



*The effects of policies on  
financial inequalities within  
households:  
a cross country comparison*

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# Gender roles and financial inequalities within households

- Many policies impact on gender roles: how men and women spend their time
- Few are designed to reduce gender inequalities, nevertheless their effects are often assessed on:
  - gender inequalities in access to financial resources within economy e.g. gender wage and earnings gap
  - inequalities in gender roles within households e.g. on housework hours
- but rarely on:
  - inequalities in access to financial resources within households
- This paper is about a way of thinking how policies, particularly those that impact on gender roles, influence financial inequalities within households too



# Why does this matter?

- Qualitative evidence that gender inequalities in access to financial resources within households are significant and bound up with gender inequalities more generally
- Knowing about the effect of policies on these inequalities matters for the same reasons as other inequalities:
  - if we want to ensure policies reduce such inequalities/do not make them worse
  - such inequalities may affect behavioural responses to policies, reducing their effectiveness in meeting their own goals
    - e.g. of education and health care policies in reaching those with less access to household resources, relevant to girls' educational chances and survival



# Method

- We investigate relative access to resources within households by examining how men's and women's assessment of their common household income differs
- Do so for three countries with household panel data sets in which the question “How satisfied are you with your household's income” was asked annually of all adults in a household:
  - Germany, UK and Australia
  - Answers on a scale 1-10 (or were rescaled to be so)
  - Matched answers for sample of couples of working age 2002-2007
- We are interested primarily in gender roles;
  - so treat these as our main independent variables of interest
  - but must also allow for other well-known influences on such subjective assessments
- Key assumption:
  - That if a factor affects the satisfaction with household income (SWHI) of a man and a woman sharing the same household income, it does so because it alters the couple's relative access to their household income



# Process of analysis

To assess the effect of gender roles in different policy regimes on relative access to household resources we investigate:

1. which gender roles (and related factors) affect the SWHI of couples differently in all countries
  - i.e. for which gender roles (and related factors) within the couple do the coefficients in regressions for the man's and the woman's SWHI differ significantly

and then examine differences between countries by:

2. the effects of their policies on these gender roles (and related factors)
3. whether these policies (and/or the countries' culture more generally) affect how these factors impact on individual access to financial resources within households
  - i.e. whether these countries differ significantly in the size of the coefficients of any of these variables in predicting differences in SWHI within couples



# Factors explaining SWHI

- Real household income
- Gender roles: how the man and woman in a couple spend their time:
  - labour market status (FT employed, PT employed, inactive, unemployed, disabled)
  - hours of housework (and hours of housework squared)
- Some household level variables relevant to gender roles and potentially to access to household income:
  - the proportion of household income coming from earnings:
    - women/men may be more likely to receive income from other sources (in practice, mostly benefits and child support)
    - also a dummy variable to indicate if there are no earnings at all:
  - the number and ages of children, to allow for:
    - any child-related costs, such as childcare, that are not fully covered by equivalence scales
    - time spent on childcare, which is not included in housework hours.
  - the proportion of earnings coming from each partner:
    - to see if they have any effects additional to gender roles (the variables of interest in this study)
    - the focus of most studies of intra-household inequalities in access to household income
- Also:
  - year dummies
    - to control for macro-economic effects, such as inflation or unemployment rates, that may differ between countries.



# Other influences on SWHI to allow for

- Individual personality traits (e.g. cheerfulness):
  - Some evidence that these do not change much over time
  - Use fixed effects regression to control for these (cost is giving up use of inter-household variation)
- Aspiration and expectations:
  - Assessment is relative to expectations and social comparisons
  - Can be captured by some local environmental variables e.g. local unemployment rates, or individual ones e.g. human capital
    - in single country studies we did not find much difference in the effects of environmental variables within a couple
    - no comparable data on many of these cross-nationally
  - We have omitted any such controls: implicit assumption is that such aspirations and expectations are:
    - either shared between members of a couple
    - or that any differences are time-invariant (and therefore controlled for in using fixed effects)
- Spillover from other domains of satisfaction
  - Control for own “Satisfaction with life in general”
- Mutual concern by partners for other’s well-being
  - Control for partner's “Satisfaction with life in general”
- Endogeneity
  - Potential bias removed, as well as we can, by model specification
    - controlling for household income itself
    - using fixed effects regression

# Which factors matter for all countries?

	Effect on SWHI		
	Man's	Woman's	Man's- Woman's
Log of equiv. hhold income	+	+	
No. of chi aged 0-4y			+
Man working part time	-	-	-
Man inactive	-	-	
Man unemployed	-	-	-
Man disabled	-	-	
Woman working part time	-	-	+
Woman inactive	-	-	+
Woman unemployed	-	-	+
Woman disabled		-	+
Male hours housework	-	-	
Female hours housework			+

- To both men and women, across all countries, both own and partners' employment status affects relative access to household resources:
  - Any employment status for a women less than ft employment decreases her access relative to the man's
  - Unemployment or part-time working (but not being inactive or disabled in all) decreases a man's relative access (cf being employed ft)
- Children under 5 years old may decrease women's access to household resources (effects not significant within individual countries)
- Men's hours of housework decrease both men's and women's satisfaction with household income, but do not consistently affect relative access
- Women's hours of housework decrease women's access to household resources, but do not consistently affect either man's or woman's SWHI





# Gender regimes in our three countries

- All were strong male breadwinner regimes:
  - Germany conservative-corporatist; active support of male breadwinner model, reliance on family to provide welfare services
  - UK and Australia: male breadwinner more by default, liberal “safety-net” welfare regimes focused on minimal decommodification of labour
    - UK: most benefits means-tested plus market provision of services
    - Australia: benefits tend to be more “affluence tested”; greater involvement of voluntary sector
- Since mid 1990s all had labour market activation policies with some focus on gender roles:
  - Different methods and rates in different countries
  - Included policies on childcare, parental leave and changes in tax-benefit systems to “make work pay”
  - By 2002-7, the years for which we have data, such policies:
    - had largely already been implemented in UK,
    - were only just beginning to be introduced in Germany
    - while Australia after earlier reforms, policies focused more on supporting traditional gender roles after change of government after 1996 (changed again in 2007)

# Outcome of policies 2002-2007

	AU			GE			UK		
	1997	2002	2007	1997	2002	2007	1997	2002	2007
Male employment rate	77%	78%	81%	73%	71%	75%	75%	76%	77%
Female employment rate	60%	63%	67%	56%	59%	64%	63%	65%	66%
Share of women in total employment	43%	45%	45%	43%	45%	46%	46%	46%	46%
% of all women employed full-time	35%	38%	42%	39%	38%	39%	37%	39%	41%
% of all women employed part-time	25%	25%	25%	17%	21%	25%	26%	26%	25%
Usual weekly hours men		41.4	40.7		40.6	40		42.8	41.8
Usual weekly hours women		30.7	30.9		31.4	30.2		31.1	31.4
Employment rate of mothers of child < 6 years old	44%	45%	48%	50%	57%	60%	56%	57%	56%
Gender pay gap (FT)	15%	15%	15%	24%	26%	25%	25%	23%	21%

- Employment rates increased in all countries over the period, though women's increased faster, especially in Germany and Australia.
- In Australia and the UK the increase was in women working full-time, while in Germany it came from more women working part-time.
- In all countries women worked on average only 75% of the hours of men.
- The employment rate of mothers of children less than six years old rose by 10 percentage points on Germany to overtake that of the UK by 2007. It was much lower in Australia.
- Only the UK saw a slight fall in the gender pay gap (for those working full-time), which was highest in Germany at around 25% but considerably lower in Australia at 15%



# Interpretation

- In all three countries, policies had been or were being implemented that were having some (uneven) effect on gender roles and should therefore that have led to some improvements in women's access to household resources.
- Of these indicators of gender roles, we know the proportion of women working FT has an effect on access to household income:
  - this suggests that UK and Australia may have been more successful over this period in raising women's access to household resources
- Our method does not allow us to make direct cross-national comparisons of intrahousehold inequalities e.g. we cannot say that because the employment rate of mothers was lower in Australia than in UK or Germany Australian mothers had less access to their household resources
- This is because
  - we are abstracting from the effects of any fixed effects such as national differences (this we cannot assess)
  - different cultures and policy regimes could make gender roles more or less salient in different countries (this we can investigate)
- We will therefore investigate whether gender roles affect access to household resources differently in our three countries

# results for gender roles: employment status

Employment status (reference=FT)	GERMANY		UK		AUSTRALIA	
	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI
Man part time	-0.397***	-0.247***	-0.570***	-0.217	-0.430***	-0.404***
Man inactive	-0.406***	-0.304***	-0.412*	-0.483**	-0.526***	-0.392***
Man unemployed	-0.803***	-0.569***	-1.450***	-1.434***	-0.747***	-0.345***
Man disabled	-0.162**	-0.143*	-0.942***	-1.438***	-0.068	-0.057
Woman part time	-0.191***	-0.288***	-0.045	-0.235***	0.031	-0.127**
Woman inactive	-0.361***	-0.444***	-0.061	-0.358***	0.084	-0.266***
Woman unemployed	-0.415***	-0.692***	-0.206	-0.563***	-0.117	-0.709***
Woman disabled	-0.215**	-0.275***	0.111	-0.914***	-0.023	-0.173**

- Note negative coefficients nearly everywhere
- More interesting than significance levels:
  - significance levels not directly comparable since German sample much larger than UK's or Australia's
  - too complex to display results of cross-national significance tests

# own employment status

Employment status (reference=FT)	GERMANY		UK		AUSTRALIA	
	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI
Man part time	-0.397***	-0.247***	-0.570***	-0.217	-0.430***	-0.404***
Man inactive	-0.406***	-0.304***	-0.412*	-0.483**	-0.526***	-0.392***
Man unemployed	-0.803***	-0.569***	-1.450***	-1.434***	-0.747***	-0.345***
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Woman unemployed	-0.415***	-0.692***	-0.206	-0.563***	-0.117	-0.709***
Woman disabled	-0.215**	-0.275***	0.111	-0.914***	-0.023	-0.173**

- Less than full-time FT labour market participation reduces own SWHI
- This is because it reduces both:
  1. prospects for household income (NB current real household income is controlled for)
  2. and own access to it
- Differences between countries
  - coefficients on disability and unemployment significantly more negative in UK than Germany or Australia - less generous benefits??
  - coefficients for women on working part-time or being inactive less negative in Australia than in UK or Germany

# partner's employment status

Employment status (reference=FT)	GERMANY		UK		AUSTRALIA	
	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI
Man part time	-0.397***	-0.247***	-0.570***	-0.217	-0.430***	-0.404***
Man inactive	-0.406***	-0.304***	-0.412*	-0.483**	-0.526***	-0.392***
Man unemployed	-0.803***	-0.569***	-1.450***	-1.434***	-0.747***	-0.345***
Man disabled	-0.162**	-0.143*	-0.942***	-1.438***	-0.068	-0.057
Woman part time	-0.191***	-0.288***	-0.045	-0.235***	0.031	-0.127**
Woman inactive	-0.361***	-0.444***	-0.061	-0.358***	0.084	-0.266***
Woman unemployed	-0.415***	-0.692***	-0.206	-0.563***	-0.117	-0.709***
Woman disabled	-0.215**	-0.275***	0.111	-0.914***	-0.023	-0.173**

- Negative effects on prospects for household income of less than FT status may be balanced for partner by positive effects on own access to that income:
  - For women net effects of man's less than f-t employment status are large and negative (and almost always significantly so)
  - Effect on men of woman's less than f-t employment status is much less
- Differences across countries:
  - Women's employment has insignificant effect on men's SWHI in UK and Australia, but not Germany
  - UK and Australian women's SWHI is affected more by their partner's employment status than their own – this is not true in Germany

# Effect on access to household income

	GERMANY	UK	AUSTRALIA
	Man's – Woman's SWHI		
Man part time	-0.15*	-0.353*	-0.026
Man inactive	-0.102	0.071	-0.134
Man unemployed	-0.234***	-0.016	-0.402***
Man disabled	-0.019	0.496	-0.011
Woman part time	0.097*	0.19*	0.158***
Woman inactive	0.083	0.297**	0.35***
Woman unemployed	0.277***	0.357	0.592***
Woman disabled	0.06	1.025***	0.15*

- Relative access is in nearly all cases reduced by less than FT employment status (though not always significantly)
- In UK and Australia much more so for women than men
- Gender asymmetry may be because
  - man's employment status thought to be more important to prospects for household income by both men and women (probably wrongly despite gender pay gap)
  - women gain access to household income from their employment status/men from their gender?
- In Germany effects are more similar for men and women

# Hours of housework

	GERMANY		UK		AUSTRALIA	
	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI	Man's SWHI	Woman's SWHI
Male hours housework	<b>-0.009**</b>	<b>-0.008*</b>	<b>-0.018</b>	<b>-0.020*</b>	<b>-0.004</b>	<b>-0.002</b>
Male hours hwk squared	<b>0.000</b>	<b>0.000*</b>	<b>0.000</b>	<b>0.001*</b>	<b>-0.000</b>	<b>-0.000</b>
Female hours hwk	<b>-0.001</b>	<b>-0.007**</b>	<b>-0.001</b>	<b>-0.008</b>	<b>0.002</b>	<b>0.002</b>
Female hours hwk squared	<b>-0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.000</b>

- Both men's and women's SWHI decreases when men spend more time doing housework
- Women's but not men's SWHI, decreases when women spend more time doing housework in Germany and UK
  - so women lose access to household income (effect is larger in UK than in Germany but significant only in Germany)
- Both men and women's SWHI increases when women spend more time doing housework in Australia (though no effects in Australia are significant)





# Conclusions

- Gender roles matter in all countries to access to household income
- Policies' effects on gender roles therefore also affect intrahousehold inequalities
  - E.g. UK and Australia's growth of women's FT employment
- But policies interact with culture and attitudes more generally
- For example, from our data we can see in Germany a welfare system designed to let women stay out of labour market, was lagging behind attitudes
  - Lee et al (2007) showed gender role attitudes changing faster in Germany than in the other two countries at this time
    - both men and women increasingly believed women should contribute financially
    - even if they still had more traditional ideas about care of small children
  - But actual practices, at least in terms of FT employment, were not changing so fast
  - Thus we found that in Germany women's:
    - Greater actual proportion of less than f-t employment having more negative effect on women's SWHI than their partners'
    - And, generally, more negative effect on both men's and women's SWHI than in UK or Australia
    - Hours of housework has a negative effect on women's SWHI and access to household income (like in UK, but not in Austria)



# More generally

- Effects on intra-household inequalities are largely indirect:
  - Few policies directed at inequality in gender roles
  - Even fewer, if any, at intrahousehold inequalities
- Unlikely to be able to pin down differences between countries to particular policies, rather than to:
  - policy regime more generally and its direction of change
  - in relation to historical underlying differences in cultures and practices w.r.t gender roles
- Consequences may be different from intended:
  - e.g. we have seen that among our countries the regimes that explicitly promote the male breadwinner model (conservative), rather than create it by default (liberal), are not clearly better or worse in protecting access to household income by women;
    - German policies create gender roles less favourable to women's access to household income
    - But may create frustrations that make these roles less salient in determining relative access