

# The Liberal Welfare State and Women's Economic Autonomy

Minahil Amin

22 September 2014

---

## Executive Summary

The limits on women's economic autonomy are propagated by the liberal welfare regime. Women who want to work have the dual obligation of housework, especially childcare, and paid work. The liberal welfare regime neglects the family policies that would allow women a more equal footing with men in paid work. These policies include employment related benefits such as parental-leave and shorter work hours, for both men and women, and also state provision of affordable, quality childcare. Among these options, public care has the clearest impact on promoting women's economic autonomy.

## Background

One of the premier theorists on welfare regimes, Esping-Anderson, notes that liberal welfare regimes have begun to de-commodify their citizens via employee benefit plans and systems such as Social Security in the United States. However, de-commodification has relevance only for individuals "already fully inserted in the wage relationship." Traditionally, women's welfare derives from their role in the family unit, and thus de-commodification is meaningless without de-familialization, that is to say, alleviating the burden of family responsibilities.<sup>i</sup>

In the economic perspective, households base their decisions on how to allocate family member's time in paid or unpaid (house-related) work by comparing the partners' marginal productivity in the labor market and in domestic work. As male wage is typically higher, men tend to specialize in paid work and women in unpaid work, largely comprised of housework and childcare.<sup>ii</sup> Furthermore, in families with children in liberal welfare regimes, fathers engage in considerably more paid work than non-fathers; this trend is reversed in social democratic welfare states. This difference, and the observation that women have increased their time in paid work to a greater extent than they have reduced their time in unpaid work,<sup>iii</sup> can be attributed to the fact that social democratic welfare states provide family transfers, such as cash benefits, income subsidies, and high-quality, heavily-subsidized childcare, to a much greater extent than liberal welfare states do.<sup>iv</sup>

## Problem

The limits on women's economic autonomy are further propagated by the liberal welfare regime. In such regimes, supplemental income and social rights are directly linked to full-time wage-earning positions. As low-wage, service, and part-time employment positions are disproportionately female, women are excluded from the benefits of de-commodification policies.<sup>v</sup> Furthermore, women are constrained by their household (childcare) responsibilities as neither the market nor the state provide adequate support for working mothers, as illustrated by the lack of affordable, quality family services in the United States.<sup>vi</sup>

## Options

*Implement employment-related benefits for working mothers: paid maternity leave, favorable tax treatment, reduced working hours, and the right to take time off to care for sick children*

**Pros:** Employment-related benefits allow women to balance the demands of work and family. In a family's utility trade-off between individuals taking on paid work or housework, these policies increase the marginal productivity of women in regard to paid work, and thus allow them to choose the option that provides economic autonomy.<sup>vii</sup>

**Cons:** As maternity leaves and shorter hours are seen to reduce/interrupt the productivity of workers, such benefits can lead employers to perceive women as higher-risk employees. Thus, employers will be more likely to practice statistical discrimination against women.<sup>viii</sup> In addition, these policies do not liberate women from their household responsibilities, and thus women increase their total (paid and unpaid) work time.<sup>ix</sup>

*Provide public, quality, affordable childcare*

**Pros:** Public care services free women to take on paid employment without increasing their risk to employers.<sup>x</sup> The state can subsidize care at a price that the market will not, allowing lower-income families and single mothers to generate more income. Moreover, the provision of the care itself tends to be a feminized sector, allowing women more and flexible employment opportunities.<sup>xi</sup>

**Cons:** As public care does provide more job opportunities for women, women are more likely to be concentrated in these service jobs instead of seeking out better-paid, male-dominated positions.<sup>xii</sup> In addition, subsidized, high-quality childcare will be a large cost to state.

*Equalize perceived risk between men and women – paternity leave*

**Pros:** In the case of the United States and most liberal welfare states, parenthood-related job-benefits tend to be associated with women and also tend to be perceived as a risk to employee productivity.<sup>xiii</sup> By promoting family benefits for men, such as paternity leave and shorter work hours for new fathers, the state can equalize this perceived risk. In the Nordic countries, the implementation of active family policies targeting men as well as women has been linked with increased economic gender equity. Fathers in these countries work less than nonfathers, despite the increased cost for a household with children.<sup>xiv</sup>

**Cons:** Although such policies can promote gender equity in families, there is potential for discrimination against working parents. The negative effects associated with employment-related benefits for women would expand to encompass fathers as well as mothers.

## Recommendation

Given the goal of promoting women's economic autonomy, the option with the clearest impact is for the state to provide subsidized, quality childcare. This option will allow families to have both partners take on paid work, thus promoting overall economic welfare and gender equity. The employment-related benefits options are more complex and higher levels of political capital, especially in dealing with the private sector; they must be promoted evenly for men and women and have the potential to alienate parents from employers.

## Sources

---

- <sup>i</sup> Andersen, G. (1990). *The three worlds of welfare capitalism*. Princeton, N.J.: Princeton University Press.
- <sup>ii</sup> Neilson, J., & Stanfors, M. (2013). Re-Traditionalisation of Gender Relations in the 1990s? The Impact of Parenthood on Gendered Time Use in Three Scandinavian Countries. *Journal of Contemporary European Studies*, 21(2), 269-289. Retrieved September 21, 2014, from <http://dx.doi.org/10.1080/14782804.2013.815467>
- <sup>iii</sup> Bianchi, S. M. (2000). Maternal Employment and Time with Children: Dramatic Change or Surprising Continuity?. *Demography*, 37(4), 401-414. Retrieved September 22, 2014, from <http://dx.doi.org/10.1353/dem.2000.0001>
- <sup>iv</sup> Neilson, J., & Stanfors, M. `
- <sup>v</sup> Mandel, H., & Shalev, M. (2009). How Welfare States Shape the Gender Pay Gap: A Theoretical and Comparative Analysis. *Social Forces*, 87(4), 1873-1911. Retrieved September 21, 2014, from <http://dx.doi.org/10.1353/sof.0.0187>
- <sup>vi</sup> Gornick, J. C., & Meyers, M. K. (2003). 3. Welfare Regimes In Relation To Paid Work And Care. *Advances in Life Course Research*, 8, 45-67. Retrieved September 21, 2014, from [http://dx.doi.org/10.1016/S1040-2608\(03\)08003-1](http://dx.doi.org/10.1016/S1040-2608(03)08003-1)
- <sup>vii</sup> Neilson, J., & Stanfors, M.
- <sup>viii</sup> Mandel, H., & Semyonov, M. (2005). Family Policies, Wage Structures, and Gender Gaps: Sources of Earnings Inequality in 20 Countries. *American Sociological Review*, 70(6), 949-967. Retrieved September 21, 2014, from <http://dx.doi.org/10.1177/000312240507000604>
- <sup>ix</sup> Neilson, J., & Stanfors, M.
- <sup>x</sup> Estevez-Abe, M. (2005). Gender Bias in Skills and Social Policies: The Varieties of Capitalism Perspective on Sex Segregation. *Social Politics: International Studies in Gender, State & Society*, 12(2), 180-215. Retrieved September 21, 2014, from <http://dx.doi.org/10.1093/sp/jxi011>
- <sup>xi</sup> Mandel, H., & Shalev, M
- <sup>xii</sup> Mandel, H., & Shalev, M
- <sup>xiii</sup> Mandel, H., & Shalev, M
- <sup>xiv</sup> Neilson, J., & Stanfors, M.