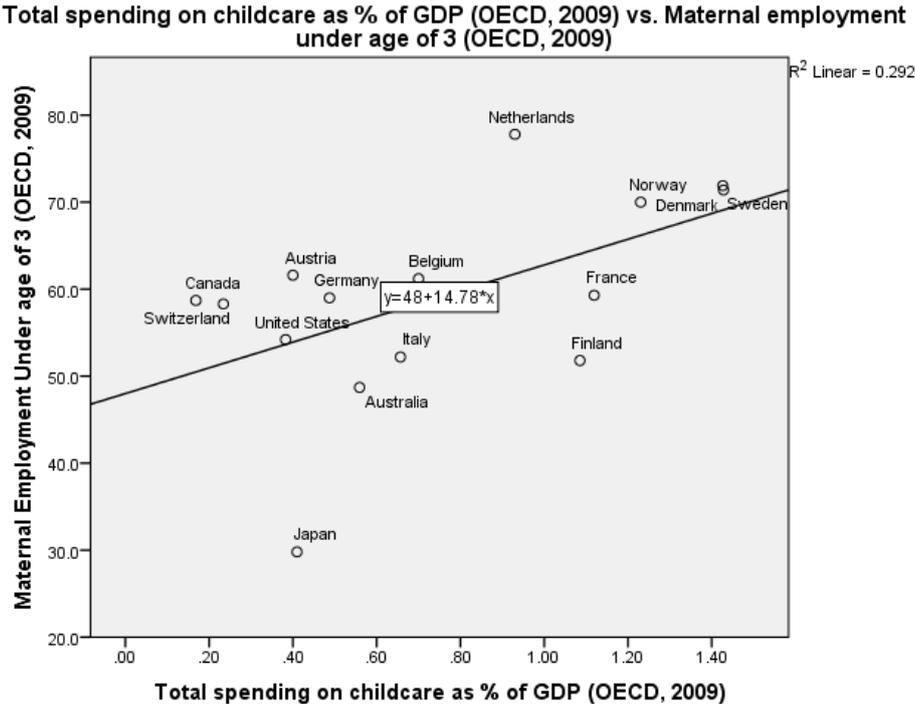
\*APW is referred to the average production worker earnings.

The low differentiation between F/M taxation might be the powerful tool for forcing single and married female on the labour market (ex. Sweden, Finland) while high differentiation score keeps women outside the labour forces (ex. corporatist Germany, Belgium, Italy). Definitely, high tax wedges between second earners and single individuals affects female market participation negatively, while the increase of disposable income as the result of the market share between spouses discovered to have strong positive effect on women's presence in part-time jobs (OECD, 2003:18). The separate taxation treatment proved to increase the return of married women on the market (OECD, 2003).

### 2.2 Welfare Regimes and Reconciliation of Work and Family

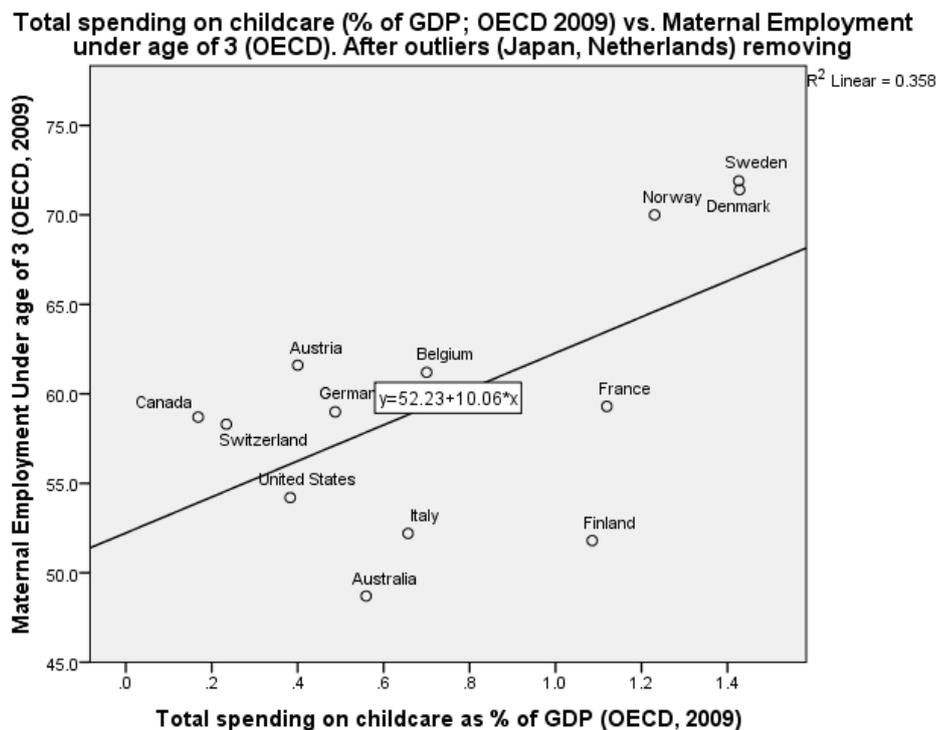
The section determines to what extent particular provisions of women's friendly public policies increase the female presence on the labour market within different welfare regime clusters. Many scholars (e.g. Gornick, 1997; Hofferth 1996) argued that there is a significant positive correlation between the availability of childcare access under age of 3 and women's full-time employment rates. The maternal employment discovered also to be higher when the net costs of childcare services for parents are low (Anderson&Lewine, 1999). After outliers removing R2 linear correlation between state's spendings on childcare policies and maternal employment under age of 3 has been estimated on 0.36 (Figure 6b)

**Figure 6a. Trend line before outliers (Japan, Netherlands) removing (R2 = 0.29)**



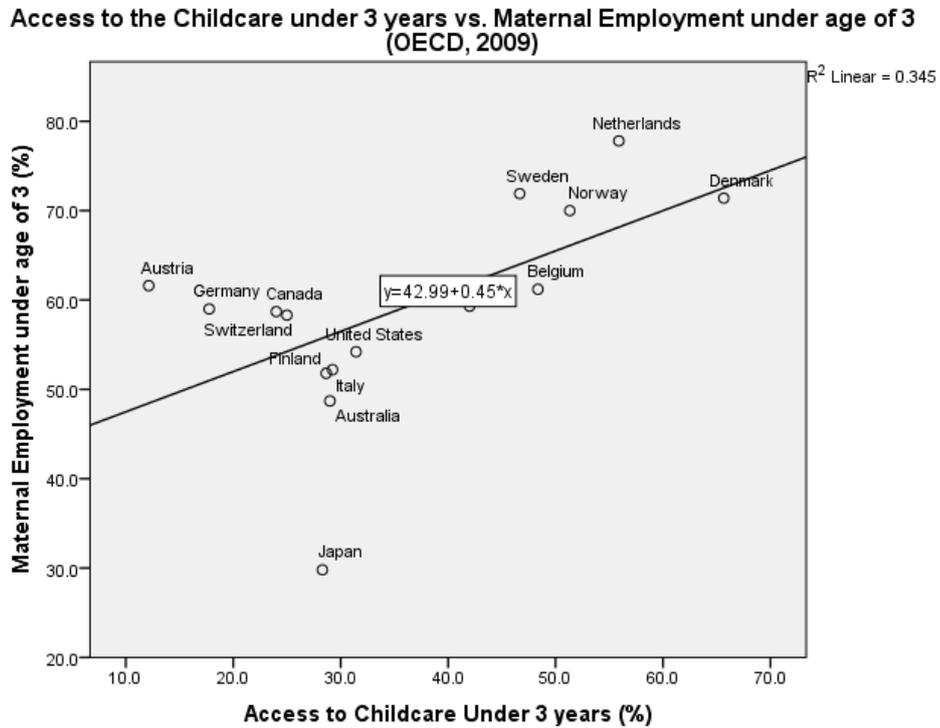
It discovers the positive influence of increase in state's social spendings on childcare and women's presence on the labour market (Figure 6b). Similarly, Schwarz (2012) also investigated that increase in governmental childcare expenditures by 1 percentage point of state's GDP results in increasing of female labour market participation up to 6% points on average. Socialdemocratic countries like Norway, Denmark and Sweden spend more than 1.2 % of its GDP on childcare policies what results in the highest women's labour market participation estimated on more than 75% (Figure 6b).

**Figure 6b.**

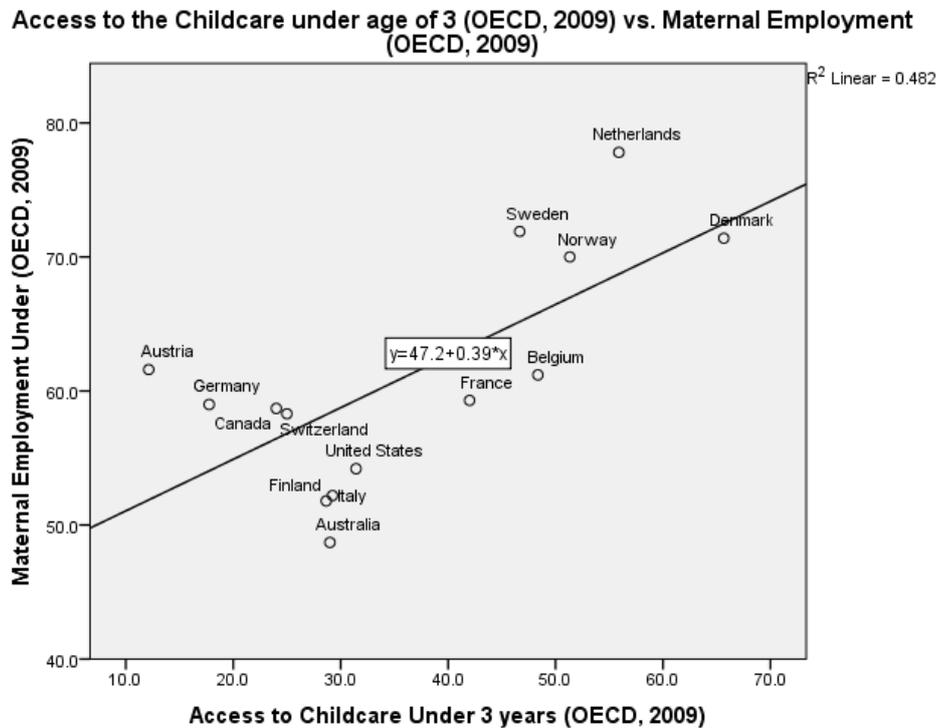


Additionally the cluster's differences within the access to the childcare and mother's employment rates have to be investigated. Figure 7b shows the strong correlation between the access to the childcare (0 -3) and maternal employment rates under the age of 3 (based on OECD, 2009). The R2 squared correlation after outlier removing (Japan) is estimated at 0.48 that identifies of strong pattern of childcare influence on increasing mother's employment rates. Furthermore, the highest maternal employment is achieved under the highest access to the childcare services within socialdemocratic cluster (Figure 7b).

**Figure 7a. Trend line before outliers (Japan) removing (R2 = 0.34)**



**Figure 7b. Trend line after outlier case (Japan) removing (R2 = 0.48 )**



The Netherlands together with other countries of socialdemocratic cluster (Denmark, Norway, Belgium and Sweden) achieve the highest maternal employment rates thus the most equal reconciliation of paid and unpaid work estimated on average 70% to 75% of working mothers with child under age of 3 (Figure 7b).

Finland is the socialdemocratic cluster's outlier and achieves the lowest maternal employment rate estimated at 51.8% and the lowest childcare access estimated at 28.7 % (OECD, 2009). It might be direct result of commonly accepted in the Finish society (unlike as in other Scandinavian countries) policy of cash for care benefits<sup>5</sup> (Ellingsaeter, 2012). The liberal welfare regime invests little more than corporatist one into access to the childcare, but that access is strictly targeted and delivered into low-income families (in comparison to corporatist basic insurance model). However, corporatist-statist cluster has lower rates of childcare access, but higher maternal employment rates due to presence of basic state-insurance entitlements and higher welfare generosity than liberal cluster.

While corporatist statist family is entitled to the basic benefits and social security role is underlined, in contrast to the liberal welfare regime where childrearing is seen in private terms and parents are left to choose the market-based solutions (Gornick&Meyers, 2004:2). The United States with one of the lowest childcare access score estimated on 30% reflects state childcare provision as limited almost to entirely low-income parents (Gornick&Meyers, 1996). In most liberal welfare regime countries the large share of the disposable incomes is provided to substitute the childcare, while in fact the quality of care is relatively low and does not support the work and family reconciliation (Gornick&Meyers, 2004:19).

Additionally, corporatist Belgium is significant outlier within its own cluster with 61.2% of working mothers (OECD, 2009) and relatively high level of childcare access inside its cluster estimated at 48.4%, what makes Belgium closer to outcomes achieved by socialdemocratic cluster than corporatist one. Social-democratic countries (excluding Finland) have high childcare access under age of 3 (from 46.7 for Sweden to 65.7% for Denmark) and high presence of working mothers on the labour market (above 70%). Social democratic cluster of extensive childcare provision re-engages women into paid work quickly after childbirth and together with support of highly paid parental leave period (and high fathers take up rates) and dual-earner model in household positively affect women's presence on the

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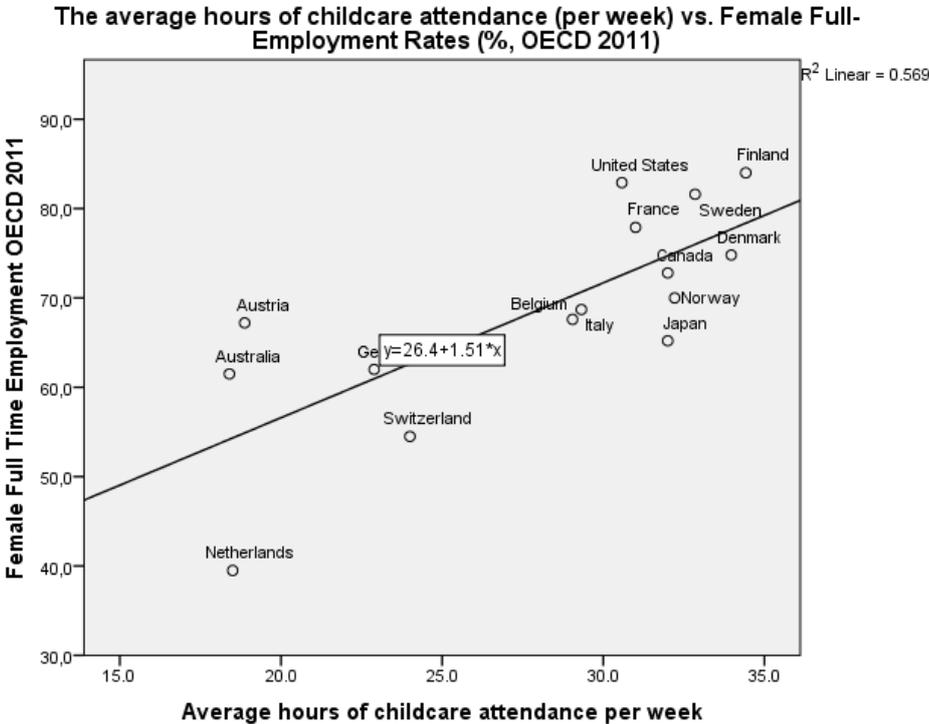
<sup>5</sup> Cash for childcare is recognized as state benefit for children under age of 3 whose parents decided to not use state-subsidized childcare services or decide to but a private care. In Finland the child home care allowance gains much more acceptance than in other Nordic countries like Norway and Sweden (FES, 2012). Finland estimates the lowest childcare access under age of three on the level of 28.7% (OECD, 2009). In 2011 the amount of the Finish cash for childcare benefit was estimated on 327 EUR monthly (FES, 2012).

labour market. In comparison, corporatist-statist Italy classifies below 30% in access to childcare services and only 50% of mothers are in work (Figure 7b).

Mandel (2009:710) pointed out, that Italy with its Catholic Church’s priority to establish social norms, traditional division of labour, and nuclear family together with absence of state’s employment supportive policies is considered as conservative cluster’s laggard for creation of equal employment opportunities for women, particularly mothers.

The full time daily access to childcare reduces the % of female working as part-time mothers (Figure 8) what suggest the positive childcare influence on the creation of more gender balanced outcomes on the reconciliation of family and work life (ex. Denmark, Sweden, Norway). The corporatist cluster with Germany and Austria achieves the lowest access to childcare results in the highest female participation in a part-time job labour market (Figure 8). Thus access to the childcare services increases women’s presence on the labour market, but that access must be associated with provision of full-time, long-hours childcare coverage (Figure 8).

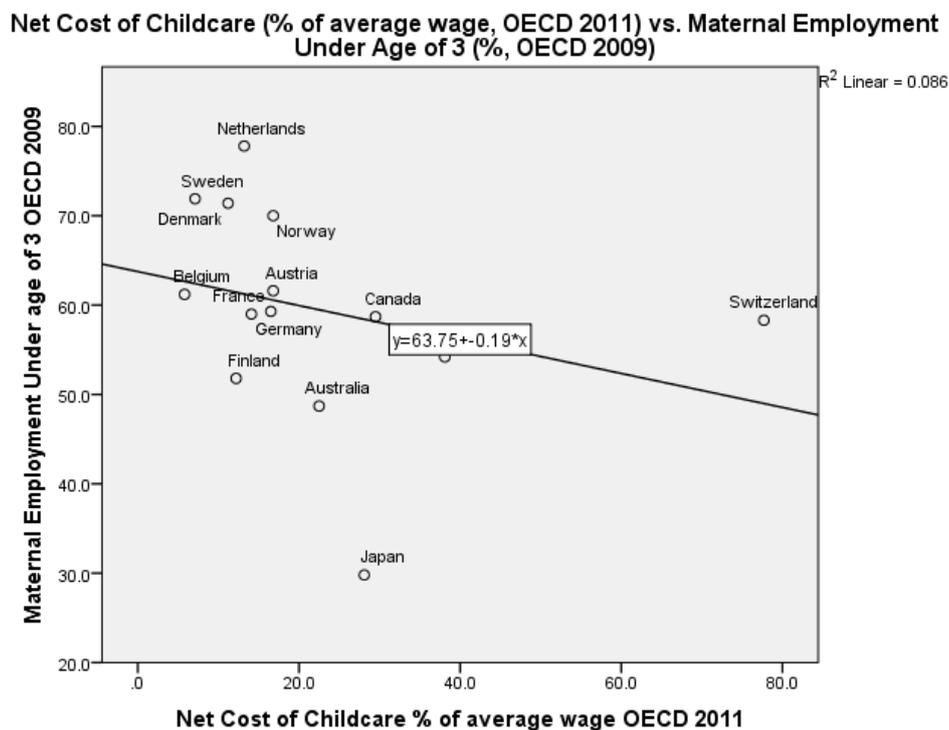
**Figure 8.**



The average childcare attendance in France and Belgium is estimated close to 30 hours per week (according to OECD 2009; 31 hours/per week for France and 29 hours/per week for Belgium), while in other conservative countries like Germany and Austria, the mother’s ability to fully participate in the labour market is restricted through childcare services

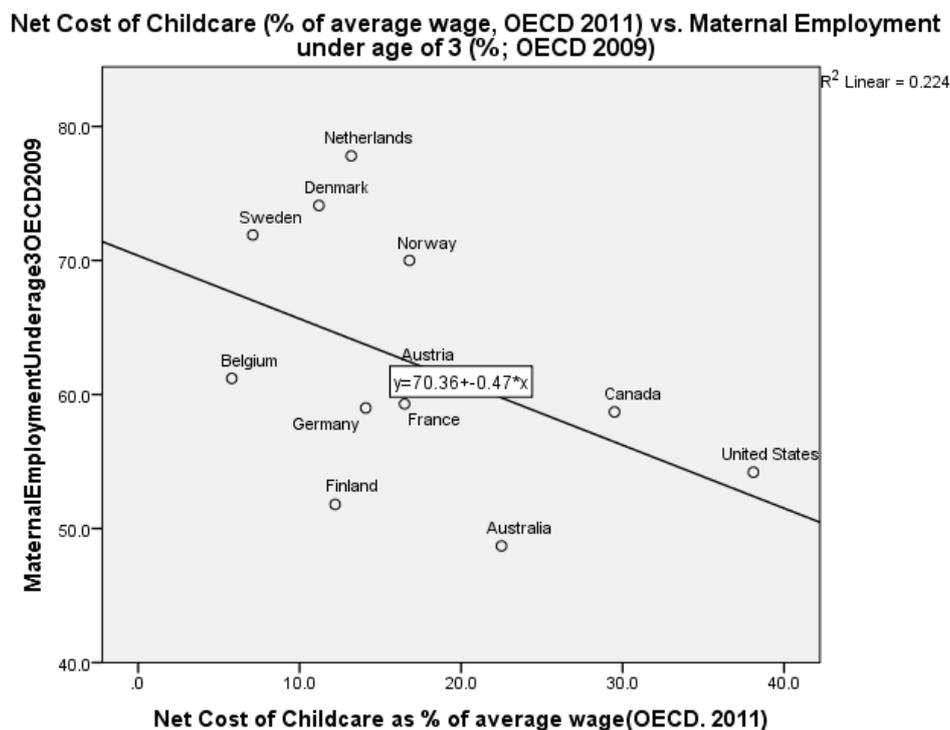
delivered on a short-time basis (Thevenon, 2011). For example, Austrian child under age of three spends around 18 hours/weekly in the nursery care, similarly like German child who spends around 23 hours/weekly in childcare services (OECD, 2009). The negative correlation between net costs of childcare and maternal employment, as the result of analysis is identified, what suggest that increase in net costs of childcare results in decrease of maternal employment rates (Figure 9b)

**Figure 9a. The trend line before outliers removing (R2 Linear = 0.08)**



Good example is the United States, where the average net cost of childcare is about half more expensive in comparison to social democratic Sweden or Finland. However the USA achieves similar proportion of the part-time working mothers as socialdemocratic cluster, mainly due to expensive childcare, absence of state subsidies and child allowances what forces American women's to work, but it does not supply American children to the nurseries in a similar way as socialdemocratic countries does. Also liberal clustered Switzerland, has the highest childcare costs within all clusters examined here and estimates childcare costs at 77.7% of average parents wages (OECD, 2011) what is reflected in the percentage of mothers working part time, it is respectively 45.5% (OECD Employment Outlook, 2011).

**Figure 9b. The trend line after outliers (Japan&Netherlands) removing**



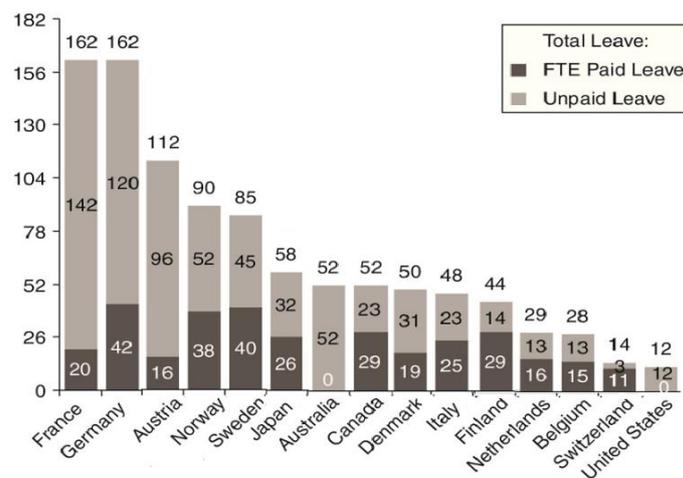
Both corporatist-and socialdemocratic countries have the lowest net costs of childcare, estimated for the border case of France at 16.8% of the average wage, although social democratic cluster in case of part-time female workers classify far below the trend line, that suggest the greater reconciliation of family and work responsibilities under full-time work arrangements and lower net costs of childcare provision than within other welfare clusters. However, the Netherlands has the highest proportion of part-time female workers within socialdemocratic cluster estimated at 60.5% (OECD, 2011).

The heavy state subsidies to childcare institutions in Sweden, Finland and Denmark are more effective in women's engaging into full - time jobs. In case of conservatist statist countries like Germany, Austria and Belgium, the net costs of childcare remain higher, childcare access is fairly limited, weakly subsidised and delivered on a part-time basis. It is likely therefore that it results in the higher proportion of female working in part-time jobs. There is a significant positive relationship between the lowering of the net costs of childcare and mothers employment which investigated that the lower cost of childcare produces around 14% increase in the mothers employment (Esping-Andersen, 2013)

Beside the childcare access, leave entitlements are recognized as the important part of work and family reconciliation. Indeed, the presence of strong maternity leave provision together with full replacement of incomes increase the women's attachment to paid work in a short-term and encourage her stay on the labour market (Gornick&Meyers, 1996).

However, too long parental leave period (which follows after maternity leave coverage) and is taken only by mother was investigated to reduce her future job continuity (Gornick&Meyers, 1996). The mothers in welfare cluster with shorter periods of parental leave (optimum 90 weeks) have higher employment rates than in countries with very long parental leave like France and Germany with 162 weeks of parental leave policy and also Austria with 112 weeks (OECD, 2011; Figure 10).

**Figure 10. Total and FTE paid parental leave, in weeks (Ray&Gornick&Schmitt, 2010).**



There is a significant negative correlation between decrease of the maternal employment as the result of longer (than average) duration of parental leave in France, Germany and Austria (corporatist cluster) which varies from 112 to 162 weeks (Table 2.).

**Table 2. Parental leave policy**

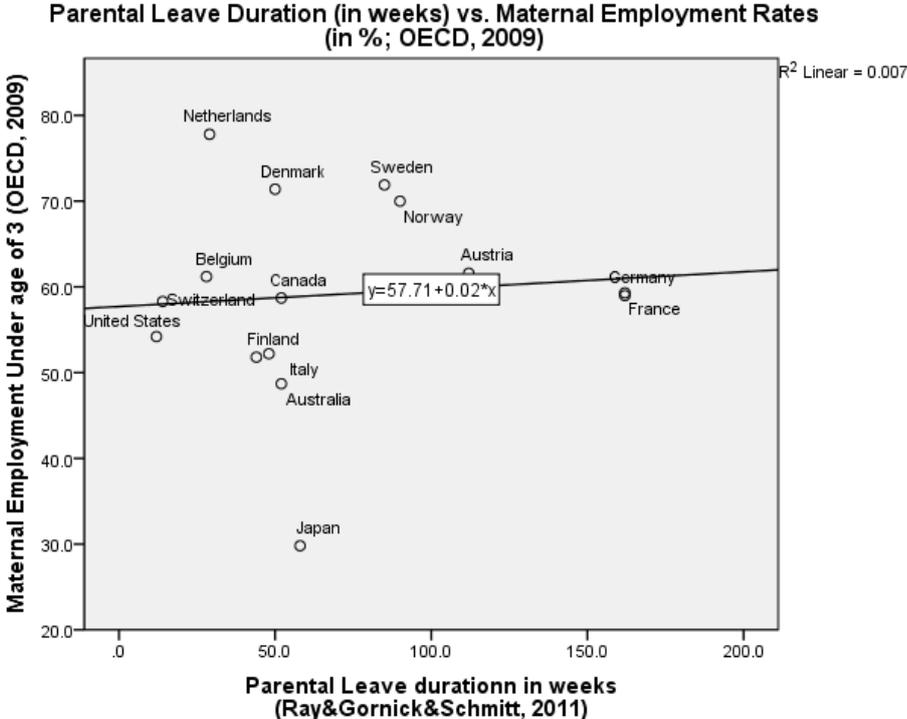
Welfare Regime Cluster	Maternal Employment Under Age of 3 (OECD,2009)	Total parental leave (in weeks) (Ray&Gornick&Schmitt, 2010)
<b>Liberal</b>		
Australia	48.7	52
Japan	29.8	58
Canada	58.7	52
Switzerland	58.3	14
United States	54.2	12
<b>Total Average (in weeks)</b>	<b>49.9</b>	<b>37.6</b>
<b>Corporatist - statist</b>		
Austria	61.6	112
Belgium	61.2	28
France	59,30	162
Germany	58,99	162
Italy	52.2	48
<b>Total Average (in weeks)</b>	<b>58.7</b>	<b>102.4</b>
<b>Social democratic</b>		
Denmark	71.4	50
Finland	51.8	44
Netherlands	77.8	29
Norway	70.0	90
Sweden	71.9	85
<b>Total Average (in weeks)</b>	<b>68.6</b>	<b>59.6</b>

The women’s presence on the labour market within corporatist-statist cluster suffers the most from its length of parental leave policy due to limited childcare accessibility, strong presence of male breadwinner model and higher women’s tendency to be market-passive mother who lives from child allowances and social benefits.

Figure 11 presents the relationship between length of parental leave and maternal employment rates. It confirms the positive influence of the parental leave period up to 90 weeks (as in Norway and Sweden) on maternal employment rates. However, it indicates that length above 90 weeks reduces the maternal employment rates in case of corporatist-statist countries. The extended parental leave period up to 172 weeks for France, and up to 170 weeks for Germany is associated with in average maternal employment estimated at 60% (Figure 11).

That findings, confirm the contemporary research on welfare regimes and family policies (Méda, 2008; OECD, 2008) that indicates the optimal length of parental leave policy from four to up to six months, and the use of longer parental leaves permanently tarnish people's employment and earnings (economic opportunities) and reduces female worker’s chances for return on the labour market (Gornick&Meyers, 1996)

**Figure 11.**



Numerous studies have confirmed (e.g. Hofferth, 1996) that access to the maternity leave during the motherhood period reduces the labour market inequalities between men and women and facilitates continuous employment with reduction of the wage penalties typical for the motherhood). There is also a significant difference between the generosity of the parental leaves (namely average rates of income replacement) what in case of high replacement rates make incentives for parents decision (male or female) to take up the leave.

## **CHAPER 3. CASE STUDIES. SWEDEN, GERMANY AND THE UNITED STATES**

Chapter 3. investigates case-studies to confirm the significance of the welfare regime characteristics towards achieving of equal economic opportunities and work and family reconciliation within different representatives of the welfare regimes. Sweden is investigated as the socialdemocratic case, Germany represents the corporatist-statist cluster while the United States (USA) is the welfare regime within liberal cluster observation.

### **3.1 The Social-Democratic model: Sweden**

The Nordic countries have been widely classified as promoters of the egalitarian social policy that as the major goal encourages gender equality (Sumer, 2009). Esping Andersen clearly pointed out about social democratic cluster that its role is not to promote the minimal needs pursued everywhere, but to promote an equality of the highest standards (1990:27).

Socialdemocratic Sweden is one of the most supportive welfare regimes towards female presence on the labour market and family and work reconciliation. It is successful in boosting female employment (78%; ILO, 2012) and providing high state-subsidized childcare services which help women to enter paid work.<sup>6</sup> According to the Global Gender Gap Index 2012 Subindex Economic Opportunities Sweden has been classified with the overall score 0.8 out of 1 (1 for full equality). F/M female ratio between estimated incomes achieves one of the most gender - equal results with 0.91 score out of 1 (GGG, 2012). The gender wage gap is estimated on 0.69 similarly as in the case of another social democratic cluster country as in Netherlands (GGG, 2012).

Swedish women actively take part in trade union movements, the average female density in the trade unions (%) is the highest within all 15 countries analysed here and is estimated at 74% (*ICTWSS, 2011*) that as the result forces strong-trade unions penetration at the economy (Esping-Andersen, 1990).

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<sup>6</sup> The access to the childcare for child aged 0 to 3 years is estimated at 46.7% (OECD, 2009) that results in a very high maternal employment rates estimated at 71.9% (OECD, 2009).

### 3.1.1 Gender Equal Economic Opportunities

The long lasting leftist socialdemocratic government is recognized as promoter of the women favourable job opportunities together with flexible working arrangements and high job security (Schwarz, 2012:25). About 81.6% of Swedish females are in the full-time job assistance (OECD Employment Outlook, 2012) with one of the lowest full-time employment gap between female and men estimated at only 11% (OECD, 2012) and only 18.4% of women are part-time workers (OECD, 2011). The state's spendings on active labour policies is estimated at the high level of 1.7% of GDP (OECD, 2011).

Sweden was able to turn women's unpaid job into paid work through fully expanded state-funded services. This is in contrast to policy of "giving household transfers" associated with corporatist-statist countries (like Germany and Belgium) and that extensive mother's dependence on child allowances seriously discourage women incentives to join market participation.

Swedish state - unions bargaining negotiations encourages gender equal discourse in the public sphere, thus often relations between Swedish state and women gender equality are characterized as "state feminism" (Kjeldstad, 2001). The high level of trade unionisation often results in collective bargaining agreements and women engagement in the women's movement clearly targets gender equal status on the labour market starting from the early 1970s (Sumer, 2009).

Sweden was one of the first of social democratic cluster which in the mid 1940-s remove tax exemptions for children, and introduced the separate-taxation in 1971, which improves the female labour market presence, reduces their first-earner dependence and promotes dual-earner model of family (Sainsbury, 1999). According to Gustafsson (1990:159) minimum taxation is provided only when each partner is able to earn half of the couple's combined income, thus, Swedish fiscal system privileges couples to equalize income earnings at all. Sainsbury (1999:79) defines the Swedish *individual earner-carer regime* as the regime where "both sexes have entitlements as earners and carers, and policies are structures to enable women to become workers and men to become caregivers. Social rights and tax obligations are attached to the individual rather to family." The calculated ratio based on OECD (2013) between tax burden of single individual and one married couple is estimated relatively low of 1.1% of female labour cost (42.8% and 37.5% respectively) what reduces the *breadwinner model* and decrease tendency to shift women (both family as labour market) dependency on the male-earner breadwinner.

### 3.1.2 Work and Family Reconciliation

Full-time female employment is the result of an enormous “defamilization” of care, which in fact means to give the unpaid work (care responsibilities) to external heavy state-subsidized “body of childcare services”, especially to nurseries with full availability of access in the earliest ages of the motherhood (0-3) which reduced the unemployment trap connected with mother came back on the labour forces after child birth time period. The access to the childcare services under age of three estimated at nearly 50%, distinguishes Sweden from corporatist statist countries (excluding France and Belgium which are more pronatalist and achieves greater results in early childcare provision).

Sweden spends around 1.4% of its GDP on the childcare services (OECD, 2009) and provides childcare access estimated at 46.7% for children 0-3 years and 91% for children between 3 to 5 years, which reflect in the % of maternal employment under age of 3 is being estimated at respectively 71.9% and 81.3% (OECD, 2009). Surprisingly the net childcare costs for parents (measured as % of the average wage) is very low, estimated at only 7.1% (OECD, 2011) as the result of childcare services funding through state subsidies.

The universalist policy of childcare and public services delivering was able to overcome class inequalities which in for example conservative cluster are unplanned side effects of mean-testing measures as the unit of benefit as family or household, that often creates employment disincentives and unemployment trap (Sainsbury, 1999). Moreover, paid maternity leave (first country since 1974 with 90% income replacement; Lewis, 1992) and short parental leave policy time period (70 weeks) reduce women’s unemployment trap which occurs as the result of longer parental leave period and promotes high maternal employment rates with 72% of mothers on the labour market (OECD, 2009). That results stand in striking contrast in comparison to Germany with 170 weeks (OECD, 2011) and maternal employment on 59% (OECD, 2009). Swedish men equally divide parental responsibilities and take around x % of parental leave time, what can calls for positive “feminisation of male life cycle” and encourages the division of paid and unpaid work between both sexes. Ferrarini&Duvander (2009) investigated that Swedish parental leave is used by around 9 out of 10 fathers.

Swedish welfare regime encourages not only family needs, but as the result of the universalist public service provision state towards reconciliation of family and work that allows women to prioritize family firstly, but also give a chance to cope with unpaid work and paid work equally and to choose that second more often than fully engage into care responsibilities. The negative effects of childbirth on women employment are reduced

through of varieties of state institutions dealing with gender equality as widely available childcare for working parents (both that of preschool and school age children), shared parental leaves with huge father's support and individualized spouses incomes taxation. According to Russell (2006) the "motherhood penalty" is the lowest within socialdemocratic cluster, what is the result of extended and publicly available childcare system and further it benefits flexible work-time arrangements. Highly paid maternity and parental leave coverage further increases the continuity of employment among Swedish women and also mothers<sup>7</sup>.

However, under this "umbrella of the social policy (and also society care)" the career chances of many women in top-managerial position are restricted and the gender wage gap at higher earnings level has increased thus Swedish egalitarian society has to deal with an unexpected result of increased segregation called "welfare-state based glass ceilings" (Mandel&Semyonov, 2006). Paradoxically, gender-based occupational segregation is more recognizable in Sweden than in the United States or Canada (Mandel&Semyonov, 2006).

The increasing women's protectionism under Swedish welfare regime has reversed gender equal consequences due to the fact that employers are reluctant to promote female in lucrative positions, which decreases the female earnings capacity (Mandel&Semyonov, 2006). However there is no general agreement about this, moreover the likelihood that Swedish women will be placed in the top positions is estimated at around 10% compare to 30% of males (Korpi, 2009; Mandel, 2009) which suggests rather the presence of other factors in a parallel line with welfare regime characteristics than direct negative involvement of gender-equal policies towards employment and family reconciliation.

Rather Finland can be accused as creator of more unequal outcomes with extended family's usage of "cash for care" services" that reinforces *female carer model* (FES, 2012) coupled with the lowest female labour market participation within the socialdemocratic cluster (72.9%) with the lowest public childcare provision estimated at 28,7% for children up to 3 years of age (OECD, 2009). Norway also prioritises firstly influence of family obligations and has much sharper gender differentiation of social entitlements than Sweden (Sainsbury, 2001:114). Thus, Sweden while it lags a little on the creation of women's lucrative positions on the market, is closer for building gender-equal "people's home" than its other cluster's friends, although that intensive gender mainstreaming of society is recognized

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<sup>7</sup> Swedish women who took parental leaves returned to employment faster than those who decided to leave labour market (Jonsson&Mills, 2001). The occupational downgrading investigated to be less common for women who take parental leave (Jonsson&Mills, 2001).

within conservative and liberal cluster as too interventionist and as the reinforcing sex responsibilities too far from the stereotypical gender roles.

### **3.2. The Bismarckian corporatist-statist model: Germany**

According to Esping-Andersen's typology (1990), continental Germany is the most unfriendly welfare regime towards women's empowerment, both in case of presence of particular labour policies as well as its ability to work and family reconciliation. The German welfare regime has been characterized as the state in which women status and their occupational segregation is reinforced through separate state entitlements provisions and distinct mean-testing (Legg, 2006). *Sozialhilfe*<sup>8</sup> benefits based on the child allowances, income replacements and cash transfers directly to the households rather than state's subsidies provides an allowance and social agreement for maintaining the traditional family model (Esping Andersen, 1990).

The female labour market presence is estimated at 72.1% (ILO, 2012) and the gender-equal economic opportunities on the labour market according to GGG Subindex Economic Opportunities are classified with the overall score of 0.74 out of 1.0 for full economic equality (GGG, 2012). However, Germany seriously fails to promote women employment due to limited public childcare access, especially for children aged 0 to 3<sup>9</sup>. Pierson (1996) summarized the German welfare state as discouraging women's employment through providing subsidies to "outsiders" who as a result leave the labour market and make space for more productive. That reliance on "state limited subsidies" is further expended by other policies which decrease the presence of female on the labour market as still prioritised marriage institution, joint taxation, services allocation to the male income-earner and low public childcare availability, especially in the first years of motherhood (Legg, 2006).

Extensive, but mean-tested policies thus often limit social benefits coupled with joint taxation typical for corporatist-statist countries together with low level of female trade union density (12.9%; ICTWSS, 2011) strengthen the presence of the male-breadwinner model.

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<sup>8</sup> *Sozialhilfe* is one of the first general welfare provisions, introduced in 1961 as a safe insurance against the poverty (Legg, 2006).

<sup>9</sup> Only 17.8% of children aged 0-3 has the access to childcare in Germany (OECD, 2009). Within continental cluster only Austria classifies worse than Germany with childcare access (0 to 3 years) estimated at 12.1% (OECD, 2009).

In addition, the German state does not spend a lot of its GDP on limited part-time<sup>10</sup> childcare services and fathers do not want to be recognized as *unpaid carers*, thus Germany is clearly recognized as the corporatist-statist laggard that achieves worst gender equal outcomes than for example France and Belgium. This combination further with direct provision of welfare as cash transfers to households which are led by male breadwinner model does not benefits women's empowerment in the German households. However Germany still classifies far better than Italy<sup>11</sup> which loses on all fronts of gender equality measures, both on the provision of equal economic opportunities on the market as well as within reconciliation spheres.

### 3.2.1 Economic Opportunities

Female force participation within the German labour market is estimated at 72.1% within 15-64 cohort (ILO, 2012) with F/M gap of earned income calculated on 0.74 (0 for inequality, 1 for equality; GGG 2012). Germany spends around 1.8% of its GDP (like Italy) on labour market policies (ALMP); however about more than a half of it is based on the passive measures (OECD, 2011). Only 62% of German women work in full-time jobs, the worst welfare regime outcome score within the conservative cluster. This result in a huge M/F full time employment gap estimated at 29.8% (OECD Employment Outlook 2011).

Flexible working time arrangements for mothers are limited not only by restricted public childcare access with average of 22.9 hours of German child attendance per week (OECD, 2009), but further limitations emerge from net costs of childcare estimated at 14.1% of the average wage. Germany has one of the lowest levels of employed mothers assessed at 59% (OECD, 2009), although surprisingly the wage penalty associated with mothers working on a part-time basis is almost insignificant at roughly 2% (McGinnity&McManus, 2007). However, the rigidity of a strong motherhood culture leads women to skills erosion and creates low opportunities for breadwinner fathers to divide caring responsibilities between the sexes (McGinnity&McManus, 2007).

Different mean-tested child allowances are used to pay for the provision of adequate childcare services, but it forces a further problem namely “allowances woman dependence”.

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<sup>10</sup> The average German child under age of 3 spends about 23h/weekly under childcare service observation (OECD, 2009).

<sup>11</sup> Italy has been scored as the second lowest corporatist regime for gender equal labour market economic opportunities with overall subindex score estimated at 0.59 after Japan classified at 0.58 score (GGG, 2012). With very low childcare access (29.2%) and state's childcare spendings on 0.7 of its GDP (OECD, 2009) has the lowest female participation estimated at 51.8% (ILO, 2012), it is the worst score within all clustered countries.

That is understood as the woman who stays outside the active labour forces and defines her “market reliance” on different social insurance benefits while being market passive.

The tax system puts heavier burdens on the individuals than on the married couples, relatively 49.7% and 34.2% (OECD, 2013) that reinforces nuclear family and male breadwinner model and cultivates the existing sex division of paid and unpaid work responsibilities. It provides strong disincentives to join the market when the husband is the provider of cash into the household and the woman is the second-earner. Furthermore, joint taxation (also called ‘income splitting’) results in the raise of the marginal effective tax rate of the lower earner, here female who wants return on the labour market. According to Steiner&Wrohlich (2004) if Germany moved towards the individual taxation system, the increase of married women’s presence on the labour market would be achieved. Currently, the German tax-splitting system “penalizes dual earner couples with high marginal tax rates on the lower paid earner, and privileges the single (typically male) breadwinner arrangement.” (McGinnity&McManus, 2007: 118).

German state, together with Belgium and France, classifies as having the highest average tax burdens for childless single workers according to the average national earnings wage, respectively estimated at 49.7% for Germany, 56.0% for Belgium and 50.2% for France (OECD, 2013:12).

### **3.2.2 Family and Work Reconciliation**

The German state is not able to cope with women’s full time work schedules and provision of extended child allowances (in opposition to socialdemocratic heavy state’s subsidies and flexible work time) that encourage mothers to drop out the market for a relatively long period and stay at home for their first years of motherhood (Russell, 2002; Mandel 2009). These findings hold to be true not only for Germany, but are present within countries like Austria, Italy, France and Belgium. However, one significant trend that differentiates Germany from France and Belgium is the level of subsidized childcare, which in both countries is heavy extended and publicly delivered, which make them outliers from that “continental trend<sup>12</sup>” towards childcare provision within corporatist cluster. Furthermore,

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<sup>12</sup> The (West) German part after unification preserved the family role as the main welfare provider (Wunsch, 2006). In contrast the female labour presence in the DDR (East Germany) was very high before unification due to communist system that facilitated the women’s working (Satogami, 2011). DDR’s women were more willing to participate in ALMP programmes than women from West Germany (Wunsch, 2006). One year after the

huge disparities within access to childcare under age of three still remain inside former West Germany with 2.8% of formal childcare provision and the former East Germany which places around 36.9% of children under age of three within its childcare services, moreover the parental leave policy is still more extensively used in the former part of East Germany (Henau, 2011:3).

According to OECD, women's ability to deal with full-time work arrangements suffers from the relatively strong contrast between level of childcare provision for those children aged under age of 3 and those aged 3-5, respectively 17.8% and 97.4% (OECD, 2009). Parental leave reform (*Elterngeld*) from 2007 raised the proportion of fathers who take parental leave from 3.3% in 2006 to 27.8% for children born in the third quarter of year 2011 (Erler, 2013). Nevertheless, German women often decides to take all period of parental leave, and it is associated with high employment penalties as she often does not come back to the inferior position either does not return on the labour market at all (Erler, 2013).

Germany with total of 162 weeks of parental leave policy available for mothers and from other side time-limited childcare access<sup>13</sup> in fact forces women to stay at home rather than outsource the care responsibilities into the market. Scheubel (2009) investigated that further extension of maternity - related mechanisms of job protection from 10 months into 18 months reduces the probability of finding full-time job for women without university degree, about 6-7%, while surprisingly women with university degree are not affected.

German state can be seriously recognized as the state of "minimal service" towards creation of gender equal results both on the labour market as well as on the way to work and home reconciliation. The lack of universalist provision of public services together with strong-targeting of welfare packages do not force wage equality and together with splitting taxation reinforces the family breadwinner model. The benefits offered to eligible citizens are extensive, but limited and leave better off people uncovered. The lack of early childcare services (aged 0 to 3) rather forces women to leave the market than to combine care responsibilities with even part-time job. The German corporatist statist welfare regime is definitely not committed to delivery of heavy social-service burden as well as to service family needs. As consequence of "minimal service state" German women often choose household rather work and the very long time period of parental leave (162 weeks) has more

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reunification 59.7% of DDR's women were ALMP participants, in comparison to 42.5% of women from the former West Germany (Wunsch, 2006).

<sup>13</sup> Since 1997 every child aged 3 to 6 is entitled to kindergarten care, although in practice it means access to the part-time care centers which offer maximum of five hours of care per day (Russell, 2006). That limited childcare coverage conflicts with mothers full-time work schedules, only 59% of mothers decide to work (OECD, 2009).

negative than positive consequences for them (Sheubel, 2009). The interaction of different factors creates a “German dilemma of work and family reconciliation”, as in Gartner (2013) points out about German state: “through under developed childcare forces mothers to part-time work, where German taxation takes effect and they earn small amount of marginal income taxes, so then they decide to leave home at all and their lose out on work experience, what later reduces women wages.”(2013:37)

### **3.3 The Liberal Welfare Regime: The United States (USA)**

The liberal welfare regime is defined as the arrangement between state, market and family in which “means-tested assistance, modest universal transfers or modest social-insurance predominate and benefits cater mostly the clientele of low income, usually working class, state dependents” (Esping - Andersen, 1990:26). The politics of state’s non-intervention predominates on the labour market and within family spheres. Not without reason US liberal feminists of the second wave (in contrast to Swedish ones) prioritized their voices for gender equality of women workers as based on the economic status rather than based on the privileges of motherhood (Mandel, 2009).

The phenomenon of non-intervention into *family policy*, as Mandel (2009) points out, is based on the assumption that the „state takes no responsibility for the special women’s needs as childbearers and mothers. In the liberal belief there is no better alternative to the labour market for attaining economic independence, women like men are seen as potential earners and the grounds for achieving gender equality rest clearly on similarity rather than difference.” (Mandel, 2009:695).

The United States, according to the GGG 2012 American gender equal economic opportunities, has been classified with the overall score of 0.81 out of 1 for total equality. Surprisingly that result is the second best across all welfare regime clusters analysed here, after social-democratic Norway (0.83). In contrast to the intercluster Japan as the significant outlier with the lowest GGG score across welfare regimes (0.58), the USA creates the most equal economic opportunities for women’s presence on the labour market within liberal cluster. However, the high score achieved under gender economic opportunities do not benefit the female labor supply and only 66.8% of US women are active within the labour force (ILO, 2012).

The level of female trade union density estimated at 11.2% (ICTWSS, 2011), suggests wage bargaining and work-family conflicts are typically solved at the discretion of women's employers than within state's public squares.<sup>14</sup> This neo-liberalist policy of minimal state intervention into women's needs is primarily understood as desirable (O'Connor, 1999), firstly, due to the fact it does not undermine individuals freedom and secondly it is believed not to be unnecessary as the common American assumption says that market rationality is sufficient to "equalize" policy outcomes (O'Connor, 1999). A strong commitment towards the doctrine of antidiscrimination is also seen as an obstacle for existence of gender-based inequalities within American society.<sup>15</sup>

### 3.3.1 Equal Economic Opportunities

The female/male ratio of gap between earned incomes is estimated at 0.93 score, which classifies the USA the most gender equal income country within the liberal cluster, although equality of wages between sexes is far from these results and is estimated at 0.67 out of 1.00 score (GGG, 2012). The median weekly earnings for a women working full-time were \$684, in comparison to \$832 for men, with a gender wage ratio estimated at 82% (IWPR, 2012). Bassett (2012) claims that if the USA were able close the gender wage gap, its GDP would increase up to 4%.

Furthermore, American women are more than twice as likely as men to work in low job occupations with high poverty rates (IWPR, 2012), which is common similar to liberal cluster, which has relatively limited and targeted provision of public services coupled with low attachment of economic security given by the state. Gender equal division of work and family responsibilities suffers from the absence of national regulation of working-time, like in the intracluster Japan, which works more hours in comparison to the European Union, but still less than the United States which do not have strict national working time regulations (Gornick, 2006). The policy of full-time, over hours employment promotes the male

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<sup>14</sup> O'Connor (1999) points out that the main weakness of liberal welfare regime is portraying of public and private sphere as being independent of one another and it is the common characteristics of liberal welfare regimes (1999:45). Together with low level of trade unionism and high inequality of wages not determined by a collective bargaining processes (as in Scandinavia) but by private employers arrangements, it does not support women's employment (Blau&Kahn, 2001)

<sup>15</sup> The gender discrimination term was firstly defined under the 1963 Equal Pay Act and occurs „when male and female workers employed in the same establishment receive different pay for substantially equal work". However no state's control is given towards employer, who controls the implementation of anti-discrimination codes into practice (Dobbin, 2011). Indeed, free market corporations have more power to define workforce gender equality than the courts (Dobbin, 2011). The policy solution might be to tax the corporations according to calculations of their gender gap existence.

breadwinner model and the reduction of the standard work week is pointed out as the long-term solution for changing of redistribution of domestic labor between both sexes on more equal (Mutari&Figart, 2001). Therefore, “overworked” hours within liberal cluster give the greater economic opportunities for women, although it might be also seen as the major outcome of labour market which suffers from the absence of strong trade union structures, what results in workers inability to negotiate their working conditions.

Both in the USA and Japan no more than 15 percentages of workers are able to influence wages and working conditions by state - trade union channel (Gornick, 2006).

The joint taxation system does not support women’s presence on the labour market. The ratio between second earner and single individual is estimated at 1.3 (OECD, 2003:30), although there is no clear findings whether the move towards separate taxation benefits female presence on the labour market due to findings that married couples benefit if they opt for a joint return taxation rather than optional one (OECD, 2003:30).

In fact the culture of full time employment of both sexes does not produce changes in the household disposable income when earnings are split 100/33<sup>16</sup> instead of 133/0<sup>17</sup> (OECD, 2003:32). Gornick (2004:17) investigated the US married women as taking the greater share of their families earnings (around 28%) due to large share of full time employed mothers and in that respect contemporary USA is closer to *the dual-earner model*<sup>18</sup>, rather than the *dual-carer*<sup>19</sup> ones.

### 3.3.2 Work and Family Reconciliation

Even if the USA has the strong taste for work it does not mean that has the access to the public and affordable for everyone childcare services. While about 59% of Americans negate the original, stereotypical division of paid and unpaid work arrangements between sexes what make them progressive in that sense (ISSP, 1994), they are definitely not able to fully benefit from childcare provision. Only 31.4% of American children attend nurseries, while maternal

<sup>16</sup> Taxation on the 100/33 basis refers to the situation “where the husband earns 100% of APW (average production worker earnings) and the wife earns 33 per cent of APW” (OECD, 2003:32).

<sup>17</sup> Taxation on the 133/0 basis refers to a situation “where the husband earns 133% of APW and his wife has no earnings (OECD, 2003:32).

<sup>18</sup> Dual earner model is the model where sexes benefit in case of economic opportunities provided by market and tries equally share their earned incomes, although the childcare provision is underdeveloped and minimum and that negatively impact on their common earnings (Sainsbury, 1999; Gornick 2002)

<sup>19</sup> Dual carer model is the situation where both sexes tries to divide the childcare responsibilities equally between them (Sainsbury, 1999).

employment is estimated at only 54.2% (OECD, 2009). The US child spends around 30 hours per week in the childcare service, which makes the USA close to the outcomes of the socialdemocratic cluster, although the American childcare is not delivered on the universalist basis like in a Scandinavia, but mean-targeted, which makes a huge difference in terms of parents ability to pay for it. In comparison to Swedish parents who spend 7% of their average wages on childcare, Americans spend 38% (OECD, 2011).

Moreover, the USA does not subsidize childcare policies heavily with its 0.4% of GDP spendings on childcare (OECD, 2009). Publicly supported childcare is very restricted and governmental subsidies are provided only for low-income parents (Gornick&Meyers, 2004), As the result higher class-mothers are able to purchase the childcare cheaper and lower class earners are denied of the basic economic security (Mandel, 2009). The state's ability for family poverty reduction is drastically low, with the score of 4%, and around 22% of child families lives in a posttransfer, re-distributional poverty (Esping-Andersen, 1990).

The unequal division of work and family tasks between sexes caused by limited state childcare provision, modest benefits for families, lack of maternity leave entitlements and low incentives for father's take up of parental leave (absence of wage replacement) often results in mother's necessity to resign from full-time job after childbirth, In addition social entitlements are often associated with a stigma, which has to be recognized as the direct outcome of a society which opt for work instead of welfare provision (Esping-Andersen, 1990:26).

The de-commodification of family policies is minimalized and childcare provision is highly market-differentiated. Likewise, states does not feel obliged to provide universal paid maternity leave and it done at the discretion of mother's employee (Mandel, 2009).

The conflict of work and family reconciliation is probably the most intensive within the liberal cluster, which tend to favour full-time long working hours compare to the corporatist and socialdemocratic cluster, and the public policies delivered by state are not adequate to deliver effective support for all families. However this cluster "hard-working" culture tends to deliver greater economic opportunities for female workers, similarly to the Scandinavian countries which benefit the women's full-time employment more than within corporatist countries. However, its greater economic equality does not change the fact that American mothers suffer from underdeveloped family services and lack of the state intervention to change the *status quo* what reduced the women's presence on the labour market, especially in their first years of the motherhood and as result there is a presence of high inequalities within stratification of social classes.

To conclude, this *market - carer* model is not affordable for everyone. American economic *dual-earner* responsibility seriously has to change the *market – carer* model to the *dual-carer* one to achieve similar gender outcomes under a particular set of women friendly family policies to be closer to continental countries. Right now, the USA economically cares more for equal results, although cares less for the equal division of paid and unpaid work, while delivers no interest in the childcare services.

## **CHAPTER 4. HIERARCHICAL CLUSTER ANALYSIS AND GENDER EQUAL OUTCOMES WITHIN WELFARE REGIMES**

This chapter uses the statistical method of hierarchical clustering analysis (HCA) to identify whether the gender equal policy outcomes achieved under particular welfare regime characteristics follow the original Esping-Andersen typology (1990).

### **4.1 The Utility of Hierarchical Cluster Analysis (HCA) in the Welfare Regimes Research**

Hierarchical cluster analysis checks whether the Esping-Andersen typology of welfare regimes (1990) reproduces the typical patterns when it comes to gender equal economic outcomes and policies of family and work reconciliation. This research is inspired by Goodin (2001) who studied whether the particular characteristics of welfare state typologies transform into specific economic outcomes, similarly I group the outcomes results of particular policies and through HCA I associate them with particular welfare regime clusters in accordance to their similarity of outcomes. HCA is therefore conducted to group states that have similar characteristics across set of variables (Kammer, 2012). As Gough (2001) indicated: “cluster analysis measures the distance between cases on a combination of dimensions and uses this to identify groups of cases within which there is considerable homogeneity and between which there are clear boundaries.” (2001:165). Personally I decided use HCA instead of principal component analysis (PCA) because it focuses more on discovering of similar characteristics as the indicators outcomes rather than on indicators loadings (as PCA does).

First of all, I divide indicators according to the promotion of equal gender economic opportunities and reconciliation of work and family (Table 3). To minimize the variance within the cluster, Ward’s linkage methods of grouping is used. The HCA results are presented on the dendrogram, which graphically shows countries which are grouped together at various levels of (dis)similarity (Kammer, 2012). Additionally the proximity matrix method helps to find out the closest cross-cases for particular country according to achieved similarity and dissimilarity of outcomes (Table 4.). The proximity matrix shows the dis(similarities) of outcomes achieved under examination of minimum two cases. The proximity matrix have to be read horizontally to find out the second case similarity/or dissimilarity into case one. The matrix can be also read vertically to confirm the strength of particular welfare regime (e.g. pure or hybrid model) but it is not recommended here.

**Table 3. HCA dataset of gender equal outcomes within different welfare regimes**

Welfare Regime/Outcomes	Num	FL_FP	EEIF_M	WEQ_	F_TUD	TAX_	CHILDC_GDP	CHILDC_A	MAT_EMPL	CHILDC_H	NET_CHILDC	PL_W
Australia	1	70.8	0.82	0.65	18.7	1.4	0.56	29.0	48.7	18.4	22.5	52
Austria	2	69,8	0.62	0.59	20.59	1.1	0.4	12.13	61.6	18.87	16.8	112
Belgium	3	61.4	0.72	0.68	45.79	1.5	0.7	48.36	61.2	29.05	5.8	28
Canada	4	74.4	0.81	0.73	30.8	1.5	0.17	24.0	58.7	32.0	29.5	52
Denmark	5	76.2	0.88	0.73	73.4	1.2	1.43	65.66	71.4	33.97	11.2	50
Finland	6	72.9	0.78	0.77	72.5	1.0	1.09	28.65	51.8	34.42	12.2	44
France	7	66.3	0.68	0.43	7.5	1.2	1.12	42.0	59.30	31.0	16.5	162
Germany	8	72.1	0.74	0.62	12.91	1.5	0.49	17.76	58.99	22.89	14.1	162
Italy	9	51.8	0.54	0.49	35.6	1.6	0.66	29.24	52.2	29.32	no data	48
Japan	10	63.5	0.55	0.60	18.9	1.2	0.41	28.3	29.8	32.0	28.1	58
Netherlands	11	73.4	0.88	0.69	16.9	1.2	0.93	55.89	77.8	18.5	13.2	29
Norway	12	75.8	1.00	0.75	60.0	1.2	1.23	51.33	70.0	32.21	16.8	90
Sweden	13	78.0	0.91	0.69	74.0	1.0	1.43	46.66	71.9	32.85	7.1	85
Switzerland	14	76.8	0.92	0.64	14.0	1.3	0.23	25.0	58.3	24.0	77.7	14
United States	15	66.8	0.93	0.67	11,2	1.3	0.38	31.43	54.2	30.58	38.1	12

**DIMENSION 1 GENDER EQUAL ECONOMIC OPPORTUNITIES:** FL\_FP: Female Labour Forces Participation (%), EEIF\_M: Estimated Earned income F/M Ratio, WEQ\_: Wage Equality F/M Ratio, F\_TUD: Female Trade Union Density (%), TAX\_: Women Earnings 67 of APW Second Earner/Single Earner Ratio.

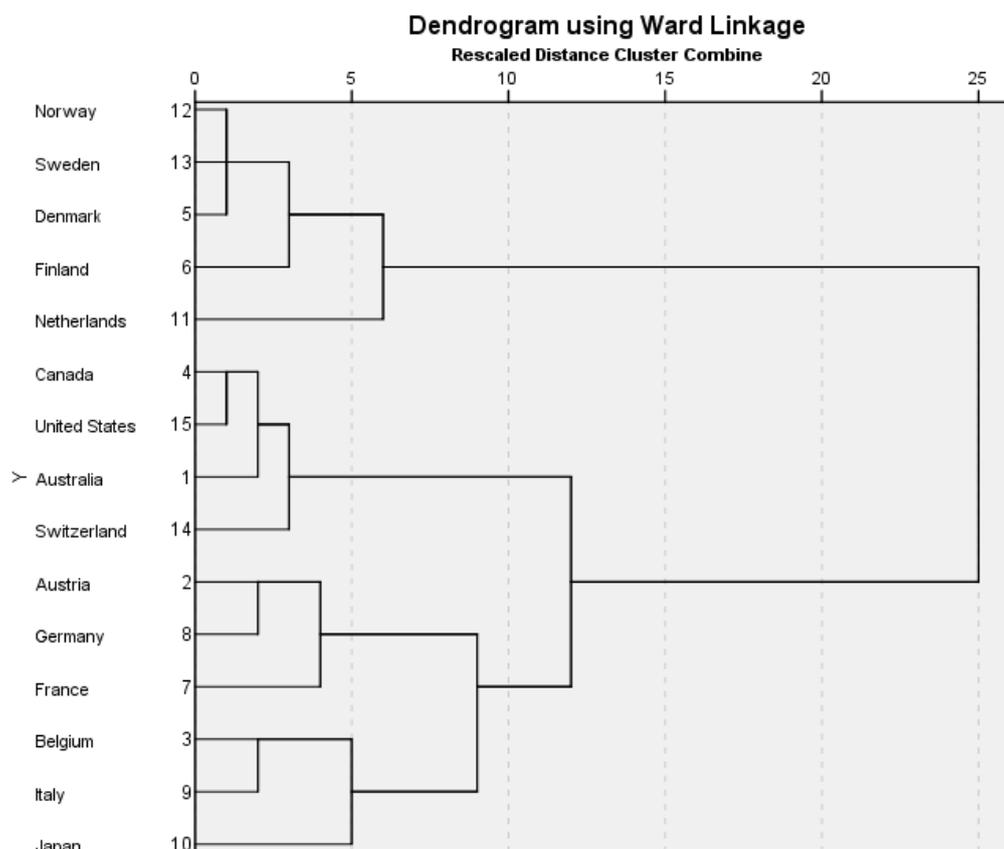
**DIMENSION 2: POLICIES OF WORK AND FAMILY RECONCILIATION:** CHILDC\_GDP: Total spending on childcare (% of GDP), CHILDC\_A: Access to childcare 0 to 3 years, MAT\_EMPL: Maternal Employment Rates under Age of 3, CHILDC\_H: Average Hours of Childcare provision, NET\_CHILDC: Net costs of childcare (as % of wage), PL\_W: Parental leave time-period (in weeks).

#### 4.2 HCA Final Result according to Gender Equal Outcomes inside Welfare Clusters

The hierarchical cluster analysis below (Figure 14) confirms the presence of different welfare characteristics within welfare regime towards creation gender equal economic opportunities and reconciliation of work and family between sexes. The Esping-Andersen typology of welfare regime has been confirmed (with the exception of Japan) through investigating of jointly outcomes achieved under different welfare regimes instead of original decommodification level. As the result of the analysis, welfare regimes grouped themselves on the basis of outcomes within particular welfare characteristics and their similarity demonstrates different ability of particular welfare regimes towards provision of gender equal opportunities within labour market and policies of work and family reconciliation. Additionally the proximity matrix method helped to identify the closest cross-cases for particular country according to achieved similarity and dissimilarity of outcomes (Table 4.).

Proximity matrix have to be read horizontally to show cases similarities or/and dissimilarities, additionally can be read vertically to outline the strength (pattern) of cases within welfare cluster as for example having pure welfare characteristics.

**Figure 12. HCA Final Result according to Gender Equal Outcomes inside Welfare Clusters. Economic Opportunities and Policies of Reconciliation.**



Note: Ward Method; squared Euclidean distance; z – scores

**Table 4. HCA Proximity matrix (have to be read horizontally!)**

Welfare Regime	1:AUT	2:AUS	3:BEL	4:CND	5:DEN	6:FIN	7:FRA	8:GER	9:ITL	10:JAP	11:NETH	12:NOR	13:SWE	14:SWT	15:USA
<b>1:Australia</b>	.000	9.356	11.177	8.802	<u>28.973</u>	20.711	21.737	8.352	20.819	14.464	12.348	21.621	28.145	13.290	<b>7.552</b>
<b>2:Austria</b>	9.356	.000	21.281	17.370	<u>38.913</u>	23.644	16.157	<b>7.492</b>	23.710	16.724	20.055	30.200	29.863	23.735	18.834
<b>3:Belgium</b>	11.177	21.281	.000	10.795	15.849	16.423	22.337	18.200	<b>10.526</b>	17.696	14.172	16.094	21.551	<u>29.222</u>	11.310
<b>4:Canada</b>	8.802	17.370	10.795	.000	24.575	16.561	<u>28.264</u>	11.510	25.269	17.142	20.093	17.475	25.534	12.549	<b>5.711</b>
<b>5:Denmark</b>	28.973	38.913	15.849	24.575	.000	11.563	31.393	36.635	<u>44.088</u>	41.158	14.957	<b>3.086</b>	3.658	39.845	25.446
<b>6:Finland</b>	20.711	23.644	16.423	16.561	11.563	.000	30.500	28.768	<u>35.630</u>	20.729	23.442	10.009	<b>8.054</b>	31.887	17.477
<b>7:France</b>	21.737	16.157	22.337	28.264	31.393	30.500	.000	<b>14.354</b>	20.469	19.814	26.942	26.803	26.357	<u>38.135</u>	25.071
<b>8:Germany</b>	8.352	<b>7.492</b>	18.200	11.510	<u>36.635</u>	28.768	14.354	.000	21.983	20.658	22.703	25.609	31.574	25.361	18.285
<b>9:Italy</b>	20.819	23.710	<b>10.526</b>	25.269	44.088	35.630	20.469	21.983	.000	15.828	37.370	43.578	<u>46.617</u>	45.857	24.676
<b>10:Japan</b>	14.464	16.724	17.696	17.142	<u>41.158</u>	20.729	19.814	20.658	15.828	.000	36.617	37.359	39.760	27.001	<b>14.121</b>
<b>11:Netherlands</b>	<b>12.348</b>	20.055	14.172	20.093	14.957	23.442	26.942	22.703	<u>37.370</u>	36.617	.000	12.580	16.569	23.614	16.004
<b>12:Norway</b>	21.621	30.200	16.094	17.475	3.086	10.009	26.803	25.609	<u>43.578</u>	37.359	12.580	.000	<b>3.023</b>	30.357	18.497
<b>13:Sweden</b>	28.145	29.863	21.551	25.534	3.658	8.054	26.357	31.574	<u>46.617</u>	39.760	16.569	<b>3.023</b>	.000	39.172	26.399
<b>14:Switzerland</b>	13.290	23.735	29.222	12.549	39.845	31.887	38.135	25.361	<u>45.857</u>	27.001	23.614	30.357	39.172	.000	<b>8.370</b>
<b>15: USA</b>	7.552	18.834	11.310	<b>5.711</b>	25.446	17.477	25.071	18.285	24.676	14.121	16.004	18.497	<u>26.399</u>	8.370	.000

The text in **bold** shows the closest case to the outcomes achieved by case 1. It is important to estimate the distance to check the case stickiness into the welfare regime typology and intra-cluster similarities of cases on creation of equal economic opportunities on the labour market. Furthermore the proximity matrix is used to predict the potential strength of the cluster.

The underlined text shows the second most dissimilar case study to case 1.

Exclusively, Japan under HCA results moved from the liberal cluster to corporatist-statist one, which can be explained by little higher (than in liberal cluster) state-family obligations of welfare provision, but achieves, like liberal cluster slightly similar gender (in)equal economic opportunities due to low female supply, high inequality of wages and low female trade union density. However, lower than in liberal cluster costs of childcare, presence of longer parental leave policy with wage replacement paid by state classifies Japanese gender equal policies closer to reconciliation policies of the conservatist-statist cluster than to liberal one.

Together with a strong “familist” culture, these policies affect women’s presence on the labour market in the same way similar outcomes as conservative ones. The Japanese policy of non-state intervention is replaced by a “minimum state” type in the case of family policies provision, although on the labour market still no interventionist doctrine is predominant. Thus Japan can be classified as hybrid model of traditional - familistic policies and post war liberal elements, which Esping-Andersen identified in his later papers (1997). Moreover, its political and societal system is characterized as “rooted in the traditional neither liberalism, nor Catholicism nor social democracy” (Hicks&Kenworthy, 2003). In fact, Japanese gender equal outcomes (similarly to the decommodification score) might be closer linked to presence of distinct East-Asian welfare regime than to Esping-Andersen typology (Goodman&Peng, 1996; Jones, 1993). Similar analysis under the principal component analysis (PCA) by Hicks&Kenworthy (2003) investigated the Japan welfare regime characteristics on the basis of European and American grounded welfare regime typologies and confirmed that Japan welfare regime is closer to traditional corporatist-statist regime than to liberal one

All in all, the results of HCA analysis in that paper confirmed the presence of dissimilarities within welfare regimes characteristics. This is proved by differences of gender equal outcomes achieved under examination of gender equal economic opportunities and policies of reconciliation within Esping-Andersen’s typology of welfare regimes (1990). There is a presence of distinctive welfare characteristics within original welfare clusters, which further benefit the gender equal outcomes.

## **CHAPTER 5. CONCLUSIONS AND FURTHER RECOMMENDATIONS**

This research paper confirmed the presence of distinctive dissimilarities between characteristics of particular welfare regime clusters (liberal, conservatist-statist and socialdemocratic one) and recognized them as the sources of different gender equal outcomes but also (in)equal outcomes within women's friendly economic opportunities on the labour market and policies of work and family reconciliation. Furthermore that paper moved beyond the original Esping Andersen's typology (1990) by its high determination to find out different patterns of welfare regimes behaviours towards creation of gender equal outcomes in both dimensions. As the result of research investigation as well as final HCA analysis, the Esping-Andersen's typology of welfare regimes has been identified as following its original pattern of welfare regimes behaviour under analysis of gender equal outcomes on the labour market and within policies of family and work reconciliation.

The socialdemocratic cluster has been identified as the most gender equal in the labour market outcomes and provision of policies of work and family reconciliation. The liberal cluster discovered to be as promising economic equality between sexes, although seriously lags in the family policies provision. The corporatist-statist cluster occurred to be unable to deliver gender equal opportunities on the labour market, what furthermore was strengthened by its minimal state welfare provision towards support of policies of work and family reconciliation. However, these findings are limited in a case study part which uses of set of countries which are clearly associated with "pure welfare regimes" characteristics while this case study observation suffers from the absence of observation of gender equal outcomes achieved under mix, hybrid welfare regimes.

This paper's findings provide the following insights for the future research: further research has to confirm or deny the presence of causation effect (correlation does not imply causation!) between the equal economic opportunities on the labour market and policies of reconciliation within different welfare regimes. It draws my attention to investigation of the strength of linkage between that both dimensions. Considerably more work need to be done to closer determine that relation. Furthermore, the involving of partisan ideology into the observation of different welfare regimes and investigating how particular political orientation (e.g. left government) changes the original pattern of clusters on more equal or unequal would be beneficial due to fact that this research left the "political dimension" uncovered.

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