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Gender Equality in the Labor Market: Women's Employment and Earnings

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Janet C. Gornick

June 1999

LUXEMBOURG INCOME STUDY

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Women's Employment and Earnings**

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Introduction

Feminist critics of mainstream welfare state theory have argued, persuasively, that a core dimension along which welfare states have been compared, that of decommodification -- the extent to which social rights eliminate dependence on the labour market -- applies poorly to women's social circumstances and needs (O'Connor 1992; Orloff 1993). These critics have countered that decommodification is not emancipatory for those with restricted ties to paid work in the first place; persons must be commodified before they benefit from a loosening of their commodity status. These and other feminist critics argue, in contrast, that comparisons of welfare states that reflect the reality of women's lives must highlight the extent to which state policies promote women's opportunities to engage, and advance, in paid work.

Orloff (1993) argues that access to paid work should constitute an independent dimension in any model of welfare state variation. O'Connor (1992, 1996) suggests supplementing, or even replacing, the concept of decommodification with that of autonomy, or insulation from dependence more broadly, including dependence on family members. Hobson (1990), and Bianchi, Casper, and Peltola (1996), recast earnings differentials between spouses as economic dependency within marriage, and argue that dependency in this form is embedded in gender differentials in labour market engagement; Hobson thus calls for 'bringing economic dependency into welfare state research' (1990: 247). Pateman (1988), Lister (1990), and others contend, furthermore, that freedom from economic dependency is a prerequisite for full citizenship status. Despite remaining conceptual disagreements, much recent scholarship on gender and the welfare

state concludes that public policies that support gender equality in the labour market form the core of the ‘woman-friendly’ welfare state.

Although feminist welfare state theorists have substantially altered the mainstream model, they share with their more traditional colleagues a burgeoning interest in policy outcomes. A new consensus finds that research on women’s well-being across welfare states must make central the study of gender inequality in labour market outcomes, with a focus on the effects of policy on those outcomes and their consequences.

One of the most entrenched and consequential components of gender differentiation is in the provision of unpaid care for children and other dependent family members (Bryson, Bittman and Donath 1994; Baxter and Kane 1995). In the industrialised countries, the primary responsibility for dependent care work remains delegated to women. The gendered nature of standard patterns of unpaid work affects women throughout the life cycle, since adult work roles are long anticipated and have enduring consequences. The sexual division of unpaid labour, in turn, shapes gender-linked patterns of labour market investments and attachments, and consequently claims on welfare resources as well.

This chapter presents a cross-national portrait of gender equality in the labour market in the early 1990s, based on Luxembourg Income Study (LIS) data from fifteen countries. Cross-country comparisons are analyzed in the context of variation both across, and within, the three welfare state regime types that have dominated recent theoretical and empirical scholarship on the welfare state. The *social democratic* welfare states are represented in this analysis by Denmark, Finland, Norway, and Sweden; the *conservative* (or corporatist) welfare states, by Belgium, France, Germany, Italy, Luxembourg, the Netherlands, and Spain; and the *liberal* (or residual)

welfare states include, here, Australia, Canada, the United Kingdom, and the United States. The question as to whether these three regime types shape gendered labour market outcomes -- in other words, the extent to which variation across the regime types is greater than variation within them -- anchors the presentation of empirical findings.

In the next section, three central concerns about the meaning of gender equality in the labour market are raised, and resolutions discussed. The following section traces major trends in gendered labour market patterns since 1960. Two subsequent sections present empirical results for the 1990s on gender differences across various labour market outcomes. Policy implications are presented in the final section, followed by conclusions.

Gender Equality in the Labour Market

The question of what constitutes gender equality in the labour market remains surprisingly thorny. There are a range of conceptual and empirical concerns, and three are addressed in this section.

First, gender differences take a variety of forms, and the interplay of multiple aspects of gender difference complicates the task of comparing countries' relative performance. Because the different employment outcomes do not co-vary consistently-- and some may even vary inversely (e.g., employment levels and full-time employment) -- a complete cross-national comparison must include several outcomes and, ideally, a composite indicator that aggregates multiple aspects of gender difference.

Empirical findings reported in this chapter address this issue by describing gender differences in several outcomes, including employment levels, rates of part-time work, and labour

market earnings. Earnings differentials are also presented using multiple indicators, including an indicator of women's overall integration into the labour market. 'Women's share of total labour market earnings' is a composite indicator of the share of each country's earnings taken home by women. This measure aggregates gender differences in employment rates, hours worked, and wages, and shifts the perspective from gender discrimination within the labour market to the overall distribution of labour market returns between women and men.

A second substantial challenge is offered by traditional economists who place little significance on observed gender differences in labour market outcomes. Neo-classical economists have attributed differences in outcomes to the fact that women's 'tastes' for paid work lag men's, albeit to varying degrees in different places and at various times (Becker 1985; Mincer and Polachek 1974; Polachek 1995). The traditional claim is that women simply prefer time spent outside of paid work more than men do, or readily accept the advantages of specializing in unpaid work at home. As a result, women accumulate less education and fewer skills (Becker 1981), and they are less likely to seek paid work, especially full-time; some argue that women prefer a subset of occupations and jobs (Polachek 1995), which explains workplace segregation. Thus, substantial gender differences in employment outcomes are seen as reflecting of women's underlying tastes, rather than indicating the presence of social or institutional constraints on women's labour market involvement.

However, women's 'tastes' in the absence of existing social expectations and institutional limitations constitute a classic counterfactual; they cannot be measured. It is clear that much gender differentiation, particularly in activity rates and hours, is located on the supply-side of the labour market; in other words, women *are* less likely to seek work, especially full-time work, than

are men. However, feminist labour market scholars have challenged the premise that women's underlying tastes for time spent in market work are distinct from men's (Bergmann 1986; Folbre and Hartmann 1988; Reskin and Padavic 1994), and/or have argued that women's tastes 'are undoubtedly influenced by social attitudes and norms' (Blau and Ferber 1992: 87). Given the methodological difficulties of explaining gendered outcomes by gender-differentiated tastes or preferences, the approach is taken here to equate 'gender inequality in the labour market' with observed gender differences in all labour market outcomes.

A third complication in the conceptualisation of gender equality in the world of work comes from feminists. Fraser (1994) suggests that the convergence of women's and men's involvement in paid work, if achieved, would not constitute full gender equality if it were not accompanied by a breakdown of the sexual division in caregiving that persists in all western countries. Concomitantly, promoters of women's employment -- those envisioning what Fraser calls 'a universal breadwinner model' -- must bear in mind possible disadvantages for women, such as the potential for increasing their time spent in paid work without any reduction in their duties on the 'second shift'.

Fraser is clearly correct that fully-realised gender equality with respect to work must include gender equality in caregiving and other unpaid work, and that an integrated picture of paid and unpaid work would be ideal. Unfortunately, cross-nationally comparable data on the sexual division of unpaid work are very limited. At the same time, there is no clear evidence that the achievement of gender equality in *paid* work in the shorter term will do other than accelerate the breakdown of the sexual division of labour in unpaid work in the longer term. As Heidi Hartmann has observed (personal communication), when women achieve more parity in the labour market,

many will reduce their disproportionate responsibilities in the home by 'voting with their feet'; meaning, they will go to their jobs, leaving more unpaid work to the men with whom they live. Nevertheless, the potential costs of increasing and strengthening women's labour market ties -- without achieving gender parity in unpaid work -- must be considered.

The Changing Labour Market

During the post-war period, the industrialised countries have seen a dramatic increase in the participation of women, especially of married women with children, in the paid labour market. Yet, despite the rapid increase in women's employment, substantial gender gaps persist in all industrialised labour markets. As of the early 1990s, throughout the industrialised countries:

- women are still less likely to be employed than are men;
- employed women are less likely to hold full-time jobs than are employed men;
- women and men are employed in different industries and in different occupations and, within those, in different jobs, i.e., substantial segregation pervades the workplace;
- women receive lower hourly wages than do men, even after a host of worker and job characteristics are controlled for; combined with women's fewer hours, the gender gap in annual earnings is even greater;
- women contribute the majority of household labour and maintain primary responsibility for childrearing; the sexual divisions in the paid labour market are paralleled in unpaid work.

Change with respect to these critical indicators has been uneven since 1960. Between 1960 and 1990, women's *labour force participation* increased in every OECD country, with the sharpest rise seen among mothers; in some countries, women's participation rates more than

doubled. Because male participation rates fell steadily throughout the same period -- though from much higher base levels -- the female share of the labour force increased sharply (OECD 1992).

Change in the percentage of women *employed part-time* showed more variation. Between 1960 and 1990, the percentage of employed women working part-time increased, sometimes dramatically, in two-thirds of the OECD countries; and decreased, usually modestly, in one-third. At the same time, the percentage of employed men working part-time increased -- although from much lower base levels -- in all industrialised countries. As a result of the two trends, the female share in part-time work has remained fairly stable, at a high level in most countries (OECD 1991).

Change with respect to *occupational and industrial segregation* by gender presents a mixed picture. Cross-national data are not widely available, and methodological difficulties limit comparability across countries. Nevertheless, between 1960 and the middle 1980s, occupational segregation by gender appears to have declined in most countries (OECD 1984; Jacobs and Lim 1992). However, the decline is slow and levels of segregation remain high; and in most countries, women remain concentrated in a few occupations. Industrial segregation by gender, while less pronounced, shows no clear pattern of change since the early 1970s. Structural effects -- i.e., changes in the size of female-dominated sectors -- appear to play little role in the moderate decline of occupational segregation. There is, however, some evidence that structural shifts are working in the direction of increasing industrial segregation, possibly explaining the overall absence of decline (OECD 1985).

Considerable empirical research in recent years has been carried out on the *gender earnings gap*, and a substantial cross-national literature exists (Blau and Kahn 1992; Rosenfeld

and Kalleberg 1990, 1991; Treiman and Roos 1983). Gross (unadjusted) female-male hourly earnings differentials in the OECD countries averaged between 15% and 45% in the late 1980s, with an overall trend in the industrialised countries toward a narrowing of the gap during the preceding two decades (OECD 1988). Single- and multi-country studies which have attempted to adjust for worker characteristics, job characteristics, or both, typically report smaller but always positive unexplained wage differentials. The factors that drive the gender earnings gap are complex and varied. Nevertheless, a consensus has emerged that, in most countries, a primary factor underlying the persistent earnings gap is the high level of occupational segregation (Gunderson 1989; Reskin and Padavic 1994), specifically, women's continued over-representation in low-wage occupations. Until substantial desegregation of the labour force takes place, the goal of equal earnings for men and women will remain elusive.

Gender Inequality in Employment and Hours Worked

As a whole, we see a picture in the industrialised world of a rapidly growing female labour force, but one that remains distinct, in several ways, from the male labour force. In this section and the next, employment, hours, and earnings differentials are presented, for the early 1990s, with a focus on the question of variation across welfare state types.

Data and sample selection

Empirical results presented here on employment and earnings are based on data from the Luxembourg Income Study (LIS), an archive of comparable micro-datasets from a large number

of industrialised countries. The LIS datasets, primarily based on household surveys, contain demographic, labour market, and income data at the individual- and household-level. This study uses fifteen datasets from the third, and most recent, wave (1989-1992) of LIS data.¹

The selected sample, in each country, includes all adults aged 20-59, excluding the agricultural and military sectors. Individuals were coded as employed if they reported current employment, including self-employment, at the time of the survey.² In the ten LIS countries for which data on hours were available, employed individuals were further coded as part-time versus full-time, based on their reported usual hours during the prior year, using a 35-hour cutoff, the cross-national standard.³ Most findings are presented for the population (age 20-59) as a whole --

1. For more information on LIS and on the individual datasets, see de Tombeur (1997).

2. In one country, the Netherlands, data limitations required that employment be coded differently. Individuals were coded as employed if they reported positive wages in the prior year, a coding scheme that would be expected to bias employment rates upward.

3. In Table 2 and Figure 1, LIS data are supplemented by OECD data (OECD 1994a). Because LIS data on hours worked are unavailable in five of the included countries -- France, Italy, Spain, Denmark, and Norway -- OECD data on part-time employment rates are included for these countries. Although data from LIS and OECD sources should be combined with caution, there is a high correspondence between the two sources on rates of women's part-time work in the ten countries for which data on hours is available from both sources. Exceptions, however, are Belgium and Luxembourg, where the LIS microdata indicate substantially higher rates of part-time work than do the OECD data -- 38% versus 27% in Belgium, and 30% versus 18% in Luxembourg. One source of discrepancy is that, a consistent 35-hour cutoff is used in the LIS results, while in the OECD findings, part-time employment rates in some countries are based on the 35-hour cutoff, but in others are based on either a 30-hour cutoff, or on employees' self-definition (as in both Belgium and Luxembourg). Furthermore -- a caveat -- the part-time classification based on either source includes a varied group of workers who hold diverse jobs (i.e., their employment ranges from one to 30 or more hours per week); a closer look at differences among part-time workers would be useful.

that is, persons in all family types (married or single; with or without children) -- and then separately for women and men who are married and the parents of children under age six.⁴

Employment

Table 1 presents women's and men's employment rates and female/male employment ratios. Table 1 reveals, first, that women's overall employment rates in the early 1990s varied considerably, ranging from 85% in Sweden to 31% in Spain, a spread of over 50 percentage points. Men's overall employment rates varied much less, falling within a ten percentage point range (89% to 79%); Canada was an exception, with somewhat lower male employment rates reported (74%). The near uniformity in men's employment rates suggests that the sources of the variation in women's outcomes are gender-specific. Cross-national variation in women's employment rates is not simply traceable to fundamental differences -- for example, in unemployment rates -- in the overall labour markets in these countries. The relatively invariant male rates also mean that the cross-national picture of women's overall employment rates parallels the portrait indicated by the ratios, and thus the two indicators can be used fairly interchangeably (compare the first and third columns).

Table 1 about here

4. Married parents with children under age six are referred to hereafter as 'mothers' and 'fathers', or as 'parents' (or 'married parents'). Single parents -- who are overwhelmingly mothers -- were excluded from the analysis of parents because the focus is on gender differentiation and there were too few single fathers to constitute a comparison group. Analyses of this subgroup illuminate gender differences among adults who have both childrearing responsibilities as well as another adult in the home with whom to share the work.

That caregiving responsibilities are a powerful source of gender differentiation in employment can be seen in the comparison of persons in all family types with the subgroup of married parents. Table 1 reveals that mothers of young children are less likely to work for pay than are women overall in nearly all countries; the exceptions are Belgium, Italy, Denmark, and Sweden. (Note that because controls for adults' ages are not included in this comparison, the generally lower employment rates among mothers of young children are found despite the likelihood that they are younger, on average, than women in the larger sample).

In contrast, Table 1 indicates that fathers of young children -- i.e., the husbands of these mothers -- are *more* likely to be employed than are men overall, in all fifteen countries. While mothers in only two countries (Denmark and Sweden) have employment rates exceeding 70%, fathers' employment rates are 80% or higher in all fifteen countries, and 90% or higher in twelve. The general pattern of reduced employment among mothers and greater employment among fathers combine to produce the result that female/male employment ratios are substantially lower -- i.e., the gender differences are larger -- among parents. In twelve countries (Belgium, Denmark, and Sweden are exceptions), the female/male employment ratios fall by ten or more points as we shift from the population that includes all family types to the parents subgroup; in Germany, the female/male employment ratio falls by over 30 points. Clearly, the presence of young children is a powerful source of gender differentiation, and more so in some countries than in others.

Do the welfare state types have distinct employment patterns? Esping-Andersen (1990) posited that each welfare state model would be associated with a distinct labour market trajectory for women -- in particular, that regime types would shape female employment levels. He argued

that women's employment rates would be highest in the social democratic countries, where both supply and demand are increased by the extensive provision of public services. Moderate levels of female employment were predicted in the liberal countries, where workers -- including women -- are less decommodified and alternatives to labour market income are limited. The lowest levels of women's employment would be expected in the conservative countries, as a result of a slow-growth service sector and policies that encourage mothers to remain in the home.

The results in Table 1 largely conform to these predictions. Cross-national variation in gender equality in activity rates can be seen both within and across the dominant welfare state clusters; however, by and large, the clusters do have corresponding employment levels. Women's overall employment rates, relative to men's, are highest in the social democratic countries (.93 to .98), with the exception of Norway. Slightly lower employment ratios are reported in Norway and in the four liberal countries (.80 to .89, with Australia lagging at .73).⁵ Women's employment rates are most different from men's, consistently, in the conservative countries. Variation among the conservative countries, however, is substantial; whereas ratios approaching those in the liberal countries are seen in Belgium, France, and Germany (.69 to .72), women in Spain are only 39% as likely as men to be employed.

When attention is focused on parents, gender differences are sharper everywhere, but the cross-national comparative portrait is largely upheld. Among adults raising young children, women's employment patterns most resemble men's in three social democratic countries (Denmark, Finland, and Sweden) and in Canada, where mothers are more than 70% as likely to be

5. Canada's employment ratio indicates a somewhat higher level of gender equality, but it is the relatively low male employment rate reported that drives that result.

employed as the fathers of these young children. The remaining liberal countries follow, joined by Belgium and France, with employment ratios ranging from .54 to .65. The countries in which mothers' and fathers' employment rates are most sharply differentiated include the remaining conservative countries -- Germany, Italy, Luxembourg, the Netherlands, and Spain -- in which mothers of young children are less than half as likely as their husbands to work for pay.

Part-time employment

Women's employment rates indicate the likelihood that they are engaged in paid work, but they mask the intensity of that engagement. Many women in these countries -- especially those with young children -- work part-time, most of them 'voluntarily' (OECD 1990), meaning that they have sought part-time hours. Table 2 indicates the percentage of employed women and men whose employment is part-time, and the female/male ratios in part-time rates; again, results are presented separately for persons in all family types and for the subgroup of parents. Figure 1 presents women's employment rates (for persons in all family types) and indicates the breakdown of employment into part-time versus full-time.

Table 2 about here

Figure 1 about here

Table 2 reveals that part-time employment as a share of women's employment varied widely in the early 1990s, ranging from a high to 59% in the Netherlands, to a low of 10% in Finland and Italy. As with their overall employment rates, the share of men's employment that is

part-time varied much less, nowhere reaching as high as 12%. Clearly, part-time work remains women's work throughout the welfare states of the 1990s.

As with activity rates, the strong effect of caregiving responsibilities can be seen when we shift our attention to the married parents of young children. In all countries, employed women's likelihood of part-time employment increases, in many cases dramatically; in contrast, in none of the ten countries for which we have data are fathers more likely to work part-time than are men as a whole. With three exceptions (Finland, Canada, and the U.S.), approximately half or more of employed mothers with young children hold part-time jobs; remarkably, in two countries, Germany and the Netherlands, more than four out of five employed mothers are employed part-time.

Figure 1 reveals that high levels of female part-time work cut across the three welfare state models and that the regime types show substantial variation within. While a large share of employed women (38% - 48%) in three Nordic countries (Denmark, Norway, and Sweden) hold part-time jobs, the pattern in Finland (10%) is sharply different. Rates of female part-time work in the U.K. (45%) are double what they are in the U.S. (22%), and part-time work in Australia and the U.K. is as common as it is in the Nordic countries. And among the conservative countries (the seven countries on the right half of the figure), while women in the Netherlands report the highest rates of part-time employment (59%), part-time employment in Italy and Spain (10% - 12%) is as rare as it is in Finland.

With the exception of the relatively homogeneous results seen in Denmark, Norway, and Sweden, the extent to which women engage in part-time employment does not clearly vary by regime type. That is not surprising, in part because there is little correlation between rates of part-

time work and overall employment rates. The relationship between the two indicators is positive, but weak ($r=+.29$), a finding that counters a widespread perception that high rates of part-time work among women, as seen in the Nordic countries, are necessary for high rates of employment.⁶

Gender Gaps in Earnings

The pattern of gender differences in unadjusted earnings -- meaning, when there are no controls for gender differences in worker or job characteristics -- indicates a surprising degree of similarity across these countries.⁷ As reported in the first column of Table 3, women in the full-time labour market reported earning between 77% (in Belgium and Finland) and 65% (in Germany) of what men earn -- a relatively narrow spread.⁸ Within that narrow spread, however, countries fall into two loose groups that cross-cut welfare state types. Earnings ratios lie between .77 and .74 in four countries -- Australia, Belgium, Finland, and Sweden -- and between .71 and

6. Others report little or no relationship between employment rates and rates of part-time work, over-time or across countries (OECD 1994a; Rosenfeld and Birkelund 1995.)

7. The data and sample selections underlying the earnings results are the same as in the analysis of activity rates. The only exception is that self-employed workers were excluded in the analysis of earnings, because both their hours worked and their earnings are difficult to measure. The exclusion of the self-employed is likely to narrow the gender differentials in pay (Reskin and Padavic 1994). Furthermore, five of the fifteen countries had to be eliminated from the earnings analysis due to the absence of data that would allow the identification of full-time workers from among the employed labor force.

8. The gender earnings ratios in Table 3 are ratios of means. While there are advantages to presenting ratios of medians -- they are less sensitive to extreme values -- ratios of means are presented here so that the analysis of unadjusted ratios (column 1) could be integrated with an analysis of adjusted earnings ratios (columns 2-5), i.e., ratios after worker and job controls are introduced. Adjusted ratios were constructed using ordinary least squares (OLS) estimations, which are structured around the comparison of means. Results (not shown) indicate that the cross-national portrait based on a comparison of medians is largely similar.

.65 in the other six. The countries with the higher level of gender equality include both of the social democratic exemplars (Finland and Sweden), but also one liberal and one conservative country. The countries where women's relative earnings lag somewhat include a mix of the remaining conservative and liberal countries.⁹

Table 3 about here

A crucial question is the extent to which this pattern of gender inequality in earnings -- both within and across countries -- is explained by gender differences in either worker- or job-related characteristics. In other words, do women earn less than men earn, across these countries, simply because they work fewer hours or because they are less educated or younger than men are? If so, then women's lower earnings, presumably, would reflect lower productivity, and less financial value to the employer. Likewise, do women earn less than men do because they work in different occupations? If substantial gender differences exist in hours, education, age, and occupation, then we can infer that the observed gender gaps in earnings would disappear if, over time, employed women assumed men's characteristics and those of their jobs. Moreover, to the extent that gender differences in earnings are explained, statistically, by these kinds of differences, the dominant explanation for the gender gap in earnings must be rooted in factors other than direct discrimination in pay based on gender.

9. Note that these earnings data do not include parental leave benefits. Parental leave benefits were not included in the earnings data because data on parental benefits are available only at the household level and cannot be linked to individual adults. To the extent that leave benefits replace women's earnings, not including them in this analysis may overstate gender gaps in earnings-related income -- especially in the Nordic countries with the most generous benefits.

To approach this question, a multivariate regression analysis was conducted to statistically control for gender differences in hours worked (within the full-time workforce), workers' age and education, and occupation.¹⁰ Data limitations allowed the inclusion of only broadly-grouped education and occupation variables; education was coded into low, medium, and high (where medium corresponds to completion of secondary school), and occupation was coded as professional/administrative, service/sales/clerical, and blue-collar. The results presented in Table 3 (columns 2-4) indicate what the gender earnings ratios would be -- hypothetically -- if women had the characteristics of men in their own countries, in particular, their hours worked, age, education, and occupation.

Table 3 indicates that in all of the liberal and conservative countries included here, controlling for these differences in worker and job characteristics shrinks the gender gap in earnings somewhat, but never by more than about one-third. A portion of the gender gap -- from 2% in the U.S. to 36% in the Netherlands -- is explained by compositional differences between women and men in the full-time labour force (i.e., by gender differences in worker characteristics and occupation). First, controlling for gender differences in hours worked, alone, explains a slight portion of the gender gap in six of these seven countries (Canada excluded). The largest effect is seen in the U.K., where the gender difference in hours worked explained 15% of the unadjusted

10. In the multivariate analysis, standard two-stage semi-log wage equations were estimated, separately for men and women. In the first stage, logistic regressions estimated the probability that persons were full-time employed. In the second stage, wage equations were estimated using OLS regression; full-time employed persons were selected and a transformation of each worker's predicted employment probability was added to the list of regressors (see Killingsworth and Heckman 1986). Independent variables in the wage equations included hours worked, age and its square, three education categories, and three occupation categories. Full regression results are available from the author. (Note that Luxembourg was excluded from the multivariate analysis because data were not available on all of the worker and job controls included in the regression models).

gap. Second, controlling for ‘human capital’ differences -- age and education -- diminishes the gaps further everywhere, except in the U.S.. The most substantial narrowing is seen in Germany and the Netherlands, where the pattern of labour market exit at marriage results in marked age differences between the female and male labour forces. Third, the introduction of occupational controls tends to increase the earnings gap -- largely because of women’s over-representation in the professional/administrative sector. The broad categories used here, however, limit the explanatory power of these controls.

In contrast, in both of the social democratic countries included here, controlling statistically for gender differences in worker and job characteristics actually *increases the gap*. This indicates that if women, hypothetically, had men’s characteristics and occupations, they would earn *less* than they actually do.¹¹ Thus the relatively high earnings ratios in these countries overstate the extent to which similar women and men, doing broadly similar work, take home the same pay. The results in the social democratic countries are seen most tellingly in column 4 (the earnings ratios adjusted for hours, age, education, and occupation), where the cross-national rankings of both Finland and Sweden, with respect to gender equality in earnings, fall markedly.

These results, taken together, indicate that systematic variation across countries in gendered compositional differences do not explain the cross-national variation in earnings ratios within the full-time labour force. That is, the gender gaps in earnings across these countries are

11. These results are consistent with those reported by Treiman and Roos (1983), based on data from the late 1970s. They also found that compositional differences -- in particular, age -- explain the largest share of the gender gap in Germany and the Netherlands, and that compositional controls increased the gender gaps in the Nordic countries.

not primarily due to gender differences in worker attributes, or in job-related characteristics, at least not as captured in these measures of occupation.

Beyond the Earnings Gap: Women's Share of Total Labour Market Earnings

Nearly all studies of the gender earnings gap limit their analyses to the full-time labour market, and most gender gap researchers make direct wage *discrimination* based on gender their primary analytic concern. Undoubtedly, these analyses are crucial for uncovering the extent to which women with strong attachments to the labour market are paid less than are men. Moreover, studies that decompose the gap into the portion explained by compositional differences versus the portion that is not -- the discrimination component -- are crucial for identifying the determinants of earnings differentials.

There are, however, two serious limitations of the traditional focus on discrimination within the full-time labour market. First, some portions of the gender earnings gaps in these countries may be explained by compositional differences between women and men -- as they are in the liberal and conservative countries (see Table 3) -- but those explanations leave intact the actual earnings differences and the economic, social, and political consequences of those differences. If women's status or opportunities, in the public or private sphere, are shaped by actual earnings levels, then earnings comparisons that net out substantial portions of the gender gap will beg the question.

Second, large numbers of women -- those employed part-time or not at all -- are excluded from these analyses altogether. In twelve of these fifteen countries, the full-time labour force

excludes more than half of the country's working-age women altogether; in the Netherlands, measures of earnings equality within the full-time labour force concern one woman in five.

Table 4 presents a broader picture, one that captures the distribution of labour market returns between women and men more broadly. It shows women's aggregate earnings levels, relative to the men with whom they live and work. Column 1 presents the standard earnings ratios reported in Table 3; column 2 presents earnings ratios across the employed population as a whole (i.e., part-time workers are included), and column 3, earnings ratios for the working-age population as a whole (i.e., non-employed are included).

Table 4 about here

Consider Australia, for example, where the standard earnings measure indicates that employed women earn a comparatively impressive 74 cents on the male dollar. When we shift our attention to all employed Australian women (column 2), women take home a somewhat less substantial 61 cents on the male dollar. When we widen the lens to include all working-age adults (employed or not), Australian women take home only 45 cents in labour market earnings for each dollar earned by a man. In Australia, as elsewhere, the broader perspective reminds us that women *overall* earn considerably less 'on the male dollar' than the standard indicator reveals.

Column 4 (a transformation of column 3) presents *women's share of total labour market earnings*, a composite index of women's overall integration into the labour markets of the industrialised countries. This index compounds gender differentials in activity rates, in hours worked, and in earnings per hour, providing a parsimonious measure that combines multiple

aspects of gender inequality. Women's share of total earnings *indicates the extent to which women command a share of labour market earnings in proportion to their numbers*. The shift to the 'share' measure reveals substantially more cross-national variation in women's relative levels of labour market remuneration than the standard earnings measures allow us to see (see Figure 2).

Figure 2 about here

Among working-age adults, women's share of earned income is lowest in Spain, where women take home only one fifth of their nations' earnings, and highest in Finland, where women claim two-fifths of all earned income. Women in Finland and in two other social democratic countries (Denmark and Sweden) command the largest share of their countries' earnings (39% - 41%); the combination of high employment ratios and high earnings ratios drives the composite result upwards. Remarkably, Denmark and Sweden are ranked 2nd and 3rd, of fifteen, despite the high incidence of female part-time work.

In a second tier of countries, women command approximately one-third of total labour market earnings (31% - 35%). This diverse group includes Norway -- consistently a laggard among the social democratic countries -- as well as three liberal countries (Australia, Canada, and the U.S.), and Belgium and France as well.

The U.K. and five conservative countries -- Germany, Italy, Luxembourg, Netherlands, and Spain -- form a lower tier, in which women command less than 30% of their countries' total labour market earnings. The conservative countries, by and large, are ranked lowest on this

composite measure of gender equality due to a combination of marked gender differentials in employment rates and sizable gender earnings gaps as well.

Column 5 indicates mothers' shares, across countries, in the total labour market income earned by the parents of young children. Figure 2 clearly indicates that caregiving responsibilities sharpen gender inequality in all countries, dramatically in some. Although these cross-sectional data do not allow an analysis of the long-term economic consequences for women, it is clear that mothers of young children, as a rule, are economically dependent on their husbands during their children's early years. In Germany and the Netherlands, mothers earn just over one tenth of the earned income of parents of young children, primarily as a result of their extraordinarily low rates of full-time employment; in one-third of the fifteen countries, mothers take home less than one fifth of total parental earnings. These findings indicate that throughout these countries, albeit to varying degrees, the economic security of mothers with young children is largely in the hands of their husbands.

Welfare States, Public Policies, and Gender Equality

Much recent research supports the conclusion that public policies shape labour market outcomes, especially women's employment patterns, which are known to be quite responsive to an array of institutional factors. A multitude of policies -- individually and in combination -- influence employment levels, and an overlapping set of policies affects gender earnings gaps. Taken together, the effects of a complex array of policies can be seen in the marked variation across countries in the women's share of total earnings. This section briefly discusses policy

explanations for the employment and earnings patterns described in this chapter, and lays out policy implications.

Policy determinants of variation in employment patterns

The cross-national employment results presented in this chapter largely conform to Esping-Andersen's predictions: the most gender-equalised employment rates are seen in the social democratic countries (Norway is an exception), followed by the liberal welfare states; women's employment most lags men's in the conservative countries. Among women rearing young children, the clusters are upheld for the most part, except that Canadian mothers 'move up' -- there is more gender equality in activity levels than in the other liberal countries -- as do Belgian and French women vis-à-vis their conservative neighbours.

Cross-national variation in employment supports for mothers explains some of the pattern reported here, in particular the regime 'breakdowns'. In a study of state supports for maternal employment in the middle 1980s, Meyers, Gornick and Ross (this volume) found that public provisions were strongest in the social democratic countries, with the exception of Norway. Employment supports for mothers in the conservative countries followed -- with the exception of Belgium and France (and to some extent, Italy), where caregiving work is socialised as extensively as in the Nordic countries. Employment supports lagged in the liberal countries, with the exception of in Canada, where they resembled those in the conservative countries. This policy variation is remarkably consistent with the intra-regime variations reported here (see Table 1): mothers are employed less in Norway -- and more in Belgium, France, and Canada -- than are their counterparts in relatively like welfare states. Furthermore, since the reported policy

variation precedes the employment variation reported in this chapter, by five to seven years, it is reasonable to infer that the policies have shaped the employment patterns, at least to some extent, rather than the other way around.

Perhaps the question least resolved is: why are female employment rates (and ratios) in the liberal countries consistently higher than those seen in the conservative countries, given the more extensive policy supports for mothers' employment generally provided in the conservative countries? Clearly, non-policy factors such as sex role expectations and attitudes toward work and family vary across countries, creating a complex and multi-directional interplay among private beliefs, policy arrangements, and employment patterns (Alwin, Braun, and Scott 1992). The combination of women's movements in the liberal countries whose strategies have focused on emancipation through paid work, combined with political cultures that emphasise the value of markets, may explain a substantial portion of their higher employment rates. However, a diverse set of other policies may depress women's employment in some conservative countries, such as tax features that discourage second earners (Gustafsson 1991; Norregaard 1990); public school schedules that conform poorly to standard employment hours (Gornick, Meyers and Ross 1997); and a historical reliance on immigrant workers (Gustafsson 1994).

Furthermore, as Esping-Andersen's predictions suggest, low income transfers in the liberal countries -- both means-tested and universal -- may have an 'employment-forcing' effect; in the U.S., employment pressures are reinforced by the link between employment and health insurance. The employment-forcing effects of social welfare features may be further exacerbated by men's lagging wages in the liberal countries. Men's real wage growth in the U.S., Canada, and Australia has been well below that found in most other OECD countries in recent years (OECD 1994b).

Yet the extent to which liberal welfare state features force women into paid work remains an open question. Indeed, the women's movements in the English-speaking countries have made important legislative gains that would increase employment opportunities for women. The anti-discrimination apparatus has clearly opened doors for women, in particular, by desegregating some occupations, and reducing barriers to women's upward advancement.¹² High levels of women's employment in the liberal countries likely result from a combination of forces that are both employment-forcing and employment-facilitating.

Variation in rates of female part-time employment is less easily traced to underlying policy factors. Recent research has linked levels of female part-time employment to supply-side and demand-side effects of both social security rules (Euzeby 1988) and statutory protections for part-time workers (Maier 1991); child care and public school schedules that are inconsistent with the full-time work week (OECD 1988); marginal tax rates (Rosenfeld and Birkelund 1995); and public sector hiring patterns (Rein 1985). The effects of policy factors on gender differentiation in hours of employment demands further study; the existence of substantial variation among relatively like countries provides a useful framework for analysis.

Public policy and the earnings gap

The results in Table 3 indicate that the gender earnings gap is somewhat more attenuated in four countries -- Australia, Belgium, Finland, and Sweden -- and the multivariate results

12. On the other hand, in a cross-national study, Whitehouse (1992) finds no association between the presence of equal pay or equal employment opportunity legislation, and women's labor force participation.

suggest that cross-national variation in compositional differences does not explain this finding.

What, then, does explain the reported variation? Recent work by Blau and Kahn (1992), suggests that two competing explanations for cross-national variation in the gender earnings gap need to be considered. One possibility is that the variation across countries is rooted in variation in overall wage structures, especially in the magnitude of the earnings spread. A second is that gender gaps vary across countries because women's labour market 'positions', relative to men's, vary across countries. These competing explanations provide a valuable framework for policy analysis because they have distinct policy implications.

The central insight in this work -- adapted from Juhn, Murphy and Pierce's analyses of U.S. race differentials (Blau and Kahn 1992) -- is that cross-national variation in the magnitude of the gender earnings gap might be explained, in part or in full, by cross-country variation in the overall level of earnings inequality; in other words, wage structures matter. That hypothesis can be grasped intuitively: consider two countries in which women are equally disadvantaged due, for example, to their lower levels of human capital acquisition (relative to men) or to labour market discrimination directed against them as women. If one country has a compressed earnings distribution and the other a dispersed distribution, the gender earnings ratio will be higher in the former, because in the compressed earnings spread, the earnings of the lowest paid are closer to the middle. In visual terms, it is the length of the earnings 'ladder' that determines the gender earnings ratio, in particular, the distance between the bottom and middle rungs, more than the rung (the 'position') on which the median female worker sits.

Using a variety of data sources, Blau and Kahn (1992) conclude that variation in wage structure accounts for some cross-national variation in gender gaps, in particular, the U.S.'s

relatively low female/male earnings ratios. They reported that the higher degree of earnings inequality that characterises the U.S. -- where returns to skill are high -- fully accounts for the larger gender earnings gap in the U.S. in comparison to several apparently more 'woman-friendly' European countries, and to Australia.

Results based on the LIS data also suggest that *both* factors -- the overall earnings spread (the length of the ladder) and women's position in the earnings distribution (the rung on which the median woman sits) -- play a role in shaping the pattern of gender inequality in earnings across these ten countries. The left and right columns in Figure 3 divide the ten countries into relatively low and high levels of earnings dispersion, as captured by the '90/10' ratio -- i.e., the ratio of the earnings of the 90th percentile earner to those of the 10th percentile earner -- with men and women combined. In eight countries, the 90/10 ratio falls between 2.5 and 4; in Canada and the U.S., the 90th percentile worker earns over five times what the 10th percentile worker earns. The upper and lower panels indicate the position of women in the earnings distribution, that is, where the median female worker's earnings fall in the male earnings distribution. Again, the position of women in the earnings distribution is an indicator of how well women are doing within the ranks of their country's labour market -- in other words, how far up the ladder, on average, they have moved. In six countries, the median woman worker's earnings fall somewhere between the earnings of the 23rd and 30th percentile male's; i.e., her earnings fall in the range of men's in the third decile (meaning, the third tenth from the bottom). In four countries, the median woman's earnings fall at or below those of the 20th percentile male; i.e., her earnings are equal to those of men in the second decile of male earners (meaning, the second tenth from the bottom).

Figure 3 about here

The four countries in the upper left quadrant (Australia, Belgium, Finland, and Sweden) -- the countries where women's position is higher *and* the earnings spread is more equal -- are precisely the four countries with the higher gender earnings ratios (see Table 3, column 1). This suggests that both factors are at work -- in other words, that gender earnings ratios lag for different reasons in different countries. In two liberal countries, the U.S. and Canada, the earnings ratios lag those in the top four countries primarily because of the unequal wage structure; the low end of the earnings distribution lies far below the middle. In line with Blau and Kahn's findings, the U.S. women's position in the labour market -- where the median woman falls in the male distribution -- is higher than in all four countries with higher earnings ratios. In three conservative countries (Germany, Luxembourg, and the Netherlands) and in the U.K., the gender earnings differentials lag the top four countries largely because women are falling further behind their male counterparts, i.e., they are positioned on lower rungs on their countries' earnings ladders.

That multiple factors are at work in shaping the cross-national pattern of gender gaps is seen easily in the contrast between the Netherlands and Canada. In both countries, women in the full-time labour force earn 68% of what men earn -- trailing their Finnish counterparts by nearly 10 percentage points. Dutch women hold the lowest position across these ten countries -- their median earner is paid what the 18th percentile male worker earns -- but the entire distribution in the Netherlands is relatively compressed (the 90/10 ratio is 2.9). Canadian women, in sharp contrast, are substantially more positively situated within their home labour market -- the median earner is paid what the 27th percentile male earns (nearly the same as in Finland) -- but the highly

unequal Canadian wage structure (the 90/10 ratio is 5) acts as a lever and widens the gender earnings gap.

The policy implications, then, vary across countries. In the conservative countries of Germany, Luxembourg, and the Netherlands, and to some extent in the U.K., policy measures aimed specifically at raising *women's* pay should be most effective for narrowing the gender gap. Gender-specific policy approaches include: (1) anti-discrimination and positive action policies aimed at breaking down entrenched patterns of female-exclusion in many higher-paid occupations (Reskin and Padavic 1994); (2) state-supported training programs, both pre-employment and on-the-job, aimed at reducing vertical labour market segregation (OECD 1994a); (3) equal pay strategies, focused on reducing earnings differentials between men and women for both equal and/or comparable work (Gunderson 1989); and (4) state actions aimed at alleviating employment-family conflicts (OECD 1994a) in order to lessen the downward pressure that rearing children exerts on mothers' wages (Korenman and Neumark 1991).

In the liberal countries, exemplified by the U.S. and Canada, it may be that policy measures aimed at narrowing the overall earnings distribution -- that is, policies not specifically focused on women or gender differentials -- would be the most effective in reducing the gender earnings gap. However, reducing earnings inequality, which is rising in most welfare states (Gottschalk and Smeeding 1997), is a complex economic and political task, because the determinants of wage inequality are varied and difficult to alter. Nevertheless, a range of policy strategies can be identified, including policies aimed at: (1) shoring up the strength of unions and/or centralised wage-setting institutions (Freeman 1997); (2) tightening regulations on minimum (Bazen and Benhayoun 1992) or even maximum wages (Hacker 1997); (3) reducing

inequalities in public education (Gramlich and Long 1996); and (4) regulating elements of international trade and production that are exerting downward pressure on low wages (Sachs and Shatz 1994).

Conclusions

The results presented in this chapter point toward three inter-related conclusions. *First, when we focus our attention on gendered policies and outcomes, the applicability and usefulness of the standard welfare state regime typology is partially challenged.* One of the central questions addressed in this chapter is whether levels of gender equality in the labour market vary systematically across the three welfare models. These results indicate that women's employment patterns (in particular, their rates of employment) do indeed vary across the three welfare state types, as expected. The highest female rates, and ratios, are reported in the social democratic countries, Norway excepted, followed by the liberal countries. Lower, though widely varying, employment rates are reported throughout the conservative countries.

In contrast, the extent to which women are employed part-time -- a crucial indicator of the strength of market attachment -- does not clearly vary by regime type. While part-time work is very common in Denmark, Norway, and Sweden, it is rare among Finnish women. Rates of female part-time work in the U.K., which are more than double those reported in the U.S., actually exceed part-time employment rates in Sweden. And among the conservative countries, while women in the Netherlands report the highest overall rates of part-time employment, part-time work in Italy and Spain is as rare as it is in Finland.

Gender earnings ratios, in the full-time labour force, also cut across welfare state types, with all three regime types represented among the four countries (Australia, Belgium, Finland, and Sweden) that report somewhat higher earnings ratios. On the other hand, part of the explanation for the inter-country variation in earnings ratios is the variation in the overall degree of earnings dispersion. On that score, countries are distinguished largely as the regime typology would predict; that is, two liberal countries (Canada and the U.S.) report markedly more unequal wage structures than those found in the social democratic and conservative countries. Clearly, a range of economy-wide factors -- which may be better predicted across the regime types -- also affect gender equality; these factors, for example, centralisation of wage-setting, work in complex conjunction with gender-specific factors.

Finally, cross-national variation in women's share in total labour market earnings -- the measure that compounds gender differences in employment rates, rates of part-time employment, and earnings -- reveals a picture of both inter- and intra-cluster variation. Women command the largest shares of their nation's earned income (approximately 40%) in three social democratic countries: Finland, Denmark, and Sweden; it is interesting and somewhat surprising that Denmark and Sweden remain in the top grouping, given their high rates of female part-time employment. The second tier of countries -- in which women earn 31% to 35% of total earnings -- is a diverse group that cuts across all three regime models: Australia, Canada, and the U.S., and Norway, Belgium, and France. Using this composite measure of gender equality, Norway lags behind its social democratic neighbours, while Belgium and especially France reveal more gender equality than their conservative counterparts. The lowest tier countries, where women claim less than

30% of national earnings, is, again, more homogeneous; it includes the U.K., and the five remaining conservative countries (Germany, Italy, Luxembourg, the Netherlands, and Spain.)

Second, high levels of economic dependency within the family are evident everywhere, although there is considerable variation across countries. The results here establish that married women's caregiving responsibilities, as indicated by the presence of young children in the home, sharpen the overall gender inequality seen in all countries, dramatically so in some countries. These findings indicate that married women with young children are, for the most part, economically dependent on their husbands. In *none* of these fifteen countries -- including the three with the highest level of gender equality on the composite measure, that is, Denmark, Finland, and Sweden -- do women directly claim more than approximately one-third of the earnings taken home by parents. Remarkably, in five countries -- Germany, Luxembourg, Netherlands, Spain, and the U.K. -- mothers command less than one-fifth of all parental earnings.

Both the high levels of women's economic dependency seen in the welfare states of the 1990s, and the extent of the variation across countries, suggest that feminist welfare state scholars are right to call for more theory and research concerning women's economic dependency within the family. As Hobson (1990), Orloff (1993), O'Connor (1996), and others have argued, the ways in which states enhance women's access to paid work and ultimately reduce their economic dependence — including dependence on family members — need to be accounted for more fully in models of welfare state variation. More comparative research is needed on both the factors affecting women's decision-making and on the long-term consequences of the high levels of women's economic dependency seen throughout the industrialised countries in the early 1990s.

Third, the results presented here suggest that ‘policy matters’ in shaping women’s labour market outcomes and, in turn, in influencing levels of economic dependency. Mounting evidence suggests that both overarching welfare state designs and individual policies -- which vary across as well as within regime types -- influence both the extent to which women have access to paid work, and also the nature and intensity of their attachment to paid work. Women’s labour market outcomes, in turn, shape both overall gender equality and the degree to which women are economically dependent on the men in their lives. The links between policy and outcomes, especially women’s employment patterns, are increasingly well-understood, although an appreciation of the consequences of available policy options has thus far outpaced policy development in most industrialised countries.

Public policies that support maternal employment appear to play a role in increasing the economic independence of mothers during their children’s early years, relative to their counterparts in relatively like welfare states -- an effect that spills over to the population as a whole. In Belgium, France, and Italy, for example, where employment supports for mothers with children under age six are as highly developed as they are in Denmark, Sweden, and Finland (see Meyers, Gornick, and Ross, this volume), mothers command a larger share of labour market earnings than in the other conservative countries, and more than in most of the liberal countries as well. Likewise, Norway provides less extensive public support compared with its social democratic neighbours; the weaker supports for maternal employment likely explain a portion of the lagging labour market attachment reported by Norwegian women.

In closing, two unanswered questions ought to be placed at the top of the research agenda on the relationship between women’s labour market integration and public policy. The first

concerns the direction and magnitude of policy shifts during the early years of the twenty-first century, as the post-industrial transformation continues. The combination of ongoing labour market restructuring, high male unemployment rates (especially in Europe), and welfare state retrenchment suggests that policy supports for women's labour market integration will face heightened scrutiny. It remains to be seen whether demands for men's employment opportunities and/or welfare state reversals will overwhelm the economic, social, and political imperatives of women's labour market integration.

A second question concerns the possibility of policy expansion in the direction of measures aimed *directly* at reducing the sexual division of labour in unpaid work; so far, those waters are largely uncharted. Fraser (1994) suggests that an ideal outcome, in the long-term, is one of convergence of women's and men's work patterns; she envisions an arrangement in which both women and men work for pay *and* care for their families. Yet the progress toward gender equality in the labour market may level off, limited by the intransigence of gendered patterns in caregiving. If so, policy formation aimed directly at altering gender inequalities in *unpaid* work may constitute the next wave of 'woman-friendly' welfare state development.

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Table 1. Employment Rates and Employment Ratios in Fifteen Countries.

	Persons in All Family Types			Married Parents With a Child Under Age Six		
	Female	Male	Female/Male Ratio	Female	Male	Female/Male Ratio
Sweden (1992)	85%	87%	0.98	86%	92%	0.93
Finland (1991)	77%	83%	0.93	68%	94%	0.72
Denmark (1992)	74%	80%	0.93	77%	89%	0.87
UK (1991)	68%	82%	0.83	53%	87%	0.61
USA (1991)	68%	83%	0.82	55%	90%	0.61
Norway (1991)	67%	84%	0.80	62%	95%	0.65
Canada (1991)	66%	74%	0.89	61%	83%	0.73
Australia (1989)	63%	86%	0.73	49%	91%	0.54
Germany (1989)	61%	88%	0.69	38%	96%	0.40
France (1989)	60%	83%	0.72	55%	94%	0.59
Belgium (1992)	57%	83%	0.69	62%	95%	0.65
Netherlands (1991)	51%	83%	0.61	37%	90%	0.41
Luxembourg (1991)	49%	89%	0.55	42%	95%	0.44
Italy (1991)	42%	79%	0.53	42%	97%	0.43
Spain (1990)	31%	79%	0.39	26%	90%	0.29

Notes: Data are for persons aged 20-59; employment rates include the self-employed; the countries are ordered in relation to the first column of the table.

Source: LIS

Table 2. Part-Time Employment as a Share of Employment in Fifteen Countries

	Persons in All Family Types			Married Parents With a Child Under Age Six		
	Female	Male	Female/Male Ratio	Female	Male	Female/Male Ratio
Netherlands (1991)	59%	9%	6.6	89%	8%	11.1
Norway (1991)	48%	9%	5.3	..	..	..
UK (1991)	45%	4%	11.3	74%	3%	24.7
Sweden (1992)	40%	5%	8.0	54%	5%	10.8
Australia (1989)	39%	5%	7.8	63%	3%	21.0
Denmark (1992)	38%	11%	3.5	..	..	..
Belgium (1992)	36%	6%	6.0	47%	6%	7.8
Germany (1989)	36%	3%	12.0	81%	1%	81.0
Canada (1991)	30%	9%	3.3	38%	5%	7.6
Luxembourg (1991)	30%	2%	15.0	57%	1%	57.0
France (1989)	24%	4%	6.0	..	..	..
USA (1991)	22%	7%	3.1	32%	2%	16.0
Spain (1990)	12%	2%	6.0	..	..	..
Finland (1991)	10%	4%	2.5	16%	3%	5.3
Italy (1991)	10%	3%	3.3	..	..	..

Notes: Data are for persons aged 20-59; employment rates include the self-employed; the countries are ordered in relation to the first column of the table; .. = not available.

Sources: France, Italy, Spain, Denmark, and Norway: OECD (1994a: 194, table C); all other data: LIS

Table 3. Gender Earnings Differentials in the Full-Time Labour Force in Ten Countries

	Female/Male Earnings Ratio (Means)				Percentage of the Gender Gap Explained by Compositional Differences
	Unadjusted	Adjusted for Hours	Adjusted for Hours, Age, and Education	Adjusted for Hours, Age, Education, and Occupation	
Belgium (1992)	0.77	0.79	0.82	0.78	4%
Finland (1991)	0.77	0.70	0.69	0.65	-53%
Australia (1989)	0.74	0.77	0.79	0.78	17%
Sweden (1992)	0.74	0.74	0.73	0.71	-10%
Luxembourg (1991)	0.71	..	..	..	..
USA (1991)	0.70	0.72	0.72	0.71	2%
Canada (1991)	0.68	0.68	0.70	0.70	6%
Netherlands (1991)	0.68	0.69	0.82	0.80	36%
UK (1991)	0.67	0.72	0.74	0.74	21%
Germany (1989)	0.65	0.66	0.73	0.72	21%

Notes: Data are for persons aged 20-59; self-employed workers are not included; the countries are ordered in relation to the first column of the table; .. = not available.

Source: LIS

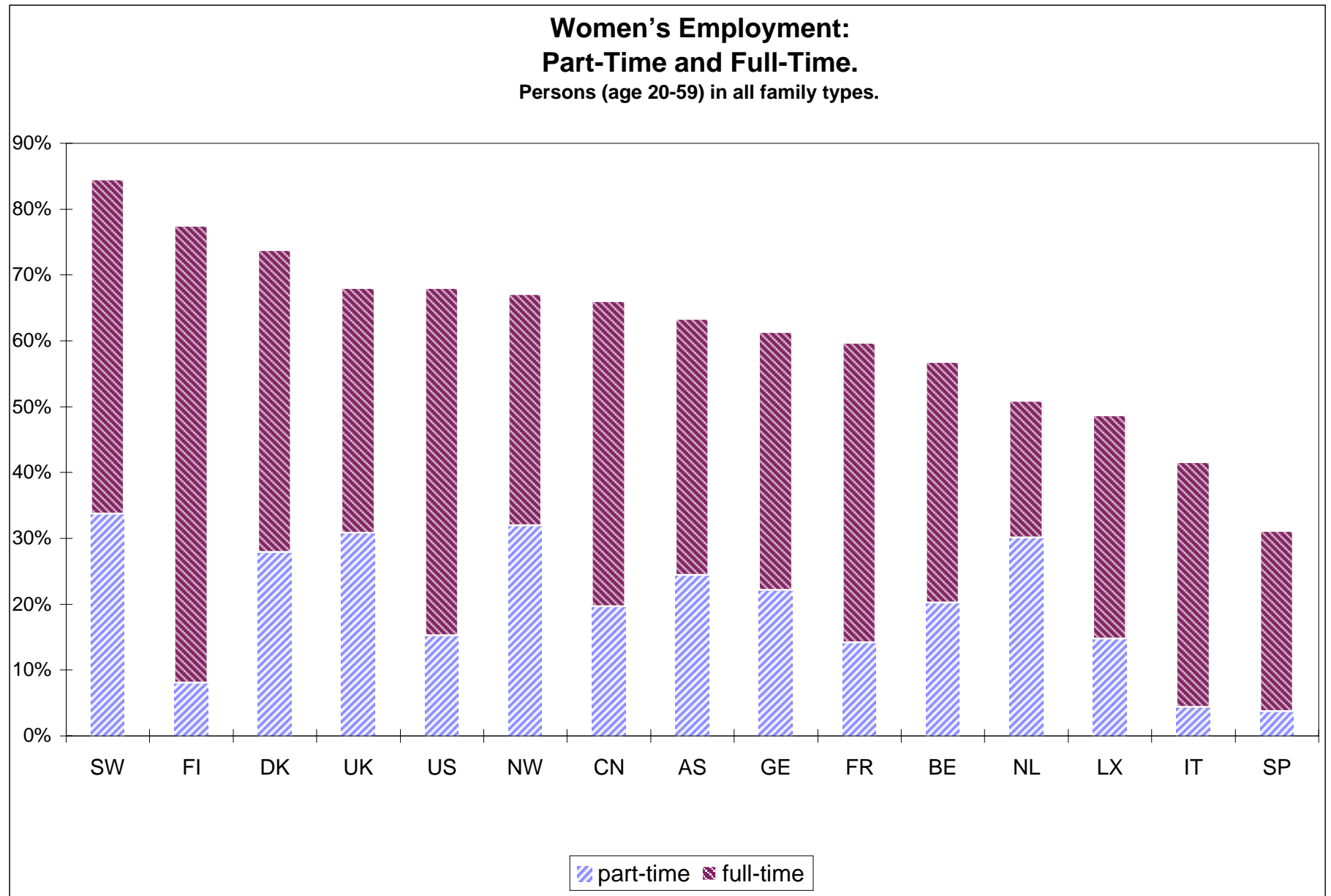
Table 4. Earnings Ratios and Women's Share of Total Earnings in Fifteen Countries

	Female/Male Earnings Ratios (Means) All Family Types			Women's Share of Total Labour Market Earnings	
	Full- Time Labour Force	Employed Labour Force (Includes Part-Time)	Working-Age Population (Includes Non- Employed)	All Family Types (Includes Non- Employed)	Married Parents With a Child Under Six (Includes Non- Employed)
Finland (1991)	0.77	0.75	0.71	41%	33%
Denmark (1992)	..	0.71	0.66	40%	35%
Sweden (1992)	0.74	0.67	0.65	39%	30%
Canada (1991)	0.68	0.62	0.55	35%	27%
Norway (1991)	..	0.67	0.53	35%	27%
USA (1991)	0.70	0.64	0.53	34%	25%
France (1989)	..	0.71	0.51	34%	29%
Australia (1989)	0.74	0.61	0.45	31%	20%
Belgium (1992)	0.77	0.67	0.46	31%	29%
Italy (1991)	..	0.79	0.41	29%	26%
UK (1991)	0.67	0.49	0.41	29%	18%
Germany (1989)	0.65	0.54	0.38	27%	12%
Luxembourg (1991)	0.71	0.62	0.34	25%	18%
Netherlands (1991)	0.68	0.50	0.31	23%	13%
Spain (1990)	..	0.68	0.27	21%	18%

Notes: Data are for persons aged 20-59; self-employed workers are not included; the countries are ordered in relation to the fourth column of the table; .. = not available.

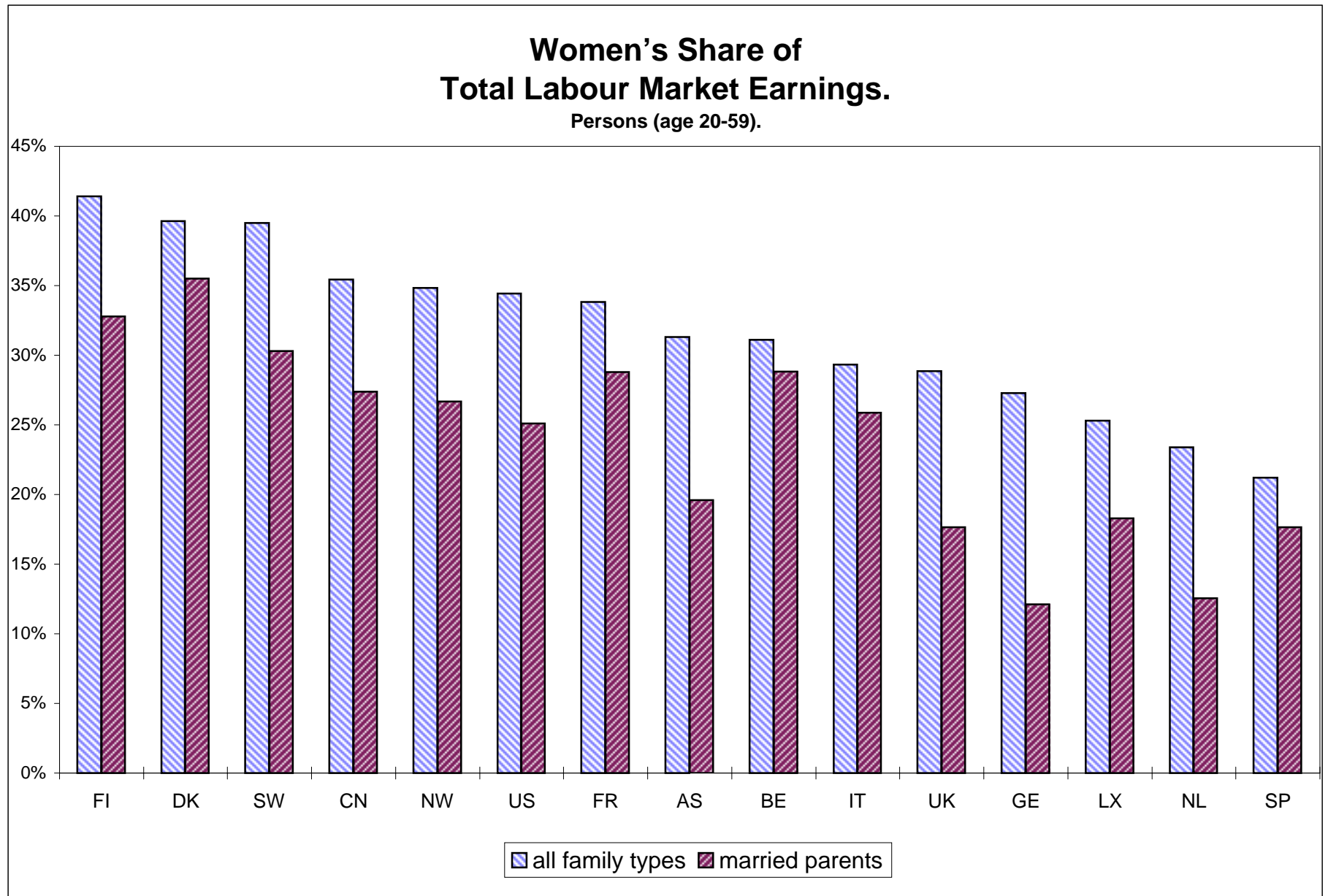
Source: LIS

FIGURE 1.



Note: The abbreviations used here are: Australia (AS), Belgium (BE), Canada (CN), Denmark (DK), Finland (FI), France (FR), Italy (IT), Luxembourg (LX), Netherlands (NL), Norway (NW), Spain (SP), Sweden (SW), United Kingdom (UK), United States (US).

FIGURE 2.



Note: See Figure 1 for abbreviations.

Figure 3. Earnings Dispersion, Women's 'Position' in the Male Earnings Distribution, and the Gender Earnings Ratio.

Earnings Dispersion (based on 90/10 ratios):

Women's Labour Market 'Position': median woman's earnings in men's earnings distribution:	90/10 ratio = 2.5 to 4 (more equal earnings spread)	90/10 ratio = 5 + (less equal earnings spread)																				
median woman's earnings are equal to men's in the third decile from the bottom (higher position)	<table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;">female/male earnings ratio</td> </tr> <tr> <td>Australia</td> <td style="text-align: center;">0.74</td> </tr> <tr> <td>Belgium</td> <td style="text-align: center;">0.77</td> </tr> <tr> <td>Finland</td> <td style="text-align: center;">0.77</td> </tr> <tr> <td>Sweden</td> <td style="text-align: center;">0.74</td> </tr> <tr> <td>average earnings ratio in this quadrant</td> <td style="text-align: center;">0.76</td> </tr> </table>		female/male earnings ratio	Australia	0.74	Belgium	0.77	Finland	0.77	Sweden	0.74	average earnings ratio in this quadrant	0.76	<table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: center;">female/male earnings ratio</td> </tr> <tr> <td>Canada</td> <td style="text-align: center;">0.68</td> </tr> <tr> <td>USA</td> <td style="text-align: center;">0.70</td> </tr> <tr> <td>average earnings ratio in this quadrant</td> <td style="text-align: center;">0.69</td> </tr> </table>		female/male earnings ratio	Canada	0.68	USA	0.70	average earnings ratio in this quadrant	0.69
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Notes: Includes only persons aged 20-59 employed full-time; the '90/10 ratio' is the ratio of the earnings of the 90th percentile earner to those of the 10th percentile earner (men and women combined); the 'position' indicates where the median female worker's earnings fall in the male earnings distribution; the figures in parentheses in the quadrants indicate the unadjusted gender earnings ratios (as reported in Table 3).

Source: LIS