



Second Meeting of GenIX advisory committee

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Introduction



Background

- Nearly all policy impact on policies:
 - Some designed to do so
 - But other policies with other aims have effects on inequalities too
 - That's the idea behind equality impact assessments
- Some attention paid to inequalities more generally but very little to inequalities within households.
- Policy makers tend to:
 - concentrate on assessing distributional impact by immediate effect on household budget as a whole
 - assume intra-household equality in the opportunities that resources bring to household members

Inequalities within households



- Need to consider impact on inequalities within households
 - because part of full gender equality impact of any policy
 - have to know about this to ensure policy is effective and well targeted
- Results should help improve policy making in:
 - meeting existing policy goals better by recognizing how they are affected by within household inequalities
 - reducing inequalities within households
 - tackling gender inequalities more generally

GenIX project



- To develop a method of evaluating such effects
 - Use it to evaluate the effect of different types of policies
 - Make cross national comparison of
 - such effects themselves
 - and of policies that might affect the variables that affect such inequalities
- Our method
 - Uses “satisfaction with household income” measures
 - Assumes differences in effects on the answers of a man and a woman sharing same the household income imply they gain different benefits from that income
- Want to know which variables affect these differences and thus intra-household inequalities

Specific focus



- In particular have looked at the effects of partners' employment status
 - Whether man and woman are employed ft, pt, out of labour market, unemployed or disabled
 - Also number and ages of children, household income, relative income shares
- And cross-nationally at four policy areas:
 - Parental leave
 - Working time
 - Childcare
 - Tax-Benefit system (especially for families)

For policies want to know



- Immediate impact on relative incomes within households
- Effects on roles, relationships and life-course opportunities inside and outside the household
 - eg employment and caring roles
 - since these affect the benefits individuals gain from household income
- Cross national comparison will enable the effects of different policy contexts to be explored



Progress so far

- Analysis so far of UK, Australia and Germany
- Results presented:
 - at many national and international conferences
 - in some working papers
 - and in some publications
- Still to come EU-15 (1990s) plus more detailed analysis of Germany and Australia
- Some delays – but also some opportunities to make use of our results eg during the passage of the welfare reform bill.



Results

Focus



- Intra-household differences in subjective benefits from household income (UK, AU, GE)
- Identifying gender effects of policy-relevant factors (mainly employment and children)
- Exploring changes in family-related policies over last 15 years
- Evaluating policy changes on intra-household inequalities wrt
 - Access to income (direct financial support)
 - Division of roles (work and care incentives)

Employment indicators 1997-2007



	Australia			Germany			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%
Empl. rate of mothers of child<6y	44%	45%	48%	50%	57%	60%	56%	57%	56%
Incidence of male part-time employment	15%	12%	12%	4%	6%	8%	8%	9%	10%
Incidence of female part-time employment	41%	39%	38%	31%	35%	39%	41%	40%	38%
Gender pay gap (FT)	15%	15%	15%	24%	26%	25%	25%	23%	21%
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
% PT women involuntary		26.2	24.7		9.3	16.3		5.6	6.5
% PT men involuntary		42	36.9		30.7	27.9		40.3	41.2

Analysis for UK, GE, AU



- Answers to Satisfaction with household income
 - Indicate subjective individual benefits from that income
 - Can be compared between partners
 - Gender analysis of which factors matter more to SWHI
 - Gender analysis of whether individual factor impacts on change in relative benefits (assumed to be indicated by changes in differences in SWHI)
- Explanatory factors of interest:
 - Employment status
 - Number of children
 - Time-use
 - Earnings
 - Wage rates

Results for UK, GE, AU



- Employment status matters to SWHI of both partners (over and above income)
- Man's employment status influences both partners' SWHI but woman's employment status only influences hers.
- Gender difference (male-breadwinner conformity)
- In Germany, both partners' employment is recognized as significant contribution (despite Germany's greater proportion of male-breadwinner couples)
- Individual employment matters more to own SWHI than partner's employment → partners benefit more from their own employment status (but unequally distributed by gender)
- Young children, negatively influence women's SWHI in the UK and Australia but not in Germany (difference in costs of children?)

Regression results for typology of employment



	UK			Germany			Australia		
	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI
Man not FT, Woman not working	-0.558** (0.248)	-0.477** (0.227)	-0.081 (0.267)	-0.887*** (0.086)	-0.613*** (0.080)	-0.273*** (0.082)	-0.733*** (0.124)	-0.516*** (0.116)	-0.217* (0.131)
Man not FT, Woman PT	-0.854*** (0.228)	-0.576** (0.249)	-0.278 (0.283)	-0.610*** (0.087)	-0.230*** (0.085)	-0.381*** (0.096)	-0.693*** (0.128)	-0.089 (0.115)	-0.605*** (0.143)
Man not FT, Woman FT	-0.850*** (0.206)	-0.171 (0.197)	-0.680*** (0.241)	-0.235*** (0.087)	0.150* (0.083)	-0.385*** (0.092)	-0.653*** (0.121)	0.077 (0.122)	-0.730*** (0.141)
ref: Man FT, Woman not working									
Man FT, Woman PT	0.066 (0.093)	0.228** (0.103)	-0.162 (0.124)	0.181*** (0.040)	0.240*** (0.043)	-0.059 (0.046)	0.028 (0.057)	0.248*** (0.062)	-0.219*** (0.071)
Both FT	0.101 (0.108)	0.478*** (0.118)	-0.377*** (0.138)	0.371*** (0.056)	0.567*** (0.055)	-0.195*** (0.061)	0.040 (0.066)	0.522*** (0.074)	-0.482*** (0.085)

Policy design and IH inequalities



- 1) Focus on **individual access** to income, within intact couples but also after separation;
 - Cash and tax support to carers/lower earners
 - Financial support to lone carers

 - 2) Focus on **caring and earning roles**
 - Work and care incentives (second earner, childcare costs)
- Both affect individuals' relative power and benefits from hh income
- Issues about gender **inequality** more generally in **society**
 - Jobs / pay / care work / gender norms

Parental leave and working time



1. Access to income (mothers)
 - Paid leave (replacement rates)
 - Job protection
 - Danger is entrenched gender roles if support only to mothers
 2. Equal sharing caring/earning
 - Paid leave for both parents (individual right)
 - Flexible work for both (equal take-up)
 - Well paid/protected
 - Reduction in full-time hours for all
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- E.g. Hegewisch and Gornick (2011); Moss (2011) on PL
 - E.g. Hegewisch (2009); Himmelweit (2008) on WT

Childcare and cash support



1. Access to income

- Free or subsidised childcare services (mothers' earnings)
- Cash for care (at home)
- But benefit income not as valued as earnings

2. Equal sharing caring/earning

- May sustain gender roles if cash for care is gendered
- Work disincentive for second earner: joint taxation (including joint means-testing of benefits)
- De Henau et al. (2007); Himmelweit and Sigala (2004) (CC)
- De Henau et al. (2010); Bennett and Sutherland (2011) (TB)

Policy changes 1996-2012



- All: welfare to work (conditionality and incentives) / 'family' choice
- Australia
 - Lib-Cons: activation policies but one-earner incentives
 - Labor: no big changes except for parental leave (relaxing strength of second-earner trap)
- Germany
 - Red-Green Coalition: activation policies but more consideration for gender equality
 - Grand Coalition: Major changes in childcare and parental leave
- UK
 - New Labour: activation policies with child poverty reduction
 - Lib-Dem Coalition: same but welfare reform and cuts

Parental leaves



	UK (<2010)	AU (<2007)	GE (<2005)
	<ul style="list-style-type: none"> - Long, low paid job-protected maternity leave - Introduction of two weeks low paid paternity leave - Unpaid individual parental leave with very low take-up 	<ul style="list-style-type: none"> - No statutory paid parental leave but provided by some employers - Introduction of lump sum baby bonus (for all mothers of new born) 	<ul style="list-style-type: none"> - 100% earnings replacement maternity leave (14 wks) - Low paid individual parental leave (flexible but low take up by fathers) - No specific paternity leave
Then	<ul style="list-style-type: none"> - Transferable maternity leave to father (>6months) carried fwd from previous gov. 	<ul style="list-style-type: none"> - paid parental leave 	<ul style="list-style-type: none"> - Shorter earnings-related parental leave and 2 daddy months

Working time



	UK (<2010)	AU (<2007)	GE (<2005)
	<ul style="list-style-type: none"> - 48 h max. week (with individual opt-out) - Introduction of right to request flexible working (extended) 	<ul style="list-style-type: none"> - Individual WT agreements - Protection of carers from discrimination (NSW and VA) 	<ul style="list-style-type: none"> - 48 h max. week (no individual opt-out) - Right to request change to hours after period of leave - Creation of poor quality mini-jobs
Then		<ul style="list-style-type: none"> - Introduction of right to request flexible working 	

Childcare



	UK (<2010)	AU (<2007)	GE (<2005)
	<ul style="list-style-type: none"> - Private provision - Means-tested subsidies (WTC) - Limited tax rebates - Free part-time pre-school education for all 3-4yr olds 	<ul style="list-style-type: none"> - Private provision (Subsidies) - Means-tested childcare benefit for all and tax relief for working families 	<ul style="list-style-type: none"> - Public provision - Extensive free part-time coverage for over 3s - Low coverage for under 3s in the West, relatively high in the East
Then	<ul style="list-style-type: none"> - Austerity measures: Reduction in childcare tax credit payments (WTC) - Free PT pre-school educ. for disadv. 2y olds 		<ul style="list-style-type: none"> - Increase in direct public funding of childcare places for under 3s (target 33% in 2013)

Tax-benefit systems



	UK (<2010)	AU (<2007)	GE (<2005)
	<ul style="list-style-type: none"> - Universal child benefit - Individual taxation - Means-tested tax credits - Stricter activation conditions for benefits 	<ul style="list-style-type: none"> - Individual taxation - Means-tested family tax benefit for each child - Stricter activation conditions for benefits 	<ul style="list-style-type: none"> - Universal child benefit - Joint taxation of married couples (income splitting)
Then	<ul style="list-style-type: none"> - Austerity measures: child benefit frozen and withdrawn from families with a higher earner - Universal Credit (more on this later) 		<ul style="list-style-type: none"> - Increase in direct public funding of childcare places for under 3s (target 33% in 2013)

AETR of second earner on full-time job at 67% AW



	(100+67)% AW, 2 c			(100+0)% AW, 2 c		
	AU	GE	UK	AU	GE	UK
Gross earnings	167	167	167	100	100	100
Family Benefits	6.8	8.9	6.9	17.7	8.9	6.9
Income Tax	-37.6	-31.9	-27.7	-24.0	-11.5	-17.5
SSC	0.0	-34.8	-14.7	0.0	-20.8	-9.2
Total Net Income	136	109	131	97	76	80
Net tax burden	18%	35%	21%	3%	24%	20%
AETR to 67% w/o cc	41%	51%	24%			
Childcare fee	-44.7	-16.0	-47.8	0	0	0
Childcare relief	15.1	6.9	4.7	0	0	0
Tax reduction	16.4	0.0	0.0	0	0	0
Net cost of cc	-13.3	-9.1	-43.1	0	0	0
Net income (- cc cost)	123	100	88	97	76	80
Net tax burden	26%	40%	47%	3%	24%	20%
AETR to 67% w/ cc	61%	65%	88%			

Effects of changes



- One-and-a-half earner model in all three countries
 - Family-centred parental leave (even new German system)
 - Family-centred tax-benefit system (work disincentive for second earner when childcare costs are taken into account)
 - AU, UK through joint means-testing of child-related benefits
 - GE through joint taxation (income split)
 - Germany's childcare policy is promising and attempt to increase fathers' take-up of parental leave too but more to be done

In sum



- Big changes in policies but **little consideration** of gender inequality, let alone intra-household **inequalities**
- **Ideology** of choice everywhere, mostly **family choice** (intra-household decisions are a private matter)
- Many policies **reinforce traditional gender roles** rather than counteract them be it through second earner work disincentive, lack of focus on paternal care and cash for carers
- So limited attempt to direct cash to lower earner/main carer but **no consideration of long-term effects on gender roles**



Policy considerations



Some policies expanding “choice” to which GenIX results are relevant

- Working time regulations
- Allocating paid parental leave jointly or individually to parents
- Paying family benefits to a single claimant on the family’s behalf (family “choice”)

Choices by families



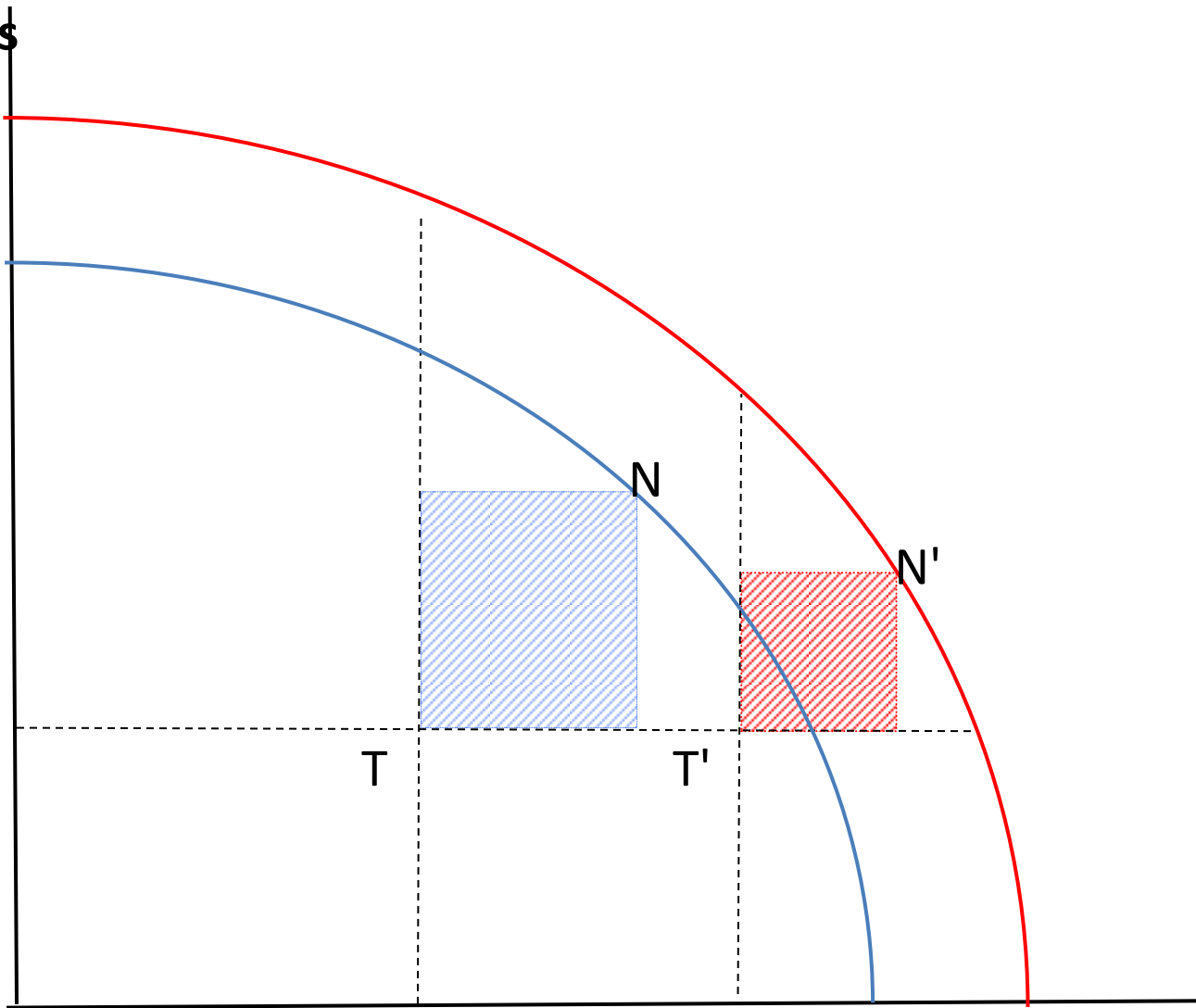
- Increasingly called on as a political value by policy makers throughout Europe
 - crisis has not diminished that trend, though salience of different arguments has shifted
- By governments of all persuasions
 - e.g. by both previous and current UK governments
- Choice is supposed to:
 - Be what everyone wants
 - Deliver the benefits of the market:
 - Promote active citizen/consumers taking financial responsibility
- Used to argue for:
 - more flexible labour market:
 - household means testing of benefits
 - Assumes no intrahousehold distributional or power issues
- But little attention is paid to who within families is doing the choosing

GenIX results show:



- Expanding choice may not benefit everyone in a household
- If policies affect
 - distribution of incomes within household or
 - roles within household
- Because these affect distribution of benefits from household resources
 - some members may lose out even when household as a whole is better off
 - eg policies that enable households to be better off by having a single earner may reduce well-being of non-earner

Woman's utility



Man's utility



Working time regulations



- EU regulations limit working day to 48 hours
- UK opt out allows employers and employees to make individuals agreement to work long hours than regulations allow
 - weak safeguards against coercion e.g. making such an agreement not allowed to be a condition of employment
 - seen as widely flaunted in practice
- Opt-out justified by giving *individual employees* the right to choose their hours of employment
- Working time highly skewed by gender in UK
 - men with children work some of longest hours in Europe
 - majority of women with children work part-time
- UK governments have argued this was evidence of *families* having “chosen” a particular division of labour
- GenIX results shows that such choices lead to greater inequality within households
 - Proper enforcement of EU regulations would reduce intrahousehold inequalities

Maternity/paternity/parental leave



- Should leave be allocated to family, mothers or fathers?
 - Individual or family rights?
 - How much flexibility should there be in its use?
- Family rights allow parents to choose who takes the leave:
 - In practice mothers take vast majority of unallocated leave
 - Gender norms
 - Gender pay gap (especially if leave is badly paid)
 - Bad career impact for women
 - Though less bad than if they gave up employment
 - Sets pattern of parental relationships with children
 - men's lobby for change too
 - GenIX results shows this is bad for intrahousehold equality too
- UK govt now proposing giving more flexibility in taking leave
 - Woman can choose to transfer more to father
 - Have accepted argument for increasing in leave reserved for father, but not implemented it

Welfare reform



- Most benefits to be rolled into one “Universal Credit”
 - means tested on household income
- Paid monthly to one member
 - Couples can choose who should receive it
 - Can’t choose to split it
 - promote financial responsibility by mimicking the wage (sic)
 - Previously, little choice:
 - Benefits for children went to main carer
 - Housing benefit went straight to landlord or leaseholder
 - Working tax credit went to (one) worker
- Employment incentive greatly reduced for second earner
 - Result of means testing plus high employment disregard for first earner
 - Rationalised as enabling household to choose a different work life balance (i.e. for women to give up employment)
- GenX results suggest
 - discouraging second earners’ employment bad will increase intra-household inequality
 - More intra-household equality if both partners have some income of their own



Policy interventions

- Through WBG, together with Fran Bennett, University of Oxford:
 - Responded to government and select committee consultations
 - Produced briefings notes for MPs and peers
 - Gave seminars to civil servants and peers
- Stressed, among other things, dangers of:
 - paying whole of UC to one partner
 - High participation tax rates for second earners that would result
- Proposed:
 - Paying elements of UC to different partners eg money for children to main carer, money for housing to whoever pays the rent etc
 - Allowing couples to choose to split payment
 - A separate earnings disregard for second earners
- All rejected:
 - Though Lord Freud said would look again at second earner issue when funding allowed

GenIX team



- Have also
 - Supported moves by Maternity Action against government's initial proposal to allow maternity leave to be converted into a fixed sum of money to be taken over a variable amount of time
 - Included intra-household considerations in WBG commentaries on AFS and Budget

General policy implications



- Important always to assess the intra-household gender effect of policies. Need to consider:
 - immediate effects on relative incomes within households
 - impact on gender roles (challenging or reinforcing traditional division labour)
 - consequent effects on intra-household inequalities especially with respect to the benefits that household resources can bring
- Giving couples choice is not the same as giving individuals choice:
 - cannot be justified in the same way
- ‘More choice for families’ is an idea that needs unpacking – not a neutral “good”:
 - May have effects on balance of power within families
 - More likely to favour interests of the member with better access to the labour market
 - Gender pay gap, gender norms reinforce this
 - Can result in choices that are seen as the short-term interests of the couple rather than the longer term of the individuals within it
 - Can be against women’s long-term interests and autonomy