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by

Sheila Shaver and
Jonathan Bradshaw



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Anthony King
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This paper was prepared for the conference Comparative Research on Welfare States in Transition, sponsored by Research Committee 19 on Poverty, Social Welfare and Social Policy of the International Sociological Association, to be held at Oxford University, 9-12 September 1993. Sheila Shaver is Deputy Director of the Social Policy Research Centre at the University of New South Wales. Jonathan Bradshaw is Professor of Social Policy at the University of York.

Abstract

This paper is concerned with questions about the amount of support given by welfare states towards the maintenance of a wife engaged in housework and childcare. It compares the value of this support supplied by the tax/benefit packages of 15 countries. The empirical data used in this comparison come from material collected for a comparative study of child benefit packages in those 15 countries. This paper defines support for wifely labour as the difference between the net disposable income of a single person and a couple with the same earnings. In analysing the data, three models are used: the 'traditional' model where the wife is economically dependent on her husband; the 'modern' model where the wife or sole parent remains outside the labour market while she has young children; and the dual breadwinner model where the mother of young children is in full- or part-time employment. Much of the analysis is concerned with patterns of social policy in which support for wives is associated with support for children. While the evidence shows that welfare states do provide support to wives, both with and without young children and engaged in paid as well as unpaid work, the levels of support vary greatly between welfare states. The variations are not associated with the generally discussed categorisations of welfare state types.

1 Introduction

To what extent do modern welfare states support the maintenance of a marital partner, typically female, engaged in the domestic labour of housework and also possibly child care, outside the market for paid employment? How does the form and quantity of this support vary among welfare states? In what ways and to what extent does such support contribute to the formation of distinctive types of welfare state or social policy regimes? This paper is an attempt to explore these questions.

There are two intellectual influences behind the task.

First, more than a decade ago early feminist literature pointed to the benefits of the unpaid domestic labour of wives for both capital and the male wage earner. It was argued that the work of women in the home contributed both to the 'daily reproduction' of male labour in activities such as shopping, cooking, cleaning, and to 'generational reproduction' in the production, care and socialisation of children. Capital accumulation was held to benefit through the employment of labour at less than its full cost, while men were better off to the extent that they bore less than a full share of the duties of home life and parenthood (Mitchell, 1971; Gardiner, 1976; Barrett, 1980). This interest in the dimensions of domestic labour and its distribution between men and women has continued (Szalai, 1972; Luxton, 1980; Pahl, 1984; Morris, 1990; Bittman, 1992; Bittman, Bryson and Donath, 1992).

Second, at the same time comparative study of the welfare state has moved away from a one dimensional focus on the scale of social expenditure or 'welfare effort', toward the multi-focal comparison of institutional structures of qualitatively different kinds. The most influential formulation has been advanced by Esping-Andersen (1990) and draws on the citizenship paradigm of T. H. Marshall, arguing that types of welfare state are the result of differing trajectories of welfare state development. Esping-Andersen suggests that these trajectories reflect different patterns of class mobilisation and alliance. He identifies three types, the social democratic model found in Scandinavia, the corporatist model prevalent in Continental Europe and the liberal model found primarily in countries of English heritage. Other types have also been suggested. Mitchell (1991) argues that Australia and the United Kingdom represent a distinctive labourite variant of the liberal form.

On the other hand, Ringen (1991) argues that not even the Scandinavian countries form a distinctive and coherent type.

To date the focus in the derivation of types has tended to be on welfare state benefits provided to that part of the population engaged in wage and salary employment, and on the role of the welfare state in regulating the supply of labour with respect to unemployment, sickness or disability, and retirement. This rather narrow focus leaves out of view an important role of the welfare state in its assistance to families and children. This is a significant dimension of welfare state activity, conceptually and often politically distinct from state support in respect of labour supply by men and women.

Every welfare state has a package of measures that support the family and in particular dependent family members and the needs of children. State support for domestic labour is under review in the context of the increasing labour force participation by married women and the growing prevalence of lone parent families in most countries.

We are not alone in seeking to merge these two approaches to the analysis of social policy. An emerging scholarship in the field of gender studies has begun to connect the discussion of welfare state types with welfare state support for women, children and family structure. Shaver (1990) has argued that gender forms an important and systematic component of social policy regimes. Sainsbury (1993) has compared women's access to social benefits through income support frameworks relating access to need, labour markets and citizenship. Scandinavian writers (Waerness, 1984; Hernes, 1987; Siim, 1988) point to women's more active presence in the political systems of those countries and the distinctive patterns of support for caring work in Scandinavian welfare states. Taylor-Gooby (1991) has extended the analysis of Esping-Andersen's three regime types to identify the kinds of gender struggles likely to develop in the context of pressures to limit the growth of the welfare state.

In the most systematic comparative scholarship to date, Lewis (1992: 159) suggests that 'the idea of the male-breadwinner family model has served historically to cut across established typologies of welfare regimes'. Lewis points out that historically women's entitlements to welfare have been typically attached to their dependent status within the family. She traces this back to the formative period of the welfare state, when the vision of a

woman who stayed at home was a widely shared ideal. While this ideal was incorporated in all welfare states to some degree, it has been modified in different directions and to different degrees in particular countries. She relates these variations to the position of married women in the labour market, their treatment in social security systems, and the level of social service provision especially in child care.

In an attempt to begin charting these variations, Lewis compares countries with 'strong', 'modified' and 'weak' male-breadwinner states. In the strong male-breadwinner states women's participation in the labour market is either low, or is differentially concentrated in precarious part-time employment. In the modified male-breadwinner state married women have long benefited from a gender neutral family policy with high levels of horizontal redistribution from families without to families with children. Married women have maintained high rates of labour force participation, largely in full-time work and including the period when they have children below school age. These high rates are supported by longstanding employment benefits such as maternity leave and by high levels of child care provision. The weak male-breadwinner states have shifted since the 1970s from a policy model of sequential support for women in the home while children were young and for their participation in the labour market thereafter to one aiming to make the two breadwinner family the norm. Women's employment has been promoted through taxation policy, increased access to child care and employment benefits compensating for the loss of market wages. Some of the latter benefits are also available to the fathers of children.

1.1 Decommodification

The citizenship paradigm (Marshall, 1963) understands the social provisions of the modern state as representing the establishment of a new form of right, a social right to a minimum standard of economic well-being. This right, the outcome of democratic political participation, represents a 'citizen's wage' (Myles, 1989) flowing from the individual's membership in the 'imagined community' (Anderson, 1983) of the nation. It institutes in society a new form of equality, real though limited, which is in problematic tension with the economic inequality inherent in capitalism (Taylor-Gooby, 1991).

In Marshall's formulation the social right to a minimum standard of economic well-being was fulfilled not simply by the entitlement to a basic level of income but through the provision of a range of social services, including health, housing and education as well as income support. While the concept has been treated in the narrower terms of income alone, our preference is to see the citizen's wage in the fuller sense of total support through both cash and social services.

Esping-Andersen (1990) sees the development of social rights of citizenship as having effects in two dimensions, the decommodification of labour power and the production of a preferred social stratification. Our concern here is primarily with decommodification and the effects of welfare state support for women as wives and mothers on their work within the labour market, and in the family outside the labour market. Nevertheless, our measures record the effects of such support in terms of income, so that we are also concerned with the relative position of families in social stratification.

Decommodification represents an attempt to capture the emancipatory character of welfare state provision and refers to the capacity of social provision to achieve 'a loosening of the pure commodity status' of the worker. This capacity depends on the rules and preconditions attached to benefits and the extent to which programs offer genuine alternatives to income secured through the market. It depends also on benefit levels being high enough to represent a genuine alternative to paid labour (Esping-Andersen, 1990: 21-3). Benefits which effectively decommodify labour power give the citizen a degree of choice about participating in the labour market. As an individual the citizen is given increased ability to resist employment at low wages or under unacceptable conditions. Collectively, such benefits give security and reduce pressures to compete for poor quality employment. Esping-Andersen considers them important preconditions to class organisation and mobilisation.

Recently feminist writers have begun to explore the gender dimensions of decommodification. These critiques start from the premise that the effects of welfare provision have to be understood in the context of a society structured not only by capitalism but also by male domination. Welfare state provisions are the outcome of a class settlement, the parties to which were overwhelmingly led by men, and the terms of which largely took for granted the economic dependence of wives on wage-earning husbands.

Patterns of welfare provision privileging the family of male breadwinner and dependent wife have been identified in a range of welfare states, including Australia (Baldock and Cass, 1983), Britain (Land, 1976), France (Lewis, 1992), Italy (Saraceno, 1992), Norway (Waerness, 1984), and the United States (Nelson, 1984; Quadagno, 1988). Feminists are divided about the extent to which these structures have changed in subsequent development of the welfare state. Scandinavian writers in particular suggest that as women have taken increasing part in politics the welfare state has become more 'woman friendly' (Hernes, 1987; Siim, 1988).

As presently understood, decommodification is a very limited concept for illuminating the meaning of the welfare state for women. While the concept makes sense for those women fully engaged in the labour market, it applies significantly less well to those who are not. As Cass (1993) has pointed out, the support of the welfare state has been important in enabling women to remain outside the labour market while they care for others, that is, contributing to the sustenance of wives and parents in **non-commodified** labour. But the welfare state also has emancipatory potential for women through its support for their undertaking or resuming paid employment, i.e. by **commodifying or recommodifying** their labour.

Behind these arguments lies a further problem, the reductionism of collapsing state and society to the two-dimensional basis of state and market. This overlooks the engagement of both with the family as a crucial third dimension, and as Orloff (forthcoming) argues, the power of men in a society where women are stuck with the housework and the carework. As has been suggested above, paid labour depends on unpaid services in the home. In turn, the welfare state plays an important part in supporting and regulating the sexual division of labour between paid and unpaid work (McIntosh, 1978; Land and Rose, 1985).

It may be more useful to think of state, market and family as mutually interdependent domains of social life, and social policy as often concerned with the management of relations between them. (In *The Three Worlds of Welfare Capitalism*, 1990, Esping-Andersen actually begins to develop such an account with the suggestion that regime types are associated with

preferred family forms and, by implication, sexual divisions of labour in paid and unpaid work. However, this argument is left undeveloped and, importantly for our purposes here, is not connected with the discussion of decommodification). This interdependence is clearly expressed in the actualities of social policy, where benefits are almost always shaped by both occupational and familial status. Thus retirement pensions very often provide for marital dependency, taxation systems for the costs of children, and social assistance provisions for the added vulnerability of lone parenthood. Indeed such interdependencies explain both the purposes and the complexities of the frameworks of support for children found in most welfare states.

Our concern in the present paper is to explore the comparative value of support provided to spouses, most commonly wives, through the 'child benefit packages' of fifteen countries. Such support is a form of decommodification in the sense that it represents an alternative source of income to paid employment, 'loosening' the pure commodity status of labour.

1.2 The Study of Child Benefit Packages

The empirical material for this paper is a by-product of a comparative study of the child benefit packages in 15 countries (Bradshaw et al., 1993). That study used national informants to provide details of the taxes paid and benefits received, as at May 1992, by a variety of model families with a range of incomes. The model families included single people and childless couples as well as lone parents and couples with up to four children of various ages. The focus of the study was to compare the value and structure of the child benefit package, defined as the difference between the net disposable income (NDI) of a childless couple and families with children. Included in the package were income tax, including allowances/credits in respect of adults and children; income related and non-income related cash benefits for families, including child support in the case of the lone parent where the scheme was guaranteed; social security contributions; the value of any housing benefits; any charges that the families would have to pay for a standard package of health care for the family; any costs or charges associated with going to school; and, in the case of pre-school children, the

costs of the most prevalent form of full-time day care was taken into account.

While the focus of the study was the child benefit package, the data collected can be used to compare the treatment of wifely labour by different welfare states. We have defined support for wifely labour as the difference in the net disposable income of a single person and a couple with the same earnings.

The investigation of the impact of the tax and benefit system on wives was not the focus of the original study. While the data provide a full snapshot picture of the support provided to wives, they do not include all forms of assistance that might be provided to them. In particular, the data do not cover some forms of welfare state assistance with the specific purpose of enabling women to take paid labour during or after the phase of life in which they have the care of young children. Thus, while the measures include child care in the relevant child benefit packages, they do not include some others such as work retraining, job readiness and job search assistance, maternity leave, maternity benefits or arrangements to guarantee the social security entitlements of caring parents during periods when they are absent from the labour market.

2 Structuring the Analysis

There are a variety of ways in which support for wifely labour can be evaluated. Inspired by Lewis (1992), we have hypothesised three possible models for the support of wifely labour. The first is the ‘traditional’ male breadwinner family model in which support is provided for a wife who is economically dependent on her husband. In its strongest form, such support would continue throughout the period of adult life in which she might otherwise be gainfully occupied, including the periods before she has had children and after they have become independent and left the household. We have identified this pattern through its expression in this strong form.

The second model, which we have called the ‘modern’ male breadwinner family, provides support for a wife or sole parent to remain outside the labour market during the period when she has young children. This model is premised on the increasingly common pattern of married women’s labour

force participation in many countries in which the wife works after marriage, withdraws for a period of full time motherhood, and returns as the children mature. We have identified this pattern of support through the association of support for a wife not in paid employment with the presence of young children in the household.

Our third model, the 'dual breadwinner family', refers to a pattern in which welfare state support is provided to families in which the mother of young children is in full- or part-time employment. This model can be identified through the provision of support to dual earner families.

These models have been chosen to capture two dimensions of likely variation. On one level, they allow us to compare forms of support across a variety of social policy regimes in the manner of Lewis' four case studies. At the same time, however, they also suggest likely directions of social policy adaptation in response to increasing labour force participation by married women and political mobilisation around their needs in many countries.

2.1 Support on the Traditional Male Breadwinner Family Model

Table 1 provides a measure of support on the 'traditional' male breadwinner model. In the table we compare the tax/benefit value of a dependent wife, represented as the difference between the net disposable income of a single person and a childless couple with a single breadwinner. The results are presented in two ways, first, the difference in the net disposable income of the single person and couple as a percentage of the net income of a couple, and second in purchasing power parity (£ sterling) terms. The former is a relative measure and controls for differences in the levels of earnings and other income between countries. The latter compares the actual value of the support for a dependent wife in a way that controls for variations in the price of a common basket of goods and services in each country.

It can be seen from the table that the tax/benefit system values a dependent wife differently in different countries. The value varies with income but at average earnings it ranges between 13 per cent of net disposable income in Denmark to only three per cent in Italy. In the United States the couple are

Table 1: Support Provided by Tax/Benefit Package for a Dependent Wife: Differences Between the Net Disposable Income of a Single Person and a Couple, Before and After Housing Costs, 15 Countries

Percentage and Purchasing Power Parity (£ sterling)

Country	Percentage more than a single person before housing costs				Purchasing power parity (£ sterling) more than a single person per month				
	0.5 average earnings	1.0 average earnings	1.5 average earnings	unemployed	0.5 average earnings (bhc)	0.5 average earnings (ahc)	1.0 average earnings (bhc)	1.5 average earnings (bhc)	unemployed
Belgium	8	10	9	39	42	13	92	12	3
Denmark	17	13	13	51	85	46	110	142	199
France	-2	5	7	115	-8	5	36	70	130
Germany	7	10	12	80	37	21	96	160	116
Greece	8	8	8	0	25	-17	52	71	0
Ireland	13	12	20	76	66	-3	105	245	148
Italy	11	3	2	12	56	44	22	25	70
Luxembourg	2	10	13	34	12	-35	107	193	142
Netherlands	9	6	5	43	50	67	55	59	162
Portugal	4	4	6	3	8	-47	17	35	0
Spain	2	6	5	16	11	11	46	57	34
UK	6	4	3	71	34	-8	34	34	105
Australia	9	4	3	81	53	54	43	42	238
Norway	7	4	5	56	32	-11	37	61	32
USA	13	-4	4	15	90	47	-38	58	117

Notes: (bhc) = before housing costs; (ahc)=after housing costs

actually four per cent worse off than a single person because the estimated average cost of health care for the wife more than offsets any recognition of her in the tax/benefit system. In purchasing power terms at average earnings, support for a dependent wife varies between £110 per month in Denmark to minus £38 in the United States.

This support for the dependent wife consists of three elements.

First, in most countries it is largely made up of the value of allowances or credits in the income tax system, though in Italy there is an income related cash benefit that is payable in respect of each dependent person in the household including the wife. Because most of the support for a dependent wife comes through the income tax system, the type of tax system is responsible for determining whether the support is progressive or regressive. In those countries with tax allowances in respect of a dependent wife and progressive tax rates, the value of the allowance increases with income. This is the case in all countries except Greece, Italy, Netherlands, UK, Australia and Norway. Only in Norway does the value of the allowance diminish as earnings increase.

Second, those countries with direct housing benefits may also take account of a non-earning spouse in the means test. The value of the wifely support after housing costs is shown for half average earnings only, on the grounds that housing benefit schemes tend to be concentrated on low incomes. The results are influenced by the assumption in the original study that a single person occupied a one room dwelling whereas the couple occupied a two room dwelling and therefore had higher rents. In a number of countries the tax/benefit support for a dependent wife is more than wiped out by this difference in rents. This is the case in Greece, Ireland, Luxembourg, Portugal, the UK and Norway.

Third, the value of the tax/benefit package is also offset by any charges for health care that have to be paid. This has a particular impact in the USA at higher income levels. In all the other countries health care costs are trivial or non-existent.

The final column in each section of Table 1 represents the extra that a couple get in benefit over a single person if they are long term unemployed and receiving the lowest benefit available - usually social assistance, having

exhausted entitlement to any insurance benefit that might be payable. These differences represent the implied equivalence scale between a single person and a couple in the benefit scheme. It can be seen that it varies a good deal with France, Germany, Australia, and Ireland being relatively generous to a wife with 53, 44, 45, and 43 per cent respectively extra on top of the single persons' benefit. Greece, Portugal and Spain are relatively least generous.

It is also interesting to contrast the extra amounts allowed for in the tax benefit system for a dependent wife and those available in the benefit system. Greece and Portugal are relatively less generous to a dependent wife when the husband is unemployed than they are when he is working.

This analysis would suggest that a league table of support for wifely labour on the traditional male breadwinner model would have Ireland, Denmark, Germany and the Benelux countries towards the top, France, Portugal, and Spain in the middle, and the other countries grouped towards the bottom.

2.2 Support on the Modern Male Breadwinner Family Model

The remainder of our analysis is concerned with patterns of social policy in which support for wives is associated with, and often delivered through, support for children. Wives are most likely to be economically dependent and/or least likely to be in the labour market when they have dependent children. Welfare states may recognise this by either enabling wives to remain at home by providing more generous support for dependent children or by being particularly generous in their provision for the child care costs of working wives. We discuss the first of these hypotheses in this section. How does the support given for a dependent wife compare with the support given for children?

While the support for a dependent wife only varies with earnings (and housing and health costs given our assumptions), Bradshaw et al. (1993) have shown that the child benefit package, as well as varying with earnings, varies with the type of the family, the number and ages of the children, whether child care costs are taken into account and whether the comparison is made before or after housing costs. In Table 2 the support for a dependent wife is compared with the support for the first and only child and

Table 2: Support Provided by the Tax/Benefit Package for a Single Earner Couple, With and Without Children: Difference Between Net Disposable Incomes, Average Male Earnings, Before Housing Costs, 15 Countries

Purchasing Power Parity (£ sterling) and Percentage

	Percentage of the extra over a single person due to a dependent wife				
	For a dependent wife £ per month	For 1 child, age 7 £ per month	For 3 children £ per month	Couple plus 1 child	Couple plus 3 children
Belgium	92	53	326	64	22
Denmark	110	34	103	76	52
France	36	32	286	53	11
Germany	96	46	200	67	32
Greece	52	4	20	93	73
Ireland	105	8	25	93	81
Italy	22	12	85	63	20
Luxembourg	107	73	261	59	29
Netherlands	55	31	123	64	31
Portugal	17	20	58	46	23
Spain	46	2	17	96	87
UK	34	42	109	45	24
Australia	43	29	80	60	35
Norway	37	69	224	35	14
USA	-38	0	4	-100	-112

for a three child family, in a single earner family on average earnings. The most common pattern is for support for a dependent wife to be greater than that provided for one child. There are only three countries (Portugal, the UK and Norway) which give more support for a single child than for a dependent wife. Ireland, Greece and Spain give more than 90 per cent of the support for a couple with one child in support of the wife rather than the child. For a couple with three children the support for a dependent wife is still more than the support for all the children in Denmark, Greece, Ireland and Spain. In summary, the horizontal redistribution in the tax/benefit system in favour of a one child couple over a single person would still show the Benelux countries and Germany at the top of the league table, but no longer Denmark and Ireland. Now Norway, the UK, Portugal, Italy, and France, who are providing their support for wifely service in the form of child support, move up the league table.

Comparing the added value of the tax benefit system provided for a three child family over a single person, we find the biggest transfers in Belgium and Luxembourg, but with France and Norway following them, thanks to little effort in respect of a dependent wife but considerable effort for children. To a lesser extent the same is true of the UK, Australia, Italy and Portugal. These countries are supporting wifely (or more precisely motherly) services through children. In that respect they may be different, perhaps more modern, than the other countries whose tax/benefit system supports dependent wives whether or not they have to care for children. It is particularly interesting that Denmark, with one of the highest female labour supplies in Europe, is linked in this respect with Ireland, which has one of the lowest. What are both countries trying to achieve through horizontal redistribution?

This picture changes somewhat if account is taken of the cost of child care. In Table 3, as in Table 2, the first column shows the addition in net disposable income for a dependent spouse. Column two gives the amount for a dependent child, in this case a three year old who is assumed not to require child care. Then column three gives the amount for a dependent child for a couple where the mother works and needs to pay for child care. As with the previous measure of support on the 'modern' family model, the countries providing greatest support to a wife caring for her children at

Table 3: Support Provided by the Tax/Benefit Package for a Wife: Differences Between Net Disposable Income of a Single Person, a Single Earner Couple and a Dual Earner Couple, Before Housing Costs, 15 Countries

Purchasing Power Parity (£ sterling)

Country	Difference between the NDI of a couple on average earnings and Average Earnings		Difference Couple with one child aged 3 average earnings + 0.66 average female earnings, with child care
	Single person	Couple with one child aged 3 no child care	
Belgium	92	50	50
Denmark	110	46	-28
France	36	95	110
Germany	96	46	-53
Greece	52	4	-24
Ireland	105	13	-142
Italy	22	12	-84
Luxembourg	107	73	62
Netherlands	55	29	-220
Portugal	17	19	-23
Spain	46	6	-124
UK	34	42	-114
Australia	43	29	-155
Norway	37	95	-64
USA	-38	0	-349

home are Norway, France, Luxembourg and Belgium. Where the wife is employed, only three countries have positive residual child benefits after child care has been paid - France, Luxembourg and Belgium. Apart from 'these countries any benefit for the child is absorbed up by child care costs. Indeed, in most of the other countries not only do child care costs cancel out the value of the child benefit package, but they also consume the allowance for the wife. The greatest reductions in support, and by implication the

greatest disincentives to paid employment, are found in the USA, the Netherlands, Australia, and Norway. If the wife's earnings are discounted, only Belgium, France, Luxembourg, Denmark and Germany provide any positive support for a wife with child care costs (though Norway and Portugal are more successful in compensating for these costs than other countries). Looking forward to support on the 'dual breadwinner' model, a ranking of support for an earning wife who required child care would have France, Belgium and Luxembourg at the top of the league table, followed by Denmark, Germany and Portugal in the middle and all the other countries at the bottom.

2.3 Support on the Dual Breadwinner Family Model

Table 3 and the cost of child care provided one indication of support for couples in which both parents are employed but we need a more general measure. Ideally in order to assess support for the dual breadwinner family model we need to compare the support given to dependent wives with that given to wives in employment and the ratios of the net disposable incomes of single earner and dual earner couples at the same level of earnings. Unfortunately the data collected for the child benefits study do not make such a direct comparison possible because the earnings assumption used did not cover single and dual earning couples with identical earnings. However an approach to such a comparison is given in Table 4.

The first column in the table gives the net disposable income of a couple with average male earnings plus two thirds average female earnings, as a proportion of the net disposable income of a couple with one earner receiving average male earnings. It can be seen that the amount that the female earnings add ranges between 62 per cent in Netherlands and 35 per cent in the UK and Ireland. However, these variations reflect not only differences in the tax/benefit systems of different countries but also variations in the ratios of male to female earnings. Average female earnings vary from 59.6 per cent of male earnings in Luxembourg to 85.6 per cent in Norway.

Table 4: Difference Between the Net Disposable Income of Single and Dual Earner Couples Without Children, Before Housing Costs, 15 Countries

Percentages

Country	Ratio of net average male earnings + 0.66 average female earnings to net average male earnings %	Ratio of gross average male earnings + 0.66 average female earnings to gross average male earnings %
Belgium	142	153
Denmark	145	156
France	151	159
Germany	141	148
Greece	154	152
Ireland	135	139
Italy	160	152
Luxembourg	142	142
Netherlands	162	153
Portugal	148	146
Spain	148	145
UK	135	141
Australia	150	151
Norway	153	157
USA	142	143

In an attempt to control for this factor column two of the table presents the ratios of the gross earnings of a dual earner and a single earner couple. An indication of the relative generosity towards a non-earning wife can be established by comparing the two columns. The difference between the figures in the two columns is a measure of support for a wife in employment. Thus where the ratios are higher in the first column than in the second the tax benefit system is treating the wife's earnings more

generously than the husband's income alone. Where they are higher in the second column than the first the tax/benefit system is treating her earnings less favourably. Luxembourg and Australia are neutral in the treatment of wives' earnings. In Greece, Italy, and the Netherlands the tax/benefit system is more generous to wives' earnings. In all the other countries the tax/benefit systems treat wives' earnings less generously than husbands'. These are the countries which retain a tax allowance for a married man regardless of the earnings status of the wife.

These results indicate that ranking countries by the generosity of the tax/benefit system in respect of dual earner couples would show Greece, the Netherlands and Italy at the top of the league table, followed by Luxembourg, Australia and the USA, then the other countries with Belgium and Denmark at the bottom of the league. This is a curious ranking, and it is particularly strange to see the Netherlands at the top of the league table of support for second earners having, as it does, one of the lowest levels of married women's labour supply in the industrial world.

2.4 Comparisons with Support for Lone Parent and Unemployed Families

Another way of looking at the way the tax/benefit system treats a wife is to compare a married couple family with a lone parent family. The difference in their treatment is, in a way, the extent to which the state supports a dependent wife as compared with an absent one.

Table 5 compares the net disposable incomes of a lone parent and a single earner couple both with two primary school age children and both on average earnings. The difference is a measure of the generosity of benefits for lone parents relative to couples with one earner, i.e. the support paid in replacement of the absence of wifely labour. The countries that are most generous to a lone parent (and relatively least generous to a single earner couple) are Norway, France and Denmark. Four other countries make lesser allowances for the absence of wifely labour including Ireland, Luxembourg, Netherlands and the UK. All the other countries provide less support for a lone parent than they provide for a couple.

Table 5: Difference Between the Net Disposable Income of a Lone Parent and of a Single Earner Couple, Each with Two Primary School Age Children, at Average Earnings Per Month, 15 Countries

Purchasing Power Parity (£ sterling)

Country	Lone Parent	Couple	Difference
Belgium	941	1030	-89
Denmark	959	904	55
France	929	827	102
Germany	982	1019	-37
Greece	575	619	-44
Ireland	893	881	12
Italy	858	876	-18
Luxembourg	1221	1218	3
Netherlands	981	962	19
Portugal	427	444	-17
Spain	866	866	0
UK	1029	1002	27
Australia	1033	1042	-9
Norway	1221	1033	188
USA	1059	1065	-6

Table 6 compares the benefits paid to a lone parent not employed outside the home with the benefits paid to a couple with the same number of children where both the adults are unemployed. This is another measure of the implied equivalence scale between one and two adults in the benefit system and a measure of the extent to which it recognises the needs of a lone parent over a couple. Norway is the only country in which lone parents receive substantially higher benefits than couples with children. In the other

Table 6: Difference Between Net Disposable Income of a Lone Parent and Couple, Both on Benefit, with Two Primary School Age Children, 15 Countries

Purchasing Power Parity (£ sterling)

Country	Lone Parent	Couple	Difference £	Difference %
Belgium	551	609	-58	-11
Denmark	628	808	-180	-29
France	332	371	-39	-12
Germany	362	449	-87	-24
Greece	20	11	9	45
Ireland	364	411	-47	-13
Italy	379	427	-48	-13
Luxembourg	666	807	-141	-21
Netherlands	563	616	-53	-9
Portugal	184	184	0	0
Spain	297	325	-28	-9
UK	400	484	-84	-21
Australia	526	703	-177	-34
Norway	694	584	110	16
USA	605	689	-84	-14

countries the difference in the amounts received varies considerably. In Spain the couple gets an extra nine per cent whereas in Australia they get an extra 34 per cent.

Further comparisons are made between the net disposable incomes of lone parents and couples in Table 7, which presents the additional disposable income of a lone parent over a couple both with one child at three different income levels. It is assumed that the lone parent with the pre-school child

Table 7: Differences Between the Net Disposable Income of a Working Lone Parent With One Child at Various Ages and the Net Disposable Income of a Single Earner Couple With a Child of the Same Age at the Same Earnings Level, by Earnings Levels, Before Housing Costs, 15 Countries

Purchasing Power Parity (£ sterling)

	0.5 Average Earnings			1.0 Average Earnings			1.5 Average Earnings		
	Age 3	Age 7	Age 14	Age 3	Age 7	Age 14	Age 3	Age 7	Age 14
Belgium	-43	-43	-43	-92	-92	-92	-112	-112	-112
Denmark	-66	7	7	-92	-17	-17	-124	-51	-51
France	79	59	59	58	37	37	147	38	38
Germany	-49	-45	-94	-123	-46	-46	-160	-93	-93
Greece	-21	-21	-21	-75	-46	46	-93	-64	-64
Ireland	-144	11	12	-145	10	11	-143	12	12
Italy	-26	-26	-26	-57	-13	-13	-91	-3	-3
Luxembourg	3	3	2	0	0	1	-142	-142	-142
Netherlands	-45	4	-11	-123	19	-10	-175	34	-17
Portugal	0	3	-2	-27	-18	-18	-98	-35	-35
Spain	-139	3	3	-126	3	3	-138	3	3
UK	-131	25	25	-129	27	27	-129	27	27
Australia	31	100	100	-118	-8	-8	-180	-8	-8
Norway	150	230	174	60	125	119	-41	125	119
USA	-109	-72	-72	-199	-6	-6	-381	-32	-32

requires day care while in the couple the wife stays at home to care for the child. The difference constitutes the support provided for the services of a dependent wife. Only France at all income levels and all child ages supports lone parents more generously than couples. Norway also provides more support for lone parents than couples except for the pre-school child in better off lone parent families. For children not requiring child care and at lower earnings levels, extra support for lone parents is more common, but still Belgium, Germany, Greece, Italy and the USA favour couples over lone parents at any income level and any age.

3 Patterns of Wifely Support

Our evidence indicates that welfare states do provide support to wives, both with and without young children, and engaged in paid as well as unpaid work. It also shows, however, that the value placed on wifely services varies a great deal both within and between welfare states. The evidence also shows that variations in the levels of such support cannot be accounted for in any simple way.

The measures we have used compare support for wifely labour as it emerges from the combined effects of whole sets of policy instruments and as they apply at various income levels. These include benefit arrangements, tax credits and allowances, housing benefits, and child care provision. It is clear that the policy instruments used and the way these instruments interact with one another are very important sources of difference in the level of support for women's work as wives and mothers, whether or not they are also paid employees. Some instruments have greater impact than others on the support to wives: for example, because it is expensive, child care makes a big difference in the level of support provided. Others vary in their distributive effects, so that while housing benefits tend to concentrate assistance at lower income levels, tax allowances may have the opposite effect.

We have attempted to order these variations through the use of three hypothetical models. These models have been constructed on the basis of their support for a wife who is not employed and has no dependent children, for a wife who is not in paid employment while caring for young children, and for an employed wife with children. In theory this strategy has the

potential to capture social policy variations across regime types and over variations in the level of women's participation in paid employment. There is, however, no firm evidence of any single pattern emerging from the range of measures we have been able to devise. Each measure produces a different league table of levels of support for wifely labour. From this we conclude that apparently welfare states do not, through the levels of support they provide, favour one pattern of wifely labour over another in any clear and consistent fashion.

4 Reflections on Welfare State Types

There is no obvious association between our measures of support for wifely labour and commonly identified regime types, and in particular those proposed by Esping-Andersen. None of our league tables bears any resemblance to Esping-Andersen's ranking of welfare states by his scores for decommodification (1990: 52), nor to his measures of stratification (1990: 74).

Perhaps we should not expect to find any such association. Our estimates of the value of wifely labour are measures of welfare effort, and of the variations of effort associated with different patterns of married women's labour force participation. The impetus to the exploration of regime types arose from dissatisfaction with measures of output and the assumption embodied in such measures that levels of spending and benefit are the only significant dimensions of welfare state variation. In Esping-Andersen's terms, decommodification refers to the accessibility of social rights and their potential for loosening the commodity status of the individual. Stratification refers to the match between ideological principles and the distributive characteristics of policy instruments. There is little reason to expect such differing measures to yield the same results.

Yet there do remain persuasive reasons for expecting to find some association between forms and levels of wifely support and the various types of welfare state regime. One such reason is given in policy objectives. The principle of subsidiarity informing family policy in certain corporatist regimes refers overtly to a desired pattern of wifely activity. Similarly, several of the Scandinavian countries have policies explicitly directed to facilitating married women's employment. And behind policy objectives lie

politics themselves, in which religion, culture and tradition may mediate demands for labour and income. Policy instruments themselves vary in their political visibility, and the extent to which governments can be pressed to address the interests of particular groups. Women are becoming such a group in an increasing number of countries, and the gender gap an explicit object of attention in the building of political constituencies.

What we do think our exercise shows is that welfare states vary significantly in the level of support provided for wives and the work they do, and that this variability is associated not only with the employment status, earnings level, family composition, and housing status of benefit recipients but also with the make-up of benefit packages themselves. Thus both levels and instruments of support contribute to the capacity of welfare state provision to 'loosen the pure commodity status of the worker'.

The concept of decommodification should be generalised accordingly. It makes sense to apply it not only to benefits which replace wage income but also to benefits supplementing wage income for the support of dependent family members. The analysis should also be extended to include both benefits and services which support workforce participation and hence reduce familial dependency, including those which enable parents and marital partners to establish a preferred sexual division of labour in paid and unpaid work.

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Methodological Appendix

This appendix presents a brief account of the methodology used in the study of child benefit packages. Further detail is available in the report of that study (Bradshaw et al., 1993).

The collection of data relied on **national informants**. The advantage of this method is that the informants recruited all share a knowledge, interest and commitment to the area of social policy being studied. Over the years, through international exchange it has become possible to identify individuals or research centres that contain people who can be trusted to know the issues, the patterns of provision, be aware of the interactions of the tax and benefit system and have the skills and contacts at national level to obtain the information. Furthermore national informants are uniquely placed to locate the findings in the context of their own social and economic structure. The informants recruited for each country in the study are listed in the full report of the study.

In order to structure the comparisons and advance beyond a straight comparison of the systems in each country it was decided to compare the way in which a number of **model families** would be treated by the tax/benefit system in each country. This is the only way to obtain comparable results on an up-to-date basis and it has the added advantage of being relatively inexpensive. However, there are two disadvantages with this method.

First, it inevitably produces a description of the way the system **should** work rather than how it necessarily **does** work. Thus the study implicitly assumes that people take up all benefits for which they are eligible, though it is well known that non take-up of certain benefits, such as those with means tests, can be problematic. Nevertheless, it can be argued that it is more appropriate to concentrate on the intended impact of policy when one is seeking to evaluate and compare government policies.

The second disadvantage is that choices have to be made about the circumstances and characteristics of the model families and the more choices that are made, the less representative the particular model families are of the range of real families. It has to be accepted that the model families used in the study are most unlikely to exist in all their

characteristics in any country. They are not representative but illustrative. They illustrate a range of experiences and being comparable have enabled the researchers to demonstrate and compare what happened to families in a variety of circumstances in different countries.

The assumptions made in the selection of model families were as follows. The study included both lone parent and two parent families. It is assumed that the lone parent is female, and is neither a widow nor single unmarried but separated or divorced. Single people and couples without children are also included.

The study considered model families with one, two, three and four children. Previous studies have concentrated on children of school age. Given the increased labour participation of lone parents in most countries and married women in all countries, it was essential to cover the value/cost of pre-school provision. Comparisons are therefore made of provision for children aged three (actually two years and eleven months in those countries where benefits are reduced or stop at the third birthday), seven and fourteen. Where there is a fourth child they are also one of these ages. This is purely an analytical device - they are not twins.

The study compares families in the following employment situations. These are:

- One parent employed full-time for earnings outside the home and the other parent not employed outside the home.
- One parent employed full-time and the other parent employed part-time.
- One parent employed outside the home and the other parent unemployed for six months and receiving unemployment benefit having previously worked for two years.
- Neither parent working outside the home. The main breadwinner having been unemployed for thirteen months and the other parent having never been in the workforce. In the case of the lone parents, the parent is unemployed and has never been employed.

The child benefits package in many countries varies with income. In the model family method it is impossible to be representative of the whole **earnings** distribution so it is necessary to select points on the range of income which will encompass the experience of the majority of the population. The following basic permutations were selected:

- One earner, 0.5 average male earnings;
- One earner, average male earnings;
- One earner, 1.5 average male earnings;
- Two earners, 0.5 average male earnings and 0.66 average female earnings;
- Two earners, average male and 0.66 average female earnings;
- One earner average male earnings and partner receiving unemployment benefit; and
- Family with no earners, long term unemployed and receiving social assistance.

In the case of countries with statutory minimum wage provisions (Belgium, France, Greece, and the Netherlands), the minimum wage level was substituted for the half average male earnings level or the 0.66 average female wage level as relevant.

It was necessary to fix the comparisons at a given point in time, and 1 May 1992 was the date chosen.

Measures of earnings were based on the OECD estimates in *The 1989 Tax-Benefit Position of Production Workers* (1990). These give the average gross earnings of all adult full-time production workers in the manufacturing sector in each country. They were then updated to 1992 by using an index of hourly earnings of production workers in the manufacturing sector, and projected to May 1992. Separate estimates of earnings were developed for male and female workers, based on estimates of the ratios of male to female earnings and to all hourly earnings of workers in the manufacturing sector in 1990.

Comparisons of the value of benefits and the child benefit package as a whole and of net disposable incomes are made in terms adjusted by **purchasing power parities** to a common currency, £ sterling. The results can be thought of as an 'absolute' measure of the level of the child benefit package. However, it is also common in international comparisons to use 'relative' measures, and in the present paper we have also compared the net disposable incomes of families with and without a wife or whose wife is or is not employed.

Purchasing power parities (PPPs) are a method of comparing the actual value of a currency in terms of purchasing power. PPPs convert national currency amounts into a common monetary denominator - in this case the equivalent of £1 sterling. PPPs are more satisfactory than exchange rates in that they take account of differences in the price of a common basket of goods and services in each country. They provide, for example, an estimate of how much it costs in punts in Ireland to buy the same basket of goods as £1 would buy in the UK.

In order to compare the level of child benefits, including the value of subsidies and services in kind in different countries, we had to establish a common context and framework of analysis. This involved specifying a number of arrangements.

In **housing tenure**, the families were assumed to be living in rented dwellings - rented from a public authority, housing cooperative or housing association if they were common forms in the country, or from a private landlord if there was little or no experience of such tenure patterns in the country. National informants were asked to fix a typical or representative **rent level** for dwellings of that type in a given town in their country for a one, two, three and four bedroom dwelling. One bedroom dwellings were allocated to the single person. Two bedroom dwellings were allocated to the couples and lone parents with two and three children, and four bedroom dwellings were allocated to the lone parents and couples with four children.

There is no denying that these assumptions are both arbitrary and unsatisfactory in many respects. Housing costs and housing subsidies are the most difficult of all elements to take account of in comparative research, not least because housing standards, tenure patterns, rent levels and subsidies vary so

much between (and within) countries. On the other hand, ignoring the impact of housing costs would have been more misleading.

National informants were asked to reflect the system of **local taxes**, if any, payable in a given location and the impact of any subsidies in their countries in a given place at that time. Sewerage, refuse collection, water charges and other local charges, if they were separate from local taxes, were not taken into account - on the assumption that such charges are not likely to be varied or mitigated by the presence of children.

In order to compare the **value of health care** in the countries we again had to establish a standard package. The base line employed was that health care at the point of demand was free and available to all regardless of means, and that it was of similar quality in every country. Account was then taken of any variations from this norm. In taking account of any costs a standard package of health was costed in each country. This included any charges for one prescription per person per year for a standard antibiotic, one week in hospital per person per year, three visits to a general practitioner per person per year, and one visit to a dentist for one filling per year. These costs were estimated for both adults and where they existed for children, and then annualised.

In order to take account of the costs or value of free or subsidised **pre-school provision**, a standard package was again established for each country. National informants were asked to follow the most prevalent pattern of formal pre-school provision in their country and take account of the costs of this. We made no assumptions about variations in the quality of different patterns of care. All care was assumed to be full-time.

With respect to **school costs**, it was assumed as a base line that school education of an equivalent standard, including basic books, was available free to all the seven and fourteen year olds in the model families. It was assumed that parents would have to pay for or provide school meals of a similar standard. Account was then taken of any charges that parents might be expected to pay for this education and benefits that they might receive. It was assumed that the child lived near enough to the school not to require school transport or that transport was free. It was also assumed that ad hoc or occasional small voluntary contributions to school funds or charges levied for educational outings be ignored, although such demands may not

be insignificant. If there were any costs, for example, charges for books, they were treated as negative sums. If there were any benefits such as free school meals then they were treated as positive additions.

A variety of other arrangements for supporting children exist in the countries in the study. These range from the food stamp program in the USA to child care tax credits in a number of countries. Where these schemes were national and a well established part of the child benefit package they were included in the analysis.

The data described above were entered into a matrix - eight for each country, one for each earnings/employment case. One column of the matrix was devoted to each of the family types/number of children/ages of children. Each row of the matrix was devoted to a different tax or benefit.

The typical calculation for deriving net disposable income was to take gross earnings for a given family type, deduct income tax and employee social security contributions, deduct the net rent and the net local taxes payable after any rebates, deduct any health charges payable, deduct any pre-school education charges payable, deduct any school education charges or add any school education benefits and add universal and income-related family allowances.

Having derived net disposable income the value of child support was estimated in two different ways. First, by estimating additional income - the difference between the net disposable income of a couple without children, and families with children expressed as a proportion of the disposable income of a couple with the same gross earnings. Additional income is a measure of effort in respect of children. It is a measure of the horizontal redistribution built into the tax-benefit system in each country.

Second, in order to compare the actual value of the child benefit package in different countries, we compared the real value of that support expressed in purchasing power parity terms.