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Gender, Household and Individual Income in France, Germany, Italy, the Netherlands, Sweden, the USA and the UK

Katherine Rake and Mary Daly

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GENDER, HOUSEHOLD AND INDIVIDUAL INCOME IN FRANCE, GERMANY, ITALY, THE NETHERLANDS, SWEDEN THE USA AND THE UK[1]

Katherine Rake[2] and Mary Daly[3]

This paper examines gender differentials in the resources of households and individuals across seven welfare states. In its first part, it asks whether female-headed households can secure a living income without recourse to either the state or the income of a male partner. It then steps inside the private sphere, for the purpose of investigating gender differentials in individual incomes and the degree to which women and men rely on the family as a source of financial support. Technical details of the methodology employed for this analysis follow in an appendix.

1. Gender and Household Income

1.1 The Incomes of Female- and Male-headed Households

We begin our analysis by examining the incomes with the incomes of female- and male-headed households. This helps to reveal whether women can maintain households autonomously, or whether there are 'penalties' to living without a male income. These points have been identified as critical by the feminist literature (Lewis 1992; Orloff 1993; Sainsbury 1998). Such analysis also shows the level of claims that female-headed households make on state resources and the degree to which welfare states protect women against the loss (through divorce, separation or widowhood) or absence of a male wage, pension or other income.

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[1] This analysis forms part of M. Daly and K. Rake (forthcoming 2003) *Gender and the Welfare State: Care, Work and Welfare in Europe and the USA*, Cambridge, Polity Press.

[2] Director, the Fawcett Society, London.

[3] Professor of Sociology, Queen's University Belfast.

As with all measures of gender inequality, the economic position of female- and male-headed households can be properly understood only when placed within a broader national context. As such, three points need to be emphasised. First, the proportion of female- and male-headed households, as well as their characteristics, varies across the eight countries. Second, female-headed households are composed of quite distinct sub-groups, and, while the absence of male income may be something that they share, the differences between, say, the households of lone mothers and those of older women are considerable. Third, households headed by women have a quite distinct profile from those with male heads. While the majority of male-headed households consist of couples with or without children, female-headed households are more likely to contain an older person living alone, a sole younger childless person, or a lone parent. Hence, we are not comparing like with like, and, while relatively simple attempts have been made to adjust for household size through the equivalisation of income, these will not compensate for all the differences (age, economic status, and so forth) between female- and male-headed households.

[Table 1 about here]

A first measure of access to economic resources is given in Table 1, which shows the average income of female- and male-headed households as a percentage of average income for the total population. In all countries, female-headed households have an average income that is between 7 and 21 per cent below the national average. At one extreme fall the UK and the USA, where average incomes for female-headed households are 79 per cent of the national average while for the remaining countries the equivalent figure hovers at around 90 per cent. Table 1 also shows the average income of female-headed households relative to that of those headed by men – this

we term the gender gap in income. This gap is at its widest in the UK and the USA, with female-headed households receiving incomes that are respectively 74 per cent and 73 per cent of those of equivalent male-headed households. This gap is caused by exceptionally low incomes for female-headed households as well as unusually high incomes for those headed by a man. Sweden has the next largest gender gap (86 per cent), while Germany and Italy experience the narrowest of gender gaps (90 per cent and 91 per cent respectively). It is no coincidence, perhaps, that the three countries with the largest gender gap are also those with the largest proportion of female-headed households and, associated with this, the highest proportion of lone mother households (this we explore in more detail below).

[Figure 1 about here]

The gender gap presented in Table 1 is calculated using net income: it is therefore a measure of income after the state has levied tax and made cash transfers to households. The next task is to examine whether the welfare state narrows the gap between the incomes of female- and male-headed households. For this purpose, we distinguish income from the labour market, private pensions and investments (labelled 'market income' as a shorthand) from taxes and transfers (labelled 'impact of the state').[4] The distribution of market income (plotted in Figure 1) is revealing in itself. Female-headed households fare worst in the UK, where they have, on average, less than half the market income of households headed by a man. The situation in the remaining countries is slightly better; yet even so female-headed households command an average market income of around 60 per cent of that of male-headed households. There is

considerable variation in the extent to which the eight welfare states intervene to narrow this gender gap. For example, in Germany female-headed households command 56 per cent of the market incomes of equivalent male-headed households but their incomes are raised by 34 percentage points by taxes and transfers, with the result that households headed by a woman have, on average, a net income of 90 per cent of those headed by a man. State intervention is of a similar magnitude in Italy, while in the Netherlands and Sweden the gap is narrowed by approximately 30 percentage points, and by just over 25 percentage points in France and the UK. An obvious outlier is the USA, where state redistribution narrows the gender gap by only 13 percentage points, with the result that female-headed households command an average of 73 cents for each dollar of income of male-headed households.

Disaggregating sources of income reveals that female-headed households command only a limited amount of income from the market: across all countries, few women can sustain a household without intervention or assistance. There is however considerable variation in how far the state intervenes to support female-headed households: in Germany and Italy, high levels of state redistribution bring the average female-headed household almost in line with those with male heads, and the more moderate redistribution effected by the French, Dutch and Swedish welfare states also results in a significant narrowing of gender differentials. By contrast, in the UK the poor starting position of female-headed households means that, even after quite considerable state transfers, they command less than three-quarters of the income of households headed by men. This leaves such households in a very similar position to those in the USA, in

[4] The state's impact on the distribution of income is more complex, and complete, than that measured by the net effect of taxes and transfers. However, it is not possible to measure directly the role that the state plays in shaping the distribution of market income itself.

which there is significantly less redistribution in favour of households headed by women than in any other country under study.

1.2 The Economic Resources of Lone Mothers and other Households with Children

The key questions here centre on what resources are made available to support parenthood and how far lone mothers are protected from the income risks of raising children without immediate or direct recourse to a male income. An understanding of where the responsibility falls for providing the time and economic resources needed for child bearing and rearing are crucial to any picture of gender inequality (Folbre 1994; Joshi and Davies 1996; Joshi 1998). The division of responsibility has two key facets: first, how the costs of children are divided between the state and the family, and second, their distribution within the family, i.e. the proportion of costs borne by women and men.[5] This latter aspect can be determined only through an examination of women and men's individual incomes, and we return to this issue in the second part of this paper. For the moment the focus is the institutional division of the costs of children. We measure the strength of the claims that can be made on the welfare state by virtue of having children and complement this by an examination of the income advantages and penalties that follow from different types of parenthood, particularly lone motherhood.

Before examining incomes, it is worth noting that there are considerable cross-national differences in the proportion of households with children and, in particular, the number of households headed by a lone mother (constrained by data, we employ a simple definition of lone

[5] The full costs of children are difficult to estimate since having children affects individual behaviour for a long time after (and indeed before) a child is born. A full assessment might need to take into account the lifetime effects (Rake 2000) but data limitations mean that we look only at economic costs since they affect those whose children are currently dependent and co-resident.

mother households as being a sole adult woman residing with at least one dependent child). The number of lone mother households falls into a distinct cross-national clustering: at one pole are the UK, the USA and Sweden, with relatively high proportions of lone mother households (6.3, 5.4 and 4.8 per cent respectively); a middling rank is made up of Germany, France and the Netherlands (all close to 3 per cent) and at the other pole, Italy, where fewer than 1 per cent of households are headed by a lone mother.

Looking first at all parents, it is again instructive to examine incomes from the market alongside the claims that parents make on state resources. On the basis of market income alone, households with children enjoy incomes close to or above average in Germany, the Netherlands and the USA. In all three countries, however, taxes and transfers act to reduce these incomes, so that the average net income of households with children is nearly a fifth below the national average. By contrast, although the tax and transfer system operates to reduce the income of households with children in Sweden also, this reduction is less marked, with post tax and transfer incomes of households with children are just 6 per cent below average. France is unusual, in that the transfer and tax system works in favour of those with children, making their income position slightly better than that of their German counterparts. Hence, with the exception of France and Sweden, having children does not lead to a strong, or indeed any, claim on state resources such that families in all countries bear the costs of children in the form of incomes that are below average.

[Figure 2 about here]

Against a backdrop of parenthood giving limited claims on state resources, we now explore the income 'penalty' attaching to lone motherhood. This is measured as the difference between the average incomes of lone mother households and those of the whole population. The penalty for lone motherhood is at its greatest before the state intervenes (Figure 2). This is particularly the case in the Netherlands and the UK, where lone mother households have market incomes that are approximately 80 per cent below the national average. In Sweden, by contrast, the market incomes of lone mother households are 'just' 46 per cent below the national average. The extent to which the state intervenes to reduce the income disadvantage of lone mother households is revealed when we compare market incomes with incomes after taxes and transfers. In the Netherlands and the UK, the transfer system has the biggest impact on the incomes of lone mother households; yet, even after considerable state intervention, the mean income of lone mother households comes to barely half the national average. Compare this to Sweden, where state intervention reduces the financial disadvantage of lone mothers to 20 per cent of average income. A comparison between France, Germany and the USA is also revealing. The market income disadvantage in all three countries is very similar, with lone mother households having a market income that is around 60 per cent below average. After the state intervenes, lone mother households enjoy very different income levels across countries. In France a high degree of state intervention reduces the lone motherhood penalty to 37 per cent of average income, but in Germany the impact of the state is much less (lone mothers having a net income that is 48 per cent below the national average) and in the USA state intervention barely affects the income disadvantage experienced by lone mothers. It is interesting to note how little correspondence there is between the degree of welfare state intervention and the adequacy of the incomes of lone

mothers. This reflects cross-national variation in the market incomes of lone mothers, driven largely by differences in the degree to which they participate in the labour market.

[Table 2 about here]

Since state transfers make up a substantial part of the income of lone mothers in many countries, their receipt merits further examination. Table 2 compares average receipt of all state transfers as well as those that are means-tested by lone mother and all households with children. Given the previous figures, it comes as no surprise that the state is a very important source of income for lone mothers across all countries. The Netherlands falls at one extreme, with lone mothers very dependent on the state as a source of income (92 per cent of lone mothers' income is from the state). The UK and Sweden follow, with the state providing lone mothers with, respectively, 67 per cent and 56 per cent of their income. France and Germany cluster together, with lone mothers receiving a third of their income from the state. It is Italy and the USA that make up the other, low extreme. Although the state is clearly an important source of lone mothers' income, on international comparison state transfers are but a minor contributor of resources: in Italy 14 per cent of lone mothers' income comes from the state, and in the USA 25 per cent. In contrasting lone mother households to all households with children, the distinct situation of the former emerges, as does a different cross-national ranking. The Swedish welfare state emerges as the most significant redistributor of resources to households with children, providing them with a third of their income. The Netherlands and the UK fall back to the middle ground on this measure (around one-fifth of parents' income comes from the state in these two countries), while the importance of the state as a source of income is less in France (15 per cent) and Germany (11

per cent). Maintaining their position at the lower bounds of state intervention, the Italian and American welfare states provide families with children with only a fraction of their incomes (5 and 6 per cent respectively).

A more qualitative dimension of the experience of lone mothers is captured by the extent to which their incomes are subject to means-testing. If lone mothers source their income in this manner, then the risks of stigmatisation are high, and the possibilities of using intervention to exercise social control are expanded. In all countries, the importance of means-tested income is much greater for those households than it is for all households with children. The Netherlands again falls at the extreme on this measure with 59 per cent of the income of lone mother households subject to a means-test (twelve times the proportion received by all parents). Following close behind is the UK, where 49 per cent of the income of lone mothers is means-tested. For the remaining countries, means-testing is less pronounced, yet means-tested incomes account for between 12 and 21 per cent of the incomes of lone mother households (bar Italy, where there is zero receipt of means-tested incomes).

1.3 Incomes in Later Life

The ageing of the population and greater female longevity make the study of economic resources and poverty in later life central to an understanding of gender inequalities. Legal and cultural limits on labour market activity among the older population mean that there are very limited opportunities to change, and particularly increase, income after retirement. As a result, the risk and experience of poverty and low income may be qualitatively different for older people. What is more, sex differences in longevity mean that it is women who are affected most by the income

risks associated with the loss of a partner. In addition to providing useful information in itself, a measure of gender differentials in resources in later life gives us a unique perspective on whether gender-based advantage and disadvantage have accumulated across the lifetime (Rake 1999). Lastly, from the perspective of the welfare state, the older population makes the single largest claim on resources, such that redistributive activities in this field can be said to speak well to the national welfare state.

[Table 3 about here]

Table 3 provides an overall picture of the incomes of the older population. Continental European single person female-headed households have, on average, an income around 90 per cent of total mean income, and this varies little cross-nationally. By contrast, in the UK and USA the income of female-headed households is around three-quarters of the national average. With regard to the gender gap in incomes of the older population (the last column of Table 3), this is at its greatest in the USA where older female-headed households have only 71 per cent of the income of their male counterparts. Using this gender gap as a measure, a strong European clustering emerges, with sole older female-headed households receiving 80 per cent of the income of equivalent male-headed households in France, Italy, the Netherlands and the UK. Only in Germany, and particularly Sweden, is the gender gap narrower (87 per cent and 94 per cent respectively). Sweden is again an outlier; with relatively high incomes among sole older women (although on this dimension it falls much closer to other countries than when the situation of lone mothers is compared). A clear candidate for the other extreme is the USA, with sole older female households in a uniquely vulnerable economic position relative to other older households. In the

UK, by contrast, the relatively poor incomes of older female households go hand in hand with low incomes for all older households, such that the gender gap falls within the average range.

[Figure 3]

Given the state's role in providing income for older households (particularly single person female-headed households), we would anticipate that it plays a considerable part in establishing a hierarchy of resources among the older population.[6] This raises questions about the mechanisms used by the state to redistribute income among the older population, and particularly the degree to which older women rely on means-tested income rather than pension income from social insurance or, as in Sweden, from a citizenship-based pension. To measure this, we calculate the average per capita transfer received by single person female- and male-headed households and contrast overall state pension receipt, the receipt of non means-tested state income and means-tested transfers.

Figure 3 contrasts the per capita transfers received by older sole female and male households. In the majority of countries, female-headed households receive less overall from the state than equivalent male-headed households.[7] There are, in addition, clear disparities in the way that the state delivers income to the older population. In all countries, households headed by older women are receiving significantly less income from non means-tested sources. In France and the UK, the claims of women on their own to non means-tested income are closest to their male

[6] In France and Sweden, for example, state sources account for at least nine-tenths of the incomes of the older population. In the UK and the USA the state plays a diminished role in providing incomes to the older population, alerting us to the importance of private pension provision in these countries.

counterparts (at around 90 per cent), with Sweden (81 per cent) and Germany (69 per cent) following behind. However, in Italy, the Netherlands and the USA, households headed by a sole older woman claim less than 60 per cent of the social insurance entitlements of equivalent male-headed households. In addition, the income of sole female-headed households is much more likely to have been subject to a means-test: female-headed households receive ten times more income from means-tested sources in Italy than male-headed households, while in France and Sweden female-headed households receive three times as much income from means-tested sources as households headed by men.

One conclusion to be drawn from these ratios is that, while the state intervenes heavily to increase the incomes of older women who are living alone, such redistribution takes a specific, gendered form. To return to a point made earlier, non means-tested pensions do not appear to compensate women and men equally for the income risks that they have experienced over the life course. The data demonstrate that the claims of many women on pension resources have been weakened by discontinuous patterns of employment and extensive periods of caring during the active years. The economic disadvantages experienced earlier in the life course, mainly as a result of caring activities, extend into later life. As a result, a much greater proportion of women's resources derive from means-tested cash transfers. Hence, to the extent that older women are compensated, it is for their current experience of low incomes rather than for prior lifetime events.

[7] The one exception is the UK, where older single females receive slightly more income from the state (this is, nevertheless, in line with their lower incomes overall since male-headed households will be in receipt of more income from private pensions and other sources).

2. Individual resources, family redistribution and gender relations

There are two principal motivations for departing from normal empirical practice in which the distribution of resources is examined only at the family or household level, to seek to uncover the gendered pattern of individual claims on money and time. First, the links between individual and family resources provide crucial information about gender relations and gender inequalities. Second, the ways in which the welfare state conceives of and treats people, as individuals and within their family context, is a source of cross-national variation in both welfare state form and gender relations.

2.1 The Distribution of Individual Incomes

Our desire to uncover cross-national and gendered patterns in individual resources starts with an examination of the distribution of individual incomes. This section, in the first instance, establishes the proportions of women and men with no access to financial resources of their own, people whose welfare is most at risk from family dissolution as well as from the possible abuse of gender-based power relations within on going relationships. In the second instance, attention is turned to the gendered economic hierarchy that emerges when individual income is the focus.

[Table 4 about here]

The proportions of women and men who receive no income in their own right are set out in Table 4. For this purpose, we employ two measures of income. The first, 'personal income', consists of all earnings and social insurance benefits directed to the individual net of any taxes levied at the individual level, while the second adds to personal income those state benefits

which, although assessed according to household status, are paid to specific individuals. The percentage of women without personal income varies considerably cross-nationally. Almost half of all women in Italy have no personal income, a situation shared by 37 per cent of Dutch women and more than a quarter of women in France, Germany and the UK. In the USA a fifth of women have no personal income and even in our lowest-scoring country, Sweden, just under a tenth of women have no personal income. The risk of being without a personal income is much higher for women than men in all countries. As the gender ratio given in the last column of the table shows, in France, Germany and Italy women are at least twice as likely as men to have no personal income while in Sweden and the UK the risk of being without a personal income is one and a half times higher for women than for men.

The second income measure adds state benefits to personal income, and signals the degree to which welfare states intervene to ensure that women have direct access to at least some income. In most countries, the state effects quite considerable intervention, and works to ensure that women gain access to at least some resources. In Sweden, state transfers reduce by around three-quarters the proportion of women without incomes, in the UK by just over two-thirds, while it is approximately halved in Germany and the Netherlands. Two countries emerge as distinct from these others, however: in Italy and the USA state transfers have little impact on the proportions of women without income. Looking at state intervention through a gender lens reveals a somewhat different picture. Across countries (with the possible exception of Germany), state transfers have a much greater impact on reducing the proportions of men without income than of women. Fewer than 2 per cent of men in France, Sweden, the UK and the USA are left without any income after state transfers have had their effect. This means that the gender ratio of those

without individual income is worse when the full range of state transfers has been taken into account than when personal income alone is considered.

[Figure 4 about here]

The proportions of women and men without individual income is a first measure of (the lack of) independent access to resources. We now add to this a consideration of where those women who do have income are located in the national economic hierarchy. To do this, men are divided into ten equal groups according to their income (in other words, we calculate income deciles for men), and women's incomes are then located within that distribution. As a point of reference, if women's incomes were distributed in the same way as men's, 10 per cent of women would fall within each of the income deciles. But the picture for each country shown in Figure 4 is quite different from this hypothetical gender equality. A feature common to all seven countries is that women are more heavily represented in the lower-income groups. The percentage of women who have income in the bottom fifth of the income distribution is close to or more than double that of men in all countries - 46 per cent of women in the UK fall within the two lowest income bands, as do 53 per cent of Dutch women, for example. It is no surprise, therefore, that large numbers of women have individual incomes that are less than the median income for men: 89 per cent of women in the Netherlands have incomes below that of the average man, 80 per cent in the UK, Sweden and Germany, 75 per cent in Italy, 73 per cent in France and 72 per cent in the USA.[8] The almost complete absence of women at the very top of the male income distribution is also noteworthy. In all countries, fewer than 3 per cent of women have incomes that place them in the

[8] Remember that these figures only include those women with some personal income and would be much higher if we considered all women.

top 10 per cent of the male income distribution, and in the Netherlands and Germany this figure is closer to 1 per cent. It may come as a surprise that, of all the distributions of individual income shown here, the USA demonstrates the least gender differentials, with particularly strong representations of women in the higher-income deciles. This distribution is striking given the generally low levels of welfare state intervention in the USA and the restricted access to economic resources by female-headed households and provides further evidence of polarisation among women in the USA. The distribution of individual incomes also throws new light on the Swedish case. The picture that emerged from nearly all previous analyses was that Swedish women had relatively high levels of income. However, from Figure 4 we can see that this is driven not by a strong representation of women across the whole of the male income distribution but rather by a distinct clustering of women's personal incomes in the middle of that distribution. In other words, while women may be protected from the most disadvantaged resource positions, high incomes remain as much a male preserve in Sweden as they are elsewhere.

2.2. Gender Relations and the Resource Balance within Households

Our analysis now takes one further step into the private sphere, to inquire into how individual resources translate into a balance of resources within couples. This analysis provides two specific insights into gender relations. First, it offers a gauge of how gender relations in the domestic sphere are shaped by the inequalities arising from the labour market and the state. Second, it allows us to investigate the consequences of the welfare state for the gender resource balance (analysed by tracing the income balance between women and men within those families that are highly reliant on the state as a source of income). From an empirical point of view, it is essential to link individual incomes within couples to get a measure of the resource balances actually

experienced by women and men within their families, since the connection between the distribution of individual resources and the resource balance within couples is not a simple or obvious one.[9]

To measure resource balance, women's resources are compared with the resources received by them and their partner combined. This allows for a calculation of the share of total income, wages and hours in the labour market that women contribute directly. With regard to the income measure, it is important to note that we work with an important, and optimistic, assumption that sharing takes place within families. In line with the analysis above, income is assigned to the person who receives it as far as that is possible. Some income, such as income from savings and investment, is recorded only at the family level, and in this part of the analysis only we assume that this income is divided equally within the couple. This is a 'best case' scenario, one which will be compared with the more pessimistic one of no sharing, examined below.

[Table 5 about here]

Table 5 shows women's share of the couple's total income, wages and hours in the labour market (where 50 per cent would represent an equal balance of resources within the couple). Looking first at total income, women in Sweden have, on average, the highest share of total income (41.4 per cent), while France, the Netherlands, the UK and the USA group at a mid-point, with women's share of income around a third. Germany lags slightly behind (women's income share being 29 per cent on average), and in Italy women contribute around a quarter of the total income

[9] Patterns of partnership formation (which themselves may vary cross-nationally) affect inequality within the household in a way that one cannot predict from the distribution of individual incomes alone. Where there is a high correlation between partners' incomes (such that high-income women partner high-income men), intra-familial inequality will be lower than where partners' incomes are not correlated.

of the couple. Women's share of total wages offers a rather similar picture of the resource balance within couples, since for almost all countries, the ranking and shares remain roughly the same. The Netherlands is the exception here, however, since women's share of wages is significantly lower than that of total income. This suggests that welfare state transfers are making a significant contribution to Dutch women's incomes, with the result that couples achieve a better balance of resources after the state intervenes than they would if they relied on the market alone. A final indicator of the resource balance is women's share of total hours in the labour market. Across all countries, women's contribution of time to the labour market is greater than their share of wages. This is the gender wage gap at work: women and men's hours in the labour market are not equally rewarded such that women need to spend more hours in the labour market than men if they are to enjoy the same wages as their partners. For example, on the basis of these figures, women in the UK would have to take on an average of 62 per cent of a couple's total time in the labour market in order to bring in half of the combined annual wage.

Looking at individual incomes gives an insight into the division in the costs of care between women and men. From our work on care and the impact of children on labour market participation, we would anticipate that the presence of children introduces further imbalances within couples. Isolating mothers from other women, the last three columns look at the resource shares that mothers receive directly. The expected pattern emerges for almost all countries and all measures.[10] To take an example, Dutch mothers' share of wages and hours in the labour market is on average 8 percentage points lower than that of all women. A similar, although less extreme, picture emerges for mothers in Germany, Italy, the UK and the USA, where mothers'

[10]We have chosen women aged under 50 years with children. This is a higher than usual cut-off point but we chose it in the knowledge that with delayed fertility responsibility for child-rearing reaches well into middle age.

shares of all resources are between 2 and 8 percentage points lower than those of all women. France and Sweden are exceptions. In both, mothers have a smaller share of time in the labour market, and in Sweden this is accompanied by a reduced share of annual wages. However, in neither country is this reduction matched by an equivalent loss of income. The generosity of both welfare states towards mothers is reflected in the fact that resources are more balanced for couples with children than they are for childless couples.

[Table 6 about here]

The analysis of the balance of resources within couples with children gives us a preliminary picture of the impact of the state on the gender resource balance. This is now supplemented with a more detailed look at those couples which have a higher reliance on the state as a source of income (Table 6). The resource balance for these couples reflects directly on the logic underlying welfare state benefits, especially the degree of familialisation and individualisation and whether male heads of household are receiving state payments. In the majority of countries, a high level of dependence on state benefits leads to a higher resource imbalance within couples. The effects here vary from the mild (Sweden and the UK) to the more severe case of France, where women's share of income is 7 percentage points lower than that of all women. In Italy and particularly the Netherlands, by contrast, the resource balance is better for those couples reliant on payments from the state. The strong representation of pensioners among the state-dependent groups in both countries provides the explanation for this situation. Older women acquire some personal income from the pension system, and, although often not substantial in amount, this operates to increase their share of the combined income relative to what happens among their younger counterparts.

In summary, even on the optimistic assumption of equal sharing of certain elements of income, the picture that emerges is one of considerable imbalance of resources within couples. While such imbalances are less marked in Sweden, the other countries resemble one another closely in so far as women command between a quarter and a third of total resources. It is in wages that the greatest imbalances are to be seen, reflecting the coming together of fewer hours in the labour market and the gender wage gap. In most countries, mothers and women in families that are principally reliant on the state as a source of income share the experience of having even fewer resources in their own name. With the exceptions of Italy and the Netherlands, women in couples that are heavily dependent on the state pay an erstwhile hidden penalty in the form of a reduced share of the couple's income.

2.3 The Family as a Site of Resource Distribution

We now turn to the family as a distributor of resources, and examine the extent to which individual men and women are themselves agents of, or subject to, familial redistribution. This gives an indication not only of the likely power balance within families but, relatedly, of differences in the degree to which women and men depend on the family for their needs to be met. For this part of the analysis, we abandon our optimistic scenario of the sharing of family income components and instead operate on an assumption of no sharing, in order to reveal the percentage of couples' resources that are beyond women's direct control. Alongside these national averages, we reveal the proportions of women who contribute very limited amounts of the couple's income in their own right. This gives us an indication of the numbers of women who

will be particularly affected by familial redistribution and especially vulnerable to any inequities therein.

[Table 7 about here]

The concentration of resources in male hands emerges very strongly in Table 7, suggesting that women continue to depend on the family, and their male partners in particular, for resources. The percentage of income beyond women's direct control ranges from almost two-thirds in Sweden to close to four-fifths in Italy. The remaining countries cluster rather closely, with an average of 70 per cent of family income beyond the direct control of women. Focusing on the, theoretically at least, rather extreme case of women who command 10 per cent or less of family resources in their own name, there is evidence of considerably greater cross-national variation. Half of all Italian women have direct control of less than 10 per cent of family resources, compared with just under 4 per cent of Swedish women. For women in the remaining countries, close to or in excess of a quarter have very limited personal access to resources. This suggests that in all countries bar Sweden changing partnership arrangements have severe economic penalties for significant numbers of women, and that, while their current arrangements continue, they run the risk of abuse of power at the hands of the person in control of family resources.

To summarise, in most countries, the average woman has direct control over less than a third of household income – in other words, her welfare is heavily dependent on the family as a site of redistribution. There is striking convergence across nations on this measure, suggesting that the gender resource balance remains an issue in all the countries we consider here. While the data

cannot say how egalitarian familial redistribution is in practice, the percentages of women with very low levels of control over resources gives an indication of the degree to which women are exposed to the risks at the heart of familial redistribution.

3. Overview

The relative income position of female- and male-headed households suggests that a gendered hierarchy of claims exists in each of the countries covered here. The nature of this hierarchy varies across countries: there are some countries (notably the UK and the USA) where female-headed households have but a weak claim on economic resources, a finding that is confirmed by each measure of economic status. In other countries there is internal variation with the claims of households headed by lone mothers and older women constituted quite differently (*viz*. weak claims on the part of lone mothers relative to the high incomes of older women in the Netherlands or Italy). Hence, while the overall pattern in each country represents a privileging of the claims of male-headed households over those headed by women, both the extent of this privilege and its source lead to cross-national variation.

Focusing on the mechanisms by which incomes are directed towards female-headed households also proves interesting. Women who head their own households are more likely to receive income that has been means tested and so are more exposed to the social control functions of the state. This is particularly the case for lone mothers (and takes a very exaggerated form in the Netherlands and the UK) but is also to be found among older women in a number of countries. It appears that the claim of lone mothers on state resources takes quite a distinct form to that of all parents while the claims of older women are fashioned, in part at least, by their compromised

claims on social insurance or citizenship-based pensions. In all countries the costs of care are high for lone mothers and in the UK, USA and Ireland the effects of caring are still felt by many in later life.

Turning our focus on the role of state intervention, how does the empirical picture of the state's activities enhance our understanding of the gender dimension of redistribution? With the exception of the USA (and possibly Italy), welfare state intervention in relation to the incomes of female-headed households appears to be rather extensive but, while gender gaps in income are frequently narrowed, they are but rarely eliminated. As mentioned above, the utilisation of distinct mechanisms of redistribution – and particularly the greater subjection of female-headed households to means testing – emerges as a feature of a number of welfare states. The form of redistribution also varies across countries, with some interesting effects on gender. Thus, France and Sweden are unusual in the extent to which they redistribute horizontally with relatively generous provision towards families with children and, within this, lone mothers. In the remaining countries, there is evidence of a significant 'penalty' attached to all households with children, suggesting that a large proportion of the costs of children are borne privately (by families themselves). As a consequence, lone mothers are unable to secure very much income by virtue of having children with the result that they resort to claiming means-tested, minimum income provisions. In Germany and Italy, and to a lesser extent the Netherlands, redistribution towards the older population, and within that, older women on their own, narrows the gender gap in incomes. At the same time, lone mothers are consistently disprivileged in these three countries, suggesting that the protection of widows is much more extensive than cases where divorce, separation or absence of a male partner have led to the loss of a male income. The UK

and the USA experience the highest gender gaps. In the UK, a gender gap remains despite quite extensive redistribution and may be explained both by the limited access of lone parents to market income and the fact that the older population as a whole, and especially women on their own, have very low incomes. The welfare state in the USA is notable for its low levels of redistribution overall with the consequence that the economic status of female-headed households remains relatively untouched. Here, it is the market that is driving inequalities, with economic penalties in evidence for both older women and lone mother households.

The private, intra-familial aspect of welfare is, if anything, more marked by gender differentials than the more public face of distribution of resources between female- and male-headed households. Thus, the family, far from being a haven of equality, emerges as reflective of broader gender inequalities. The distribution of individual incomes reveals some very marked gender inequalities and, after all state transfers have been taken into account, significant percentages of women have no income of their own. This is particularly the case in Italy and the Netherlands where very large numbers of women have no or very small amounts of resources. While state intervention has an important impact on women's access to resources in countries as diverse as Sweden and the UK, in all our nations the state operates as a more effective guarantor of resources for men. Another cross-national similarity is found in the very limited numbers of women who gain access to the highest incomes, with the majority being clustered at the bottom end of the income distribution.

While our focus has principally been on the impact of imbalances on women, it is worth turning the argument on its head by looking at the position of men and the implications of their greater

control of resources. Men's absence from domestic labour as well as their lack of dependence on the family as a distributive mechanism are both problematic. As the data show quite clearly, the most marked of gender divisions will not be altered without a considerable change in men's behaviour, namely an increase in their contribution of unpaid domestic work. Men's high rates of economic independence mean that, in addition to making 'exit' economically viable, they do not have the same interest in ensuring the just operation of the family as a distributive mechanism. This again points to the fact that the resource balance between women and men has importance above and beyond the absolute level of resources brought by each into the household.

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Table 1: Average incomes of female- and male-headed Households

	Mean income of female headed h'holds as % of overall mean	Mean income of male headed h'holds as % of overall mean	Gender gap: Income of female headed h'holds as % of male headed
France '94	91	103	88
Germany '94	93	103	90
Italy '95	93	102	91
Netherlands '94	92	102	89
Sweden '95	90	105	86
UK '95	79	107	74
USA '97	79	108	73

Incomes equivalised to OECD scale.
Source: Luxembourg Income Study, authors' analysis

Table 2: The state as a source of income for households with children

State transfers as % of net household income		Lone mothers	All with children	All households
France '94	All state	36	15	37
	Means-tested	12	3	2
Germany '94	All state	36	11	28
	Means-tested	16	3	2
Italy '95	All state	14	5	31
	Means-tested	0	0	0
Netherlands '94	All state	92	20	31
	Means-tested	59	5	4
Sweden '95	All state	56	33	46
	Means-tested	13	5	5
UK '95	All state	67	19	23
	Means-tested	49	10	7
USA '97	All state	25	6	13
	Means-tested	21	3	2

Incomes equivalised to OECD scale. Means for total sample.
Source: Luxembourg Income Study, authors' analysis

Table 3: Average incomes of households containing an older

Mean income of household type as % of overall mean

	Sole female headed	Solo male headed	Couple	Gender gap: income of sole females as % of sole males
France '94	91	114	103	79
Germany '94	92	106	98	87
Italy '95	89	113	98	78
Netherlands '94	90	109	90	83
Sweden '95	92	98	102	94
UK '95	72	89	85	81
USA '97	74	105	100	71

Income equivalised to OECD scale.

Source: Luxembourg Income Study, authors' analysis

Table 4: Women and men recording zero personal income (as percent)

		Women	Men	Gender ratio
France '94	PI	27.5	11.9	2.3
	PI+SB	14.7	0.8	18.4
Germany '94	PI	28.4	11	2.6
	PI+SB	13.3	5	2.7
Italy '95	PI	48.2	23.4	2.1
	PI+SB	47.8	6.4	7.5
Netherlands '94	PI	37	21.8	1.7
	PI+SB	18.9	6.1	3.1
Sweden '95	PI	8.9	6	1.5
	PI+SB	2.1	0.2	10.5
UK '95	PI	25.9	18.5	1.4
	PI+SB	8.2	1.2	6.8
USA '97	PI	20.5	10.8	1.9
	PI+SB	19.3	1.6	12.1

PI=Personal Income; SB=State Benefits

Source: Luxembourg Income Study, authors' analysis

Table 5: The resource balance within couples

	All women			Mothers		
Women's share of:	Total income	Total annual wages	Total hours in labour market	Total income	Total annual wages	Total hours in labour market
France '94	34.7	32.2	35.9	38.1	32.3	33.2
Germany '94	29.1	29.6	32.1	25.6	22.8	25.1
Italy '95	25.2	23.7	25.5	22.4	21.7	23.5
Netherlands '94	33.5	27.2	30.1	29.7	19.2	21.8
Sweden '95	41.4	38.9	44.4	43.1	34.0	40.4
UK '95	34.4	33.2	36.9	31.8	25.9	30.1
USA '97	34.7	34.7	37.8	31.1	28.0	34.5

Source: Luxembourg Income Study, authors' analysis

Table 6: Resource balance in couples receiving most of their income from the state

Women's share of income:	All couples	Couple receives>50% of income from the state	Percentage point change in women's share of income where couple is reliant on state
France '94	34.7	27.7	-7.0
Germany '94	29.1	27.4	-1.7
Italy '95	25.2	27.1	1.9
Netherlands '94	33.5	44.8	11.3
Sweden '95	41.4	41.3	-0.1
UK '95	34.4	34.2	-0.2
USA '97	34.7	31.3	-3.4

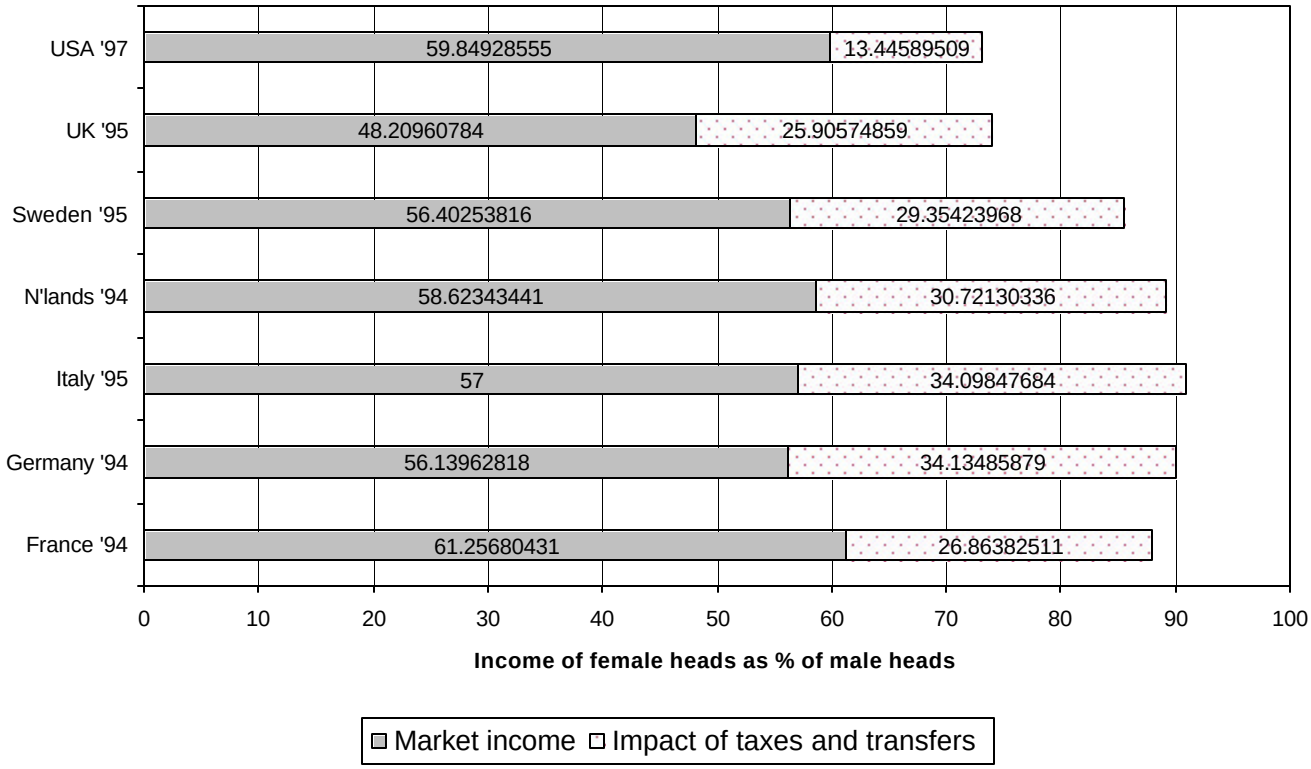
Source: Luxembourg Income Study, authors' analysis

Table 7: The family as a site of redistribution

	Average (mean) % of total household income not under women's direct control	% women with less than 10% of total family resources in own name
France '94	69.9	24.1
Germany '94	72.1	28.5
Italy '95	78.6	50.6
Netherlands '94	72.4	31.4
Sweden '95	62.2	3.7
UK '95	71.6	24.8
USA '97	68.9	27.5

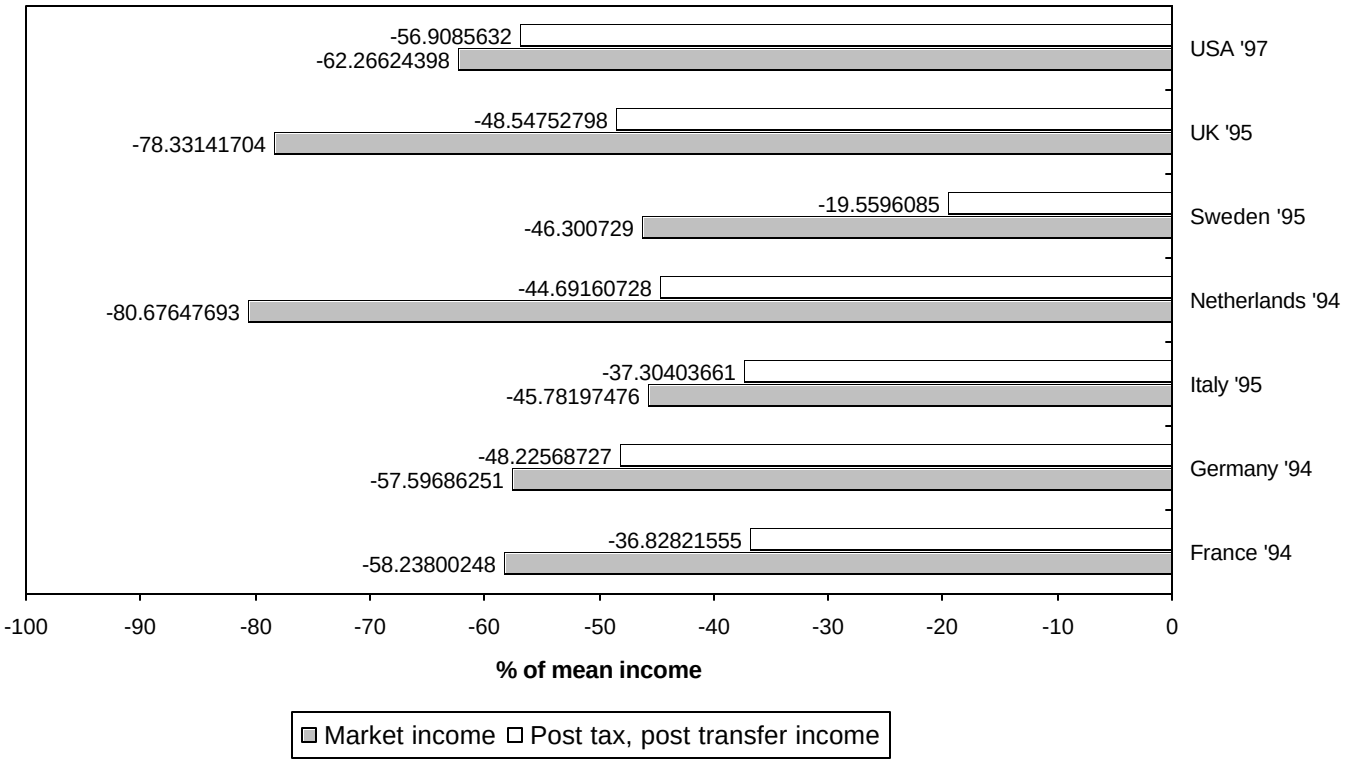
Source: Luxembourg Income Study, authors' analysis

Figure 1: The incomes of female-headed households relative to those that are headed by men, pre and post tax and transfers



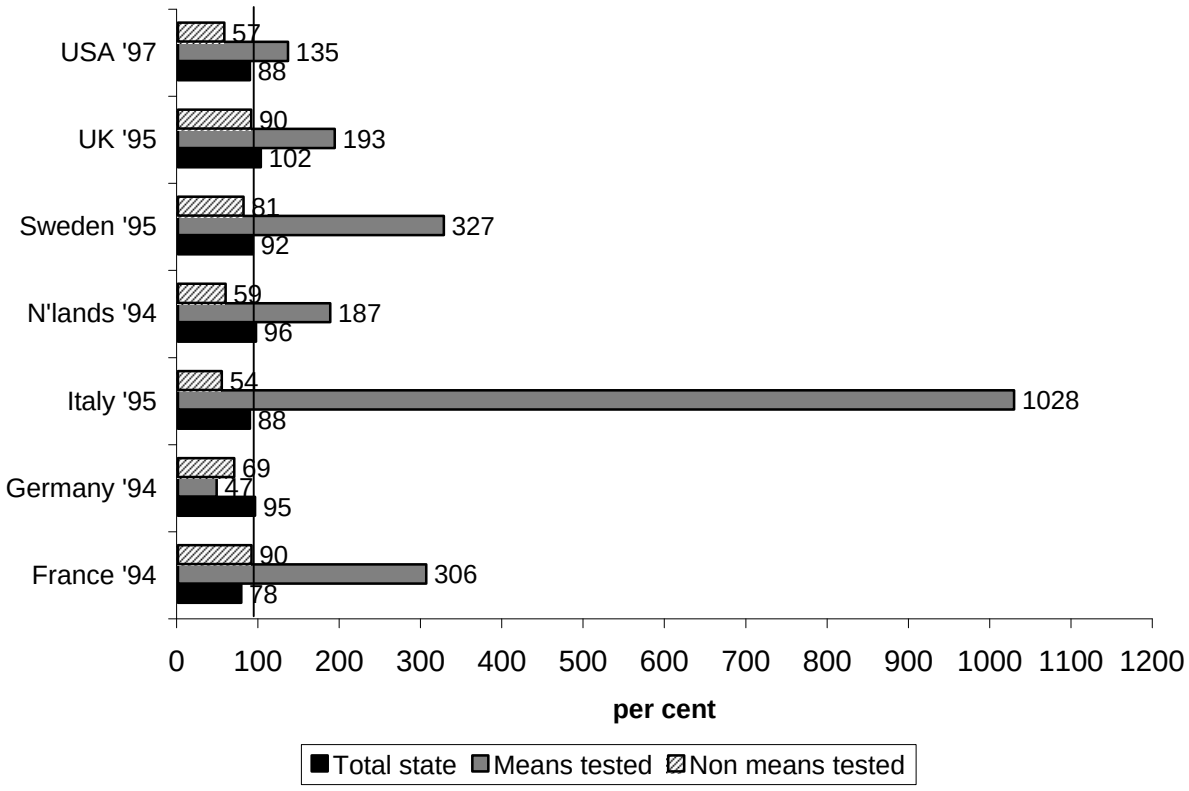
Source: Luxembourg Income Study, authors' analysis

Figure 2: The income 'penalty' of lone motherhood



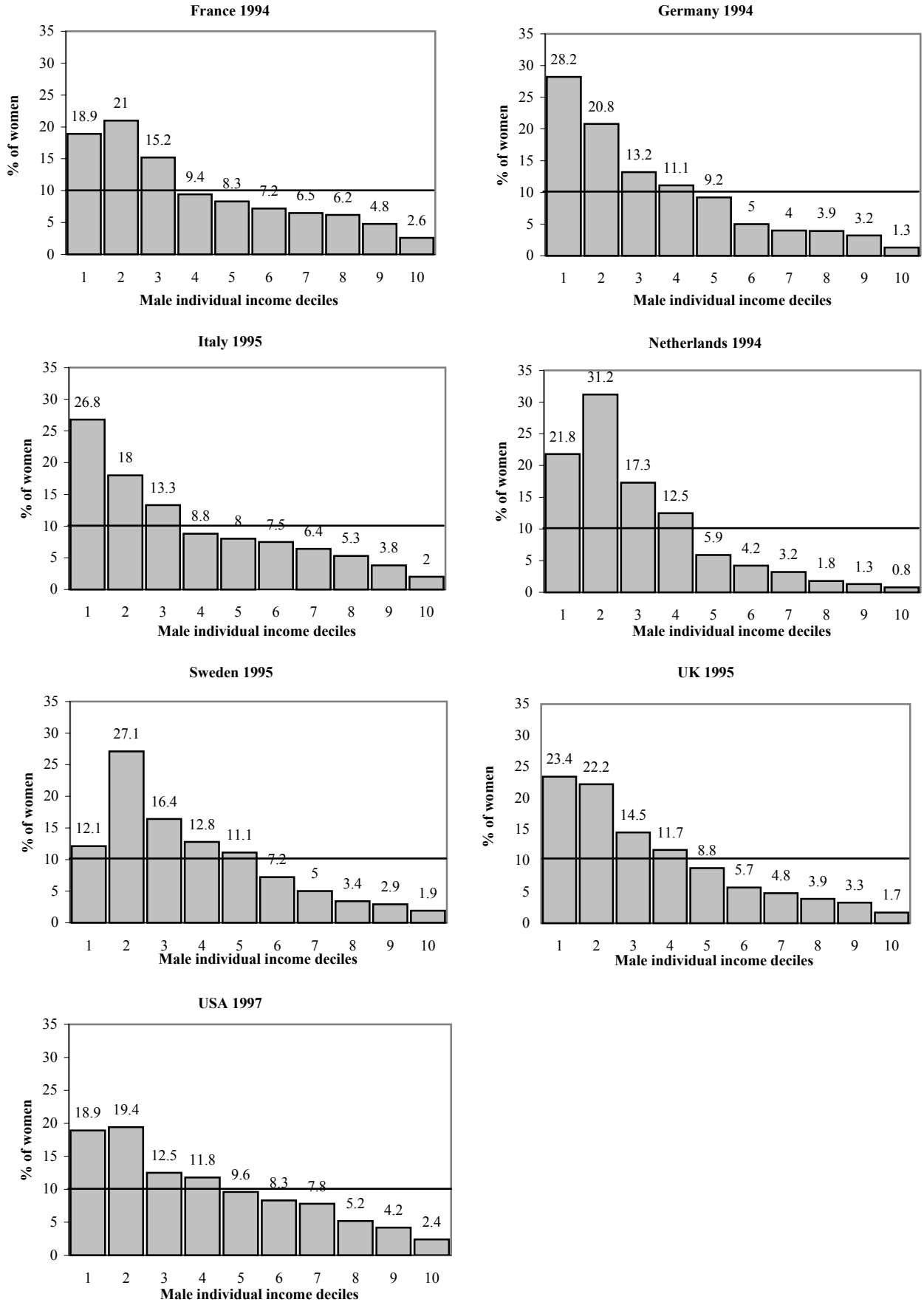
Source: Luxembourg Income Study, authors' analysis.

Figure 3: State transfers paid to older sole female-headed households as a percentage of those paid to older sole male-headed households



Source: Luxembourg Income Study, authors' analysis

Figure 4: Women's position in the male income distribution



Appendix

To support the analysis presented above, this appendix discusses issues of definition of household type, the unit of analysis chosen to measure income and the measurement of state transfers as a source of income.

A.1 The definition of head of household, lone parent and older households

The LIS data operate with a particular definition of head of household. The LIS data do not record any heterosexual couple households in which the female is nominated as head. This method is chosen because it is the practice of many national statistical agencies to nominate a man as head of household. Such a practice may result in the mis-classification of the small number of couple households in which the woman, as main wage earner or owner of housing assets, may have a stronger claim to the headship.

It should be noted that, along with income and other resources, household characteristics themselves vary quite considerably. In the data we use from LIS, around 30 per cent of all households are headed by a woman in Sweden (with similar proportions in the USA and Germany) compared with around 25 per cent in the UK and France and just over 20 per cent in Italy and the Netherlands. Similarly, there is considerable variation in the proportion of households containing a dependent child (driven by cross-national differences in fertility rates, the timing of fertility, and broader family patterns). Hence, 22 per cent of Swedish households contain a dependent child, compared with 37 per cent in the USA (see Table A.1 for details on all countries).

[Table A.1 about here]

While the definition of head of household is fixed in the LIS data, a set of decisions had to be made about how to define lone parent households as well as those of older persons.

For the sake of comparison and of working within the confines of available data, we defined a lone parent household as consisting of a sole adult who co-resides with at least one dependent child. But this belies the complexity of household types in which lone parents find themselves. For example, lone parents are likely also to live in the parental home or to share a household with other adults. Further, a picture of lone parents at a particular point in time fails to reveal important variations in the duration of lone parenthood. Had data allowed, we would have preferred to take a longitudinal approach, in which different durations of lone parenthood could have been distinguished. A further limitation is that our analysis focuses on lone mothers only. The data revealed a small number of lone parent households headed by men, the greatest proportion (1.1 per cent) being found in the USA. However, even here the proportions were too low to allow a robust statistical analysis and so lone fathers were, regrettably, excluded from the analysis. The statistical problem of small numbers is not completely averted by focusing on lone mother households - the low numbers of such households in Italy (103) and the Netherlands (159) meant that it was not possible to disaggregate this category any further. The proportion of female-headed households headed by lone mothers also varied significantly cross-nationally. From LIS data we estimate that 24 per cent of female heads were lone mothers in the UK, 19 per cent in the USA and 15 per cent in Sweden. At the other extreme only 3 per cent of Italian female-headed households were headed by a lone mother (Figure A.1 shows complete figures for the composition of female-headed households).

[Figure A.1 about here]

For ease of operationalisation we chose to define later life in terms of age, and included all households in which a person aged over sixty five years resides, either as head of household or as co-resident. We are, nevertheless, mindful of the limits of chronological definitions (the transition to later life has no simple chronological profile and is rarely clear-cut or easily identifiable). Furthermore, we look only at older households that take a simple form, limiting our comparisons to households consisting of a couple in which one or more is aged over sixty five, or sole men and women in that age group heading their own households. The benefit of this is that it allows us to measure the impact of the pension system and other direct provision for the older population. Couple households accounted for between one third and two-fifths of the older population across all countries. In Germany, the Netherlands and Sweden, sole female-headed households were the most common older household type, and also the largest group of female-headed households. Differential longevity means that sole male-headed households were a much smaller group, representing 11 per cent or less of the older population in all countries bar Sweden. There is, however, a distinct outlier: Italy. There, a large proportion of households containing an older person were complex in form: multi-generational households (in which older people live with their children or even grandchildren) or older people co-residing with others (e.g., a pair of widowed sisters). Full details of each country are given in Table A.2.

[Table A.2 about here]

A.2 Measuring income at the household level, equivalising income and household resource balance

It is the convention to measure income at the household level with adjustment made for household size. There is a limitation to this approach. Measuring household income and calculating poverty rates at the household level implies that incomes are shared equally within households. Where such sharing does not occur, it is women who are most likely to be affected, since they command lower incomes on average. Hence, this methodological practice tends to overstate women's access to income (and understate their poverty rates); for these reasons we also examine individual incomes. For the purpose of taking account of household size, we followed standard methodological practice and adjusted household income for the number of adults and children in the household. We employed the OECD scale, adjusting household income by assigning a weight of 1 to the first adult, 0.7 to subsequent adults, and 0.5 to all children. While standard, this approach may be criticised for being simplistic. The actual rates assigned may not reflect the economies of scale achieved by households of varying characteristics, and a more accurate adjustment might take account of factors such as age, disability and health status as well as income level.

A concern of part 2 of this paper was to link individual incomes with household incomes. This also imposed limitations. First, to conduct meaningful analysis of the household resource balance, we selected only households that contained two or more individuals between whom there was a partnership (marriage or cohabitation). For a number of households in each country, negative income was recorded. These cases may be 'genuine', in that they represent the operating losses of the self-employed or may result from reporting error or fraudulent or creative

accountancy (most likely to occur in those datasets that are based on tax returns such as in Italy). Since it is difficult to determine how individual income (or debt) contributes to this income position, these cases were excluded. A further complication arose in the case of self-employment. Since income from self-employment is recorded at the household level only, making it difficult to determine who earns and receives that income, these cases were also excluded.

A.3 Measuring the contribution of state transfers to family and individual income

It was important to identify the contribution of state transfers to the overall package of income. This was done on an equivalent basis – measuring both taxes and transfers – for all countries bar Italy (where the lack of gross income figures meant that the impact of the tax system was not discernible). Taxation was also an issue in measuring individual receipt of state transfers. In a great number of cases, tax liability is calculated for the household, so it is difficult to identify the tax paid by individuals. Hence, the analysis of the impact of the state on individual incomes is limited to cash transfers paid to women and men by the state. With regard to these transfers, we followed national rules governing the payment of particular benefits. To illustrate, in France we assumed that means-tested benefits are paid to the male head of household, and that women receive maternity and child benefit, child care allowances, and alimony in their own name. In reality, payment mechanisms are much less systematic in their targeting of individuals than this analysis implies. However, without access to the details of individual cases, this is the best we could do.

Table A.1: Characteristics of households with dependent children

% of all households:

	With a dependent child	With a dependent child under 5	Younger, childless	Headed by lone mother	Headed by lone mother with child under 5
France '94	32.8	14.9	40.1	2.8	0.9
Germany '94	29.0	11.8	43.5	3.0	1.0
Italy '95	32.9	13.2	33.6	0.8	0.1
Netherlands '94	29.0	13.1	49.9	2.2	0.5
Sweden '95	22.4	10.8	53.6	4.8	2.1
UK '95	33.2	15.7	40.5	6.3	2.9
USA '97	37.1	17.0	41.1	5.4	2.2

Columns do not sum to 100% since categories are neither exhaustive nor mutually exclusive.
Source: Luxembourg Income Study, authors' analysis

Table A.2: Characteristics of households containing an older person (65 or over)

	Couple only	Sole female	Sole male	Other (complex) households
France '94	41	34	9	16
Germany '94	36	45	6	27
Italy '95	27	27	5	41
Netherlands '94	41	41	11	8
Sweden '95	40	43	17	--
UK '95	39	34	11	15
USA '97	36	32	10	22

Source: Luxembourg Income Study, authors' analysis