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**EUI Working Paper ECS No. 91/4**

**Time and Money:  
Strategies for Redistributing  
Resources to Women**

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**EUROPEAN UNIVERSITY INSTITUTE, FLORENCE**

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TIME AND MONEY:  
STRATEGIES FOR REDISTRIBUTING RESOURCES TO WOMEN

MARY DALY AND KIRSTEN SCHEIWE

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People's financial position and general well-being are intimately bound up with the extent to which they can apply their skills and time to income-yielding activities. Women's capacity to engage in such activity differs substantially from that of men. The sexual division of labour which assigns different tasks and responsibilities to women and men, placing women in the private domain and men in the public sphere, severely constrains the use of women's time for income generating activities. This paper considers some of the ways in which women's and men's time is differentially constructed, and its consequences for their income levels. The specific intent is to explore how certain institutional provisions determine the resource position of women so as to identify alternatives to improve women's financial situation. The three main income transfer systems are considered: the labour market, social security and the household/family. Of particular interest are their interactive effects. Typically they are treated discretely. Yet they do interact and it is their inter-relationships as they affect actual resource levels and well-being which we wish to explore.

The discussion will be grounded by examples of the position of women vis-a-vis men in two economies: the Federal Republic of Germany (FRG) and the United Kingdom (UK). The first part of the paper considers the main institutional structures as they affect women's income position. From that flows their time expenditure.

In the second, possible strategies for effecting a more equitable distribution of income and time are discussed. Three in particular will be considered: individualisation of rights, a minimum or basic income, the redistribution of child care costs.

A number of points about the focus of the paper should be noted at the outset. First, its consideration of women's financial position is confined to income transfers only, thereby omitting other forms of inequality and other mechanisms of resource transfer such as benefits in kind, education and training, and so on. They are outside the paper's scope although acknowledged as important determinants of women's social and economic well-being. Second, the intention of the paper is to discuss and raise issues about alternative ways of distributing income and time to women. Clearly, to significantly change women's financial situation is no easy task: witness the limited effects of employment equality programmes during the last two decades. Apart from the complexity, it requires an information base that is much more complete than that currently available. Because women's position remained uninvestigated for so long, building up a knowledge base about their situation and filling in the gaps is a painstaking task. Given these limitations our intent is exploratory - to set out a range of policy options, the implementation of which needs to be carefully considered.

#### 1. THE STRUCTURAL DETERMINANTS OF WOMEN'S INCOME POSITION

Three main systems of income allocation exist: the labour market, the state and the household/family. In the labour market wages are the main means of income transfer but pension and other social security entitlements also are built up through paid employment. In modern society, this is the primary means of income allocation since, in a capitalist economy, people are





The distribution of these income resources differs between women and men. While men will on average be over-represented in groups (1) and (3) deriving their main income from employment and the insurance sector, women are over-represented in groups (2) and (4) relying mainly on maintenance and welfare as income resources. Furthermore, the income derived from (1) and (3) is generally higher and gives more economic and legal advantages than that derived from (2) and (4).

How is this distribution of income affected by gender? While men are expected to work continuously in the labour market, women (especially when they have children) must partially or fully drop out of or interrupt employment for certain periods to take over the main burden of childcare and domestic work. Formerly this was explicitly formulated in gendered legal norms (e.g. the rules on division of labour of married couples or the different duties of mothers/fathers according to family law). These have since been changed towards gender-neutral rules. Today, the ongoing existence of gendered rights and obligations is exceptional. Nevertheless, labour markets and household organization continue to operate on a gendered and segmented basis, reinforced through existing institutions and economic incentives.

The traditional division of labour within households between paid and unpaid work, employment and housework (and intermediary forms like full-time or part-time employment of women plus housework, etc.) cooperates with an organization of labour markets which makes an equal division of work impossible because it impedes a sharing or combining of different work types and makes them largely incompatible.



Within the three transfer systems, it is possible to identify key institutional mechanisms which perpetuate inequalities between women and men.

### 1.1. How the Labour Market Contributes to Gendered Inequality

Within the labour market, there are two key organisational factors which perpetuate income inequities based on gender: time organisation and wage inequalities.

#### 1.1.1 Organisation of Time

The labour market is organised on the basis of a standard model of full-time employment in which the typical worker invests at least 40 hours a week of his time for 40 years. The normal working day involves a full eight hours and assumes that workers' needs, apart from certain essential functions, will be satisfied elsewhere. Only this employment pattern can realise the maximum of economic rewards and legal protection. Such rewards can be 'topped up' through higher pay for forms of 'upward' time flexibility - overtime, shift work - while 'downward' time flexibility, such as part-time work, temporary work, is generally less financially advantageous. Given this standard model, interruptions in employment cause high losses through devaluation of human capital, reduced career opportunities and loss of seniority rights. This stereotypically male model of working time has a number of implications for women.

Given that women bear the primary responsibility for the caring role, it is their labour market involvement, rather than that of their husbands/partners, which is adjusted to meet domestic obligations. Hence, women's employment rate is considerably lower and quite different to that of men. For instance, 48% of British women and 41% of German women are economically active

(i.e. in gainful employment) compared with 73% and 70% of men respectively.

Women's marital status makes a big difference to their labour force activity.

TABLE 1 PERCENTAGE OF WOMEN ECONOMICALLY ACTIVE BY MARITAL STATUS IN THE FRG AND UK 1986.

	Single	Married	Widowed/Divorced	Total
FRG	55	42	21.5	41
UK	57	53	20	48

Source: Supplement No 30 to Women in Europe, 1988.

In both countries women more likely to have family responsibilities, whether married, widowed or divorced, are less likely to be in the labour force than those who are single. However, there are cultural variations in how marital status affects labour force participation. Married women in Britain are more likely to be in the labour force than their German counterparts. Hence, greater numbers of German women are likely to be financially dependent on their husbands.

There is also a life course dimension to female labour force participation. In the FRG female employment rates decline rather gradually from a peak in the early twenties. British women, in contrast, have an employment participation pattern that has been



labelled "two-humped".<sup>1</sup> The first peak occurs during the early labour market years, as in Germany. Participation in employment then falls between the mid-twenties and the mid-thirties and rises significantly until exit from the labour force, typically between the ages of 55 and 60 years. What determines these patterns?

Responsibility for child-rearing has been identified as the most important correlate of female labour force participation.<sup>2</sup> It is the age of the youngest child that is most important, rather than the number of children per se. Mothers are highly unlikely to be in employment while their children are infants. Subsequently, the chances of a British mother having a job rise by 9 percentage points a year until the child's fifth birthday. From then on, mothers' chances of being in a job continue to rise but not as steeply. The presence of a husband/partner is a second significant determinant of female labour force participation. This affects not so much whether a woman is employed or not but the nature of her labour market participation: married women are more likely to work part-time.

Participation in employment on a part-time basis can be directly linked to women's 'caring' responsibilities. Part-time work is, for a start, almost exclusively female. It is also widespread, especially in Britain. In 1986 nearly half (45%) of all women in the labour market in the UK worked on a part-time basis compared

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1. A. Dale and J. Glover, An Analysis of Women's Employment Patterns in the UK, France and the USA: The value of survey based comparisons. London: Department of Employment, Research Paper No 75, 1990, p5.

2. H. Joshi, 'The cost of caring' in C. Glendinning and J. Millar, (eds), Women and Poverty in Britain. Brighton: Wheatsheaf, 1987: 115 - 120.

with 5% of employed men. While the contrast is less stark in Germany the general pattern is similar: 30% of employed women compared with 2% of employed men work on a part-time basis. In both countries, married women predominate among female part-time workers. The fact that British lone mothers are less likely than married mothers to work part-time is probably due not just to constraints imposed by their childcare responsibilities but also to the fact that wages in many part-time jobs are too low to support a family singly.

The full- or part-time nature of labour market participation has a significant effect on the outcome of employment. Part-time work is lower paid for a start. The full- or part-time nature of one's work is also important in another respect in the two countries: social security entitlements are tied into the number of hours worked as is the coverage of basic employment protection legislation. In the UK, for instance, a 16 hour weekly threshold (reduced to 8 hours if the worker has been in the job for five consecutive years) applies for entitlement to redundancy payments, unfair dismissals, maternity pay and the right to return to work after maternity leave. This creates two classes of workers, the majority of whom (in 1984 three-fifths in the UK) are outside the pale of employment protection legislation. Part-time work is also associated with low grade and low levels of responsibility, thereby rarely providing an avenue for career advancement.

In short, a woman's caring responsibilities determine her relationship to the labour market, placing her by and large in a secondary or inferior position in terms of the time she has available and how she can expend that time to generate income.



### 1.1.2 Pay Inequities

Wage differentials are a second contributory factor in generating gender inequalities. They are widespread. In 1987, German women earned 74% of the average hourly male manual wage in industry; in Britain the equivalent proportion was 69%. Although sex-based wage inequality is currently worse in Britain, in fact more progress was made towards equality there during the '70s than in Germany. Subsequently, progress slowed and, by 1987, the degree of sex-based inequality in earnings was higher in both countries than the EC average of 75%.

More detailed evidence on wage differentials is available for Britain for 1986 and 1987. It shows that, although men's higher earnings are partly explained by longer hours of paid work, there is still a substantial gap in the hourly rate at which jobs done by women and men are paid. In 1986, as a proportion of full-time men's gross hourly earnings, that of women was 74% if in full-time work and only 58% for those in part-time work.<sup>3</sup> In the FRG part-time women workers earned about 10% less per hour than their full-time female colleagues in 1984.<sup>4</sup>

Other research corroborates the relative financial disadvantage associated with women's work in Britain. An analysis of a sample of 32 year olds in 1978 established that some of the pay differential between full-time men and women is residual in that it is unexplained by differences in ability, education, training

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3. H. Joshi, 'Obstacles and opportunities for lone parents as breadwinners in Great Britain', in Lone Parent Families: The Economic Challenge. Paris: OECD, 1990: 131 - 137.

4. C. Buechtemann and J. Schupp, Zur Sozioökonomie der Teilzeitbeschäftigung in der BRD. Berlin: WZB, Discussion Paper IIM/LMP 86 - 15, 1986.

and employment experience.<sup>5</sup> The quantitative value placed on this residual differential was 19%. This residual has been attributed both to gender itself and to the pay penalties of motherhood (manifested through a combination of lost employment experience, a higher incidence of part-time jobs and occupational downgrading). So being a mother costs women: a typical British mother is estimated to lose 6 to 7 years of labour force participation and about twice as many years of average earnings.<sup>6</sup>

## 1.2. How Social Security Contributes to Gender Inequities

Within social security, there are a number of structural factors which disadvantage women. A basic organising principle of social security is that it is two tiered: the upper tier containing the better benefits in terms of the payment received and right of entitlement; the lower tier, variously termed 'welfare' or 'assistance', providing basic payments for those deemed by a means test to be 'deserving'.

Women's relationship to the welfare state is a complex one having both positive and negative outcomes. On the positive side, the welfare state is a major employer of women (although typically at low grades) and the institution of certain payments (for example, for lone mothers) has increased women's autonomy and reduced hardship.

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5. H. Joshi, 'Obstacles and opportunities for lone parents as breadwinners in Great Britain', op cit: 135.

6. H. Joshi, 'Gender inequality in the labour market and the domestic division of labour' in P. Nolan and S. Paine, (eds), Rethinking Socialist Economics, Oxford: Polity Press, 1986: 263.



On the negative side, the structural mechanisms which create a disadvantaged position for women include:<sup>7</sup>

- the close connection of the upper tier of better benefits to paid work;
- the widespread non-recognition of housework, especially child care as a basis for entitlement;
- the prolongation of the labour market's pay discrimination via the link between the former wage level and entitlement to and level of benefits;
- the privileged role of the patriarchal model of marriage and the family (the breadwinner/homemaker model) which is subsidised in various ways at the expense of other forms of marriage or cohabitation.

The effect of each of these on women's financial security and well-being is identifiable in practice.

#### 1.2.1 Connection of Benefits to Labour Market Involvement

The connection of benefits to the labour market is primarily manifested through the contribution principle whereby the amount of benefits received and their duration depend on the number of contributions paid, seniority and continuity of paid contributions. Hence, a potential beneficiary may need a minimum period of employment, a minimum of weekly working hours or uninterrupted employment. In essence, entitlement to social security as a right is designed around the traditional model of male working life. Among the assumptions that underpin this model are that unemployment and interruptions in employment are exceptional in

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7. U. Gerhard, A. Schwarzer, V. Slupik, (eds) Auf Kosten der Frauen. Frauenrechte im Sozialstaat. Weinheim: Beltz, 1988: 27.

a man's working career and are typically short-term, that the ill and children will be cared for by a woman unpaid in the home, that a married woman can be maintained through the husband's payment.

While this model is problematic for some men, it is more so for women since only a minority of women's lives approximate the traditional male working pattern. For a start, women's working careers are either shorter than those of men or, as has been seen above, more frequently interrupted. And the content of women's work is also different, being based either fully or partly in the home and, if waged, often being low paid and/or part-time. In short, tying benefits to labour market involvement creates two classes of social security recipients, with women forming the majority of the inferior class.

This has a number of practical outcomes:

- fewer women than men have a full entitlement to social security. Hence, not only do greater numbers of women not receive a social security payment but the payments received by women are generally lower than those of men. In the FRG, for example, although women are affected by unemployment more than men, fewer women actually receive unemployment benefits. This is due to the effects of reforms in the eligibility criteria which meant that one had to have a longer work record to qualify. Hence, while women comprised 53.2% of all recipients of 'unemployment benefits' in 1980 their share had decreased to 46.8% in 1988. Women are also disadvantaged with regard to pensions as will be shown below.
- greater numbers of women are consigned to the lower tier of means-tested payments, the bureaucratic procedure for which can be experienced as humiliating and degrading.



For example, of the adults living on Supplementary Benefit in Britain in 1984, 2.3m were single women, 1m were married women, 1.2m were single men and 1m were married men. In the FRG in 1988, 55% of the 'welfare' or 'assistance' claimants were women.

#### 1.2.2 The Non-recognition of Work in the Home

For social security purposes only paid work is recognised as legitimate work. Hence, unpaid work, with the exception of education or training, does not generally qualify one for social security entitlement. There are but a few limited exceptions to this principle. In the FRG either women or men (born after December 31 1920) who stayed at home to rear children are granted one year of pension per child, calculated on the basis of 75% of average earnings. (However, the average value of this per child is very low at 20,000lr or 13ECU per month.) In Britain, also, a limited allowance for caring responsibilities was introduced for pension purposes in 1978 but women still require 20 years' worth of contributions or credits.

In general, the years spent by a woman on home-related work are uncounted for social security purposes, thereby significantly disadvantaging them in later years.

#### 1.2.3 The Prolongation of the Labour Market's Pay Discrimination

One of the clearest examples of how the social security system prolongs labour market disadvantage lies in pension regulations. They are widely tied to life-time earnings. In Germany, for example, one of the key principles underpinning the pension system is that of 'individual justice', that is, that each individual will maintain a position in retirement that corresponds to his or her lifelong position in the income

hierarchy.<sup>8</sup> Therefore, German workers' earnings largely determine their level of living in later years. Since women's earnings are anywhere up to a third less than those of men, gender inequalities are perpetuated into the retirement years. Research in Germany has identified the following factors as determining gender differences in pensions: (formal) schooling, occupational prestige, labour force participation and firm size.<sup>9</sup> Such a pension system, and the British one is quite similar in terms of basic principles, has three consequences for women.

- fewer women than men are actually covered by a pension scheme. In Germany for example, 41% of women, compared with 2.5% of men, in a cohort sample born between 1919 and 1921 had no pension entitlement. This is despite the fact that most of these had been gainfully employed for many years of their lives.<sup>10</sup> In Britain, the proportion of women belonging to occupational pension schemes is about half that of men.<sup>11</sup> The differences in the private sector in the UK are especially marked with 24% of women covered by pension provisions compared with 52% of men.

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8. J. Allmendinger et al, The Production of Gender Disparities Over the Life Course and their Effects in Old Age. Frankfurt: J. W. Goethe Institute, Sonderforschungsbereich, Research Paper No 302, 1989.

9. Ibid: 20.

10. This data comes from the German Life History Study which is a nationally representative cohort study of men and women born between 1919 and 1961 who were interviewed during the 1980s. In all nearly 1,500 women and men were interviewed in 1986 and 1988. The data used here refers to the cohort born between 1919 and 1921 as reported in Allmendinger above.

11. A. Walker, 'The poor relations: Poverty among older women' in C. Glendinning and J. Millar, (eds), Women and Poverty in Britain, op cit: 187.



- when they receive a pension, women get amounts that are significantly below those received by men. Among the German cohort born between 1919 and 1921, no men but 34% of the women receive monthly pension payments below 300DM. On the other hand, 8% of all men but not a single woman receive monthly payments in excess of 3,000DM. In Britain there is also a payments' disparity between women and men. This, among other things, has given rise to the greater incidence of poverty among older women. In 1981, nearly 2 out of every 5 (38%) elderly British women were living on incomes below the poverty line (defined according to Supplementary Benefit rates), compared with 28% of men.<sup>12</sup>

- given that labour market participation cannot be relied on by women to yield a livable income in later years, for them 'success' on the marriage market is very important for a comfortable old age. The German research referred to above (Allmendinger et al) found that more women secure an income in old age through marriage than labour force participation but the most financially secure women succeeded in both 'markets'. Yet at relatively low levels: half of the female 'double pensioners' receiving an own pension as well as a widow's pension received a total amount of less than 1,000DM a month in 1985. It is also worth noting that women who were double winners in the pension stakes have on average less than one child.

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12. Ibid: 180.

#### 1.2.4 The Privileged Role of the Patriarchal Model of Marriage and the Family

This is made manifest by the 'family payment' which comprises a payment for the main claimant plus additions for his 'dependants', both adult and child. In Britain, the payment for the adult dependant averages at about 60% of that of the main claimant. Although formally either partner can claim family payments, in most cases it is the man who does so. The construction of the woman as dependant occurs in a different way for unmarried women. If British lone mothers on welfare enter a new relationship, they are likely to find that the Department of Social Security has cut their payment, assigning the man the responsibility to support her and her child, despite the fact that they are not married. Similarly, a British widow drawing a full pension is liable to have it reduced if she shares accommodation with a man.

#### 1.3 Household/Family

The institutions of marriage, filiation and the resulting obligations of maintenance (in cash and in kind) are important also for the gendered distribution of income. The efficacy of the household or family as an income transfer system for women is unknown. Since poverty statistics are almost always based on aggregate or collective units, they can yield no information on poverty within households or families. What this means in practice is that women will only be counted as poor if they live in households whose collective income falls below the poverty line. The assumption of equal sharing of resources within households and families goes largely unchallenged.

It is sometimes only when families break down that female poverty begins to become visible. Hence, quite a sizable



proportion of women whose marriages have broken down and who now live on Supplementary Benefit believe that they are better off on welfare than when living with their husbands. The proportion varies from 18% to a third according to different studies.<sup>13</sup>

What is beyond doubt is that maintenance payments are relatively unimportant for women rearing children on their own. In the UK for instance, it has been estimated that they are the chief source of income for less than 7% of families after divorce.<sup>14</sup> In the FRG, only 15% of lone parent families headed by a woman rely on maintenance as their main source of income.<sup>15</sup> Most (54%) of these families rely on earnings as a predominant source of income. In fact, in response to the reluctance of fathers to pay maintenance for their children, a scheme of Advanced Maintenance Payments was introduced in the FRG in 1979 whereby the state pays the maintenance for children under 6 for up to three years and then seeks recompense from the father.

No recent information is known for either country on the enforcement of maintenance orders but results from Germany in the 1970s indicate that at least one third of all divorced and separated spouses as well as children holding a maintenance title either did not receive at all or did so irregularly.<sup>16</sup>

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13. Cited in J. Pahl, 'The allocation of money and the structure of inequality within marriage', The Sociological Review, NS, 31, 1983: 240.

14. M. Maclean, 'Lone parent families: Family law and income transfers', in OECD, Lone Parent Families: The Economic Challenge, op cit: 95.

15. I. Fischer and R. Hauser, Lone Parent Families in the Federal Republic of Germany. Frankfurt: J.W. Goethe Institute, Sonderforschungsbereich, Working paper No 275: 42 - 43.

16. E. Neubauer cited in I. Fischer and R. Hauser, Lone Parent Families in the Federal Republic of Germany, op cit: 29.

It has been seen above that gender and motherhood combined put women at financial risk. That vulnerability is realised when they have to raise a child(ren) alone. Hence, lone mother families have one of the highest rates of poverty in the two countries. In the UK it has been estimated that 60% of lone mothers are either in receipt of Supplementary Benefit (SB) - the safety net payment - or on incomes less than 140% of SB. Reflecting their relatively low level of involvement in paid work, the high poverty levels among UK lone mothers have been attributed to their dependence on welfare. Research in Germany has found that more than one-third of lone parent families in 1986 had incomes at or below 40% of the median adjusted family income.<sup>17</sup> The comparable figure for all couples with children was between 8 and 9%. German lone mothers with 2 or more children are particularly badly off with a poverty rate of 28.8% in 1983 and 44.9% in 1986.

Female lone parent families have also been found to stay poorer longer than two parent families. Between 1978 and 1979 in the UK, 39% of two parent families which had been found to be poor at the first date had crossed the poverty line while only 11% of families headed by a lone mother had done so.<sup>18</sup>

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17. R. Hauser and P. Semrau, Trends in Poverty and Low Income in the Federal Republic of Germany. Frankfurt: J. W. Goethe Institute, Working Paper No. 306, Sonderforschungsbereich 3, 1989.

18. J. Millar, 'Lone mothers' in C. Glendinning and J. Millar, (eds), Women and Poverty in Britain, op cit: 163.



## 2. MODELS OF REDISTRIBUTING RESOURCES TOWARDS WOMEN

Given such inequalities, the challenge, then, is to reduce the unequal distribution of resources between women and men. The resources to be taken into consideration are money and time. Time is introduced along with money because the gendered division of labour between career and care, between paid work in the labour market and unpaid work in households as well as the pooling of resources within households is widely based on the intra-household exchange of money and time.

The normative goal of equalization of average income resources between women and men as a sort of 'equality of outcome' can be reached in various ways:

- through an increase of women's share of total wages
- through an increase of women's share of household incomes
- through an increase of women's share of state transfer payments
- through a decrease of the share of costs of childcare to be borne by private households, especially by women, and increase of the share borne by society.

Let us consider some possible options for redistributing first time and then income.

### 2.1. Possibilities for a Redistribution of Working Time between Women and Men

The following are some possibilities for redistributing time:

- a general reduction of working hours in employment for all employees
- a right to shorter working hours under certain conditions (e.g. to care for sick family members or small children)

- a right to leave under certain conditions (parental leave, sabbaticals, etc.)
- a duty for men to devote a certain period of time to 'care' and housework, e.g. a 'social year' as an alternative to obligatory military service, or the obligation for every citizen to spend a certain number of hours in work considered to be socially necessary by society without pay
- obligatory quotas of women to be engaged by employers
- an increase of part-time jobs and time-patterns in employment which make paid work and household duties compatible
- compatible time schedules of employment and infrastructures, such as opening hours of shops, public institutions and offices, childcare facilities, schools, holidays, etc.
- obligation on the state to provide sufficient child care facilities, school meals, after-school child minding, health care facilities
- efficient economic incentives and sanctions in legal rules to augment the working time of men in 'care' and housework (e.g. concerning parental leave); abolition of rules which make the entitlement to time-off for 'care' dependent on the non-existence of another caretaker at home.

It is difficult to predict the combined effects of measures such as these. Although some may increase women's share of working hours in employment, they may not necessarily increase men's contribution to housework and care. Or, they may increase working hours, but not necessarily income, and could reduce the overall level of income (of women and men). This is particularly the case for deregulation measures or an increase of part-time and other forms of 'sub-standard' employment below a sufficient level of wages and labour law and social security entitlements.



Another problem is that regulation granting generous possibilities for time-off for household duties might have dysfunctional effects on the position of women in the labour market when leave is taken up mainly by women (despite of the gender-neutral formulation of the rights). This can have negative effects on the willingness of employers to engage women.

## 2.2. Models to Redistribute Income towards Women

Redistribution through the labour market:

- abolition of direct and indirect pay discrimination
- augment economic benefits and entitlement to labour law and social security rights for 'feminized' forms of employment
- measures concerning the reforms of time-patterns of employment mentioned above.

Redistribution through the welfare state:

- recognizing 'care' as work granting transfer payments and entitlement to rights in social security law (pension rights, risk insurances) based on these activities
- augmenting family allowances up to a level that covers the real cost of the up-bringing and care of children
- abolition of the 'head of household' assumption in various social security and tax law provisions and giving the entitlement to transfer payments based on care activities directly to the primary caretaker, i.e. individualization of rights
- reform of tax law provisions which subsidize patriarchal forms of marriage, individualization of tax law provisions in order to provide economic incentives for women's employment (also for shorter working hours) instead of punishing it and subsidizing 'housewifization'

- introduction of an unconditional minimum income; as partial steps introduction of minimum pensions and extension of the existing forms of protecting minimum income levels
- socialization of the costs of childcare through the provision of adequate infrastructures.

Redistribution at the household level:

- introduction of an entitlement of each spouse to 50% of the wages of the other spouse and a corresponding share of the social security entitlements, pension rights and so on, substituting the right/duty of reciprocal maintenance of the spouses
- reform of divorce law, introducing equitable splitting elements and integrating the payment of damages to the non-employed or less-employed spouse who, through household decisions, gave up employment fully or partially to care for children or sick relatives (compensation of the human capital losses caused by work interruptions)
- the 'housewife wage'
- an unconditional minimum income
- direct entitlement of the primary caretaker to transfer payments and family allowances related to care activities.

Up to this point, we have listed a wide range of possible changes without taking into account their feasibility or the likelihood of a change of legal rules to reach the claimed goal. The purpose of enlisting these various approaches is to stimulate a discussion on strategies, on advantages and disadvantages of the different models for feminists. Whatever their individual merits, a coordinated strategy of resource redistribution is necessary which takes into account the different segments of the economy (market production and household production), their



interaction as well as the differences in women's social position.

It is important, however, not to be too optimistic about the possibilities of using law as a tool of social change. It is very difficult to plan the outcome of legal changes and to reach explicit goals (which can be manifold and sometimes contradictory). In addition, the existence of certain legal rules can in practice be ignored by people because of economic interests, power relations and unchanging social practices. They can be dysfunctional also, i.e. have unintended side-effects, which might even counteract the formulated goal.

The remainder of the discussion concentrates on three more general strategies which can contribute to resource redistribution towards women:

- \* Individualization of rights
- \* The demand for a minimum income
- \* The distribution of costs for childcare between private households and society, women and men.

### 2.3. Strategy 1: Individualization of Rights

Individualization leads to the decoupling of an individual's position and rights from traditional bonds, status, kin groups. Rights are granted formally, independent of class, gender, status. The legal subject is the 'abstract individual', no longer the kinship, family or another group to which the individual belongs.

Individualisation, although promoted by market forces and the developing capitalist economy, transforming each person into an abstract bearer of exchange value, has remained incomplete.

Women were initially excluded from various political and economic rights. While the individualization process began earlier in market-related areas, it developed more slowly in non-market related areas. The exclusion of women from political rights was earlier overcome than the exclusion of women from economic (more costly) rights. The construction of the abstract individual in the market sphere relied on the ongoing existence of family and household structures in the non-market sphere as agents of subsistence production, biological and social reproduction and as alternative social security units. The idealtypical worker was constructed as 'male', free from household tasks which are provided by the 'housewife'. This reduced the negative impact on the family of the mobility of workers by increasing that of men at the expense of women.<sup>19</sup> The corresponding legal construction in family law was the husband's prerogative to take unilateral decisions on family matters in the German Civil Code, in force since 1900, or the fiction of the spouses' unity, represented in the person of the husband. The individualization process was thus limited by the construction of the model of the 'breadwinner/homemaker'-family which underlies various distribution rules and legal norms, and it was based on a division of labour which disadvantaged women and limited their possibilities of individualization. Although women always worked and were engaged in waged work, their rights continued to be mediated widely through their status as wife/mother/daughter/widow, and they were legally constructed as dependants, not having rights in their own person, but only derived rights or none at all.

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19. Reducing the potential of intra-household conflicts at the expense of women, a certain form of stability was established, see U. Beck and E. Beck-Gernsheim, Das ganz normale Chaos der Liebe. Frankfurt: Suhrkamp, 1990.



This incomplete individualization process progressed and included more and more women, especially when their labour power was required in times of labour shortages. Since the 1950s more married women and mothers of small children have entered the labour force. Today, employment of women tends to be more continuous over the life cycle, and interruptions have become shorter. The 1970s brought various legal reforms which speeded up the processes of gender-neutral formulation of legal rules and individualization. This affected not only labour law, but also family law and social security law. Nevertheless, there are still many economic benefits which are given to those having the status of head of household, main wage earner, main tax payer etc., usually the male. Labour market organisation requires a 'housewife' to fulfil household tasks (especially to care for children) when working full-time; and working only part-time is usually not sufficient to earn a sufficient income.

The importance of these developments for income distribution is that individualization of rights progresses, but housework, childcare, care in general and all the 'labour of love' remains unpaid and not recognized as a basis of entitlement to social and economic rights. This marks also the limits of the strategy of individualization of rights which intends to make women adapt to the male individualization model - an individualization on the shoulders of women, based on unpaid work in the non-market sector.<sup>20</sup> And when women adapt to the 'male' time patterns of

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20. For a critique of the male-oriented model in law and labour market organization see J. Conaghan, 'The invisibility of women in labour law: Gender-neutrality in modelbuilding',

(Footnote continues on next page)

labour market organization, the problem remains: Who will do the household tasks? And who will be the 'housewife' of the employed women?

Some feminist critiques reject the concept of individualization entirely saying that it is a fully male model. It is seen to neglect the interconnectedness and interdependency of social life. It is argued that the introduction of individualization, which is equated with market rationality, into the family would not improve the position of women, but hide the substantial inequalities.<sup>21</sup> Sometimes the argument is accompanied by romantic descriptions of family structures, and it is feared that individualization would undermine the altruistic nature of the family. While these arguments are mainly concerned with the moral and cultural (under)evaluation of care and women's work and provide very useful insights, they often neglect the economic and material dimension of it. We are here mainly concerned with the latter, and its impact upon women's income position and 'bargaining power'.

In our view, non-individualized rights privilege men in their position as breadwinner/head of household economically and

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(Footnote continued from previous page)

International Journal of the Sociology of Law, 14, 1986: 377-392; R. Nielsen, Equality Legislation in a Comparative Perspective. Copenhagen : Kvindevindenskabeligt Forlag; T.S. Dahl, 'Taking women as a starting point, building women's law', International Journal of the Sociology of Law, 14, 1986: 239-242.

21. F. Olsen, 'The family and the market: A study of ideology and legal reform', Harvard Law Review, 96, 1983: 1497-1578.



legally and construct women as dependants.<sup>22</sup> Non-individualized rights tie women to stereotypical images as well as to individual men, and they reinforce the gendered division of labour. Their discriminatory function is even more obvious when women do not conform to these models which presuppose a family household. These women are particularly exposed to the risk of poverty (lone parents/older women/widows/divorced), and their number continues to increase parallel to the growing instability of marriage and changing family patterns. The lasting unemployment and underemployment of a big number of men and women also makes non-individualized rights unjust since the pretended breadwinners are often incapable of earning a sufficient living for a household. Therefore in our view a strategy of further individualization of rights seems necessary to break down the circularity of women's oppression based on the interaction between labour market and family structures.

However, it must be acknowledged that various risks are involved in this strategy. Such risks stem mainly from the nature of the political reform process. Because governments and legislators try to save money when they have to reform institutions, they tend to lower the level of rights instead of extending entitlement to the higher level of benefits. This happened for example in the case of survivor's pensions in the UK which were cut down to 50% when access was extended to men/widowers, or in the case of equalizing the pension age for men and women when the earlier retirement age of women is abolished and the later pension age

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22. This is also the position of some Dutch feminist lawyers criticizing the underlying assumptions of social security law in the Netherlands, see R. Holtmaat, 'The power of legal concepts: The development of a feminist theory of law', International Journal of the Sociology of Law, 17, 1989: 481-502.

of men is universalized. Another trend is that men get access to some entitlements formerly reserved for women (e.g. widowers pensions, survivor's pensions) thereby increasing their share of these income resources, while the position of women remains unchanged or reduced.

These risks are not inherent to the concept of individualization as such, but linked to the question "Which rights are granted, and at what level of well-being?". Essentially these are political questions. To avoid such risks it is necessary to combine the further individualization of rights with a strategy aimed at revaluing women's paid and unpaid work economically and socially.<sup>23</sup>

#### 2.4. Strategy 2: The Basic Income

This strategy aims at both a radical individualization of rights and a more egalitarian distribution of income. A basic income is understood as a state transfer payment to each individual (citizen or inhabitant) granted independently of income, family status or employment situation. It is unconditional in the sense that it is not dependent on a means test or on willingness to take up employed work. The basic income can be combined with other sources of income (which are taxed) and it therefore has no poverty traps. Essentially an equal amount is paid to all recipients although some differences according to age are discussed as well as higher payments for handicapped people (it is

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23. In the field of political theory, Carol Pateman's work points in this direction to develop a positive feminist concept of 'citizenship', see C. Pateman, 'Women's citizenship: Equality, difference, subordination'. Unpublished seminar paper for the workshop at the EUI, Florence, 1-3 December 1988.



controversial whether the household composition and the related economies of scale should be taken into account). It does not depend on former contributions paid or seniority in employed work. Opinions differ considerably concerning the level of the basic income: while some favour a basic income covering a decent existence minimum, others propose an amount below this threshold or leave it to procedural solutions which can be changed and adapted.

Without going into the details of the extended debate<sup>24</sup>, we want to raise some gender-related aspects of a basic income and its possible impact on the redistribution of income towards women. The gender dimension has been widely neglected in the whole debate.<sup>25</sup>

Arguments for a basic income as improving women's income position include the following:

- Since women are over-represented among the poor, they would profit overproportionally from a basic income and it might reduce female poverty considerably.

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24. See for example the documentation of the debate in W. Van Trier (ed.), Basic Income and Problems of Implementation. Proceedings of the Second International Conference on Basic Income, London. Antwerp: BIRG, BIEN, 1990; for the German debate see M. Opielka and G. Vobruba (eds.), Das garantierte Grundeinkommen. Entwicklung und Perspektiven einer Forderung. Frankfurt: Fischer, 1986.

25. The gender dimension is discussed only in a few contributions, see the articles of Blickhäuser/Molter, Erler, Ostner and Schreyer from 1986 in Opielka and Vobruba, op. cit. for the German debate; and C. Ravaioli, 'Citizenship as everyone's right to equal opportunity', Paper for the 3rd International Conference of BIEN (Basic Income European Network) in Florence, EUI, 19 - 22 September 1990; C. Saraceno, 'A gender and life course perspective on social citizenship', ibid.

- A basic income can compensate for the unpaid housework and care activities which have not been taken into account adequately in social security schemes up to now.
- A basic income would make women more independent of ties such as marriage and other economic forces which bind them to individual men, improving thus their bargaining power and freeing them from the economic constraints that force them to take over bad jobs in the labour market or serving men in households.
- The share of costs of bringing up children and caring for them to be borne by private households can be reduced through a basic income, particularly if children are also entitled to it.
- If a basic income covers the existence minimum, people would no longer be economically forced to take over badly paid, particularly unpleasant and stressing jobs. This may lead to pay increases in these sectors.
- If a basic income covers the existence minimum, men could take over more household tasks and childcare since the amount of hours in employment can be reduced without endangering the financial basis of the household. Based on their increased bargaining power, women might be in a better position to force men to participate in housework (or to leave them easier).

The main counter arguments include <sup>26</sup>:

- The dual structure of labour markets and the concentration of women in the lower segments might be reinforced since the

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26. We do not discuss here the questions of feasibility, the possible financing or the possible negative effects of a basic income on the incentive to take up employment. These aspects are discussed in some contributions published in Van Trier (1990), op. cit.



basic income subsidizes wage costs for employers. If this happened, men could defend and even increase their privileged position in labour markets.

- The duality of paid and unpaid work would remain basically unchallenged and the social character of care and other forms of non-market work would not be recognised adequately.
- A certain amount of socially necessary work should be done by everybody, therefore a basic income is not a solution (leaving it to the individual decision how much of such work will be done) but a combination of a minimum income and an obligation to invest a certain amount of time in necessary work is needed.
- A basic income would not improve women's access to other crucial resources (jobs, housing, childcare facilities, health care, etc.).
- The qualitative aspects of work and production are not taken into account; the alienated and unecological character of capitalist production would remain unquestioned.

A common element in some of these counterarguments is that access to the labour market (sometimes phrased as a right to work) is evaluated as being more important than a right to income. It is not evident to us why an approach to give more people access to the labour market and a basic income strategy are mutually exclusive. A basic income would make it possible to work less hours in waged work and still obtain a sufficient living, since basic income and wages could be accumulated (abolishing the various poverty traps included in state transfer systems which form a disincentive for people to take up employment). The improved economic viability of part-time work would certainly enable more people to enter the labour market than is the case at present.

However, it appears to us that a strategy of improving women's access to labour markets in order to augment their earned incomes cannot be successful if it is not conducive to dissolving the existing time-patterns and work models in the labour market. If working hours are shortened considerably, it becomes possible to redistribute work so as to let the outsiders in. If the male model of full-time employment as it is currently organised is adhered to, there will not be enough jobs to give everybody access to the labour market; and women will continue to be structurally disadvantaged because of their position in the household economy.

If one accepts our argument that access to the labour market for more people and more women requires different working hours, the next problem to consider is whether wages earned by part-timers would then be sufficient to guarantee a decent level of well-being. At the moment an individual could not live on the average income of a part-timer. Therefore a redistribution of wages and income, not only of working hours, is also needed. This could be one function of a basic income.

And thinking of a right to work only in terms of a right to full-time employment is certainly a male-biased strategy ignoring the situation in the household economy. Family law provisions and practical needs impose not only a right to work in the household economy (which also men enjoy, but take up very reluctantly), but also a duty to work there, and to do this even unpaid or underpaid. Therefore work and income are already decoupled for women doing housework and care activities. The basic income could at least partially compensate for this unpaid work.



How a basic income affects the dual structure of labour markets is an empirical question which is difficult to answer a priori. It is not at all evident that it would lead necessarily to a growth of the bad jobs in the economy, because it might enable people to refuse to take up these jobs (if it is high enough to subsist on). Also employers' reactions to economic change or recession have varied considerably. While in some countries or some segments of the economy a strategy to rely on 'cheap labour' was followed (as was largely the case in the U.K.), others pursued a strategy of rationalization and investments in modernization. So there is no a priori evidence that a basic income would lead necessarily to the reinforcement of secondary labour markets (the same holds true for minimum wages).

The argument that a basic income would leave untouched the gendered division of labour and the dichotomized character of paid and unpaid work does not seem to hold. Women who do the work of childcare now unpaid or underpaid would be economically better off with a basic income. Clearly the level of the basic income is crucial and it is also important that children too have a right to a basic income covering the cost of their care and maintenance. Their parents would then be enabled to decide whether they want to care for the child themselves (and the costs of the caretaker's time should be covered through part of the child's basic income), if they want to pay private childminders or use public childcare services (which could be paid collectively, i.e. deducted from the basic income of a child beforehand, or through fees of the users).

Other counterarguments which do not hold true belong to the maximalist type. It is certainly true that the basic income is not aimed at resolving all problems, e.g. the unecological character of capitalist production or exploitative relations

between different countries remain untouched. But this state of affairs would not be worsened by a basic income either. If nobody would be worse off, but some could be better off, it is a worthwhile goal to pursue.

### 2.5. Strategy 3: Redistribution of Costs of Childcare and its Organization

Childcare and bringing up children impose heavy burdens upon private households. While the resources of maintenance are provided for in cash mainly through wages, the bulk of the investment women make is in kind, through unpaid work and heavy investments of their time. A part of the cost is taken over by the state, providing benefits in cash (family allowances, childcare allowances, tax reductions) and in kind (childcare services, schooling, health care, and so on). There are differences in degree between individual countries, but it is a common feature that the bulk of the cost is taken over by private households which means mainly through women's unpaid work. Changing this distribution of resources would be a major contribution to redistributing income towards women. Since time and money are interchangeable, a redistribution can be induced through increasing transfer payments to cover the costs of caring for and bringing up children, and/or through collectivizing childcare, improving childcare facilities and infrastructures which substitute women's working time.

Various time-budget studies have shown how time-intensive childcare and housework is and how women bear the major burden, while men's participation is negligible. The birth of the first child is often a changing point in the household division of labour and time. At this stage, households with two formerly employed adults may switch back to more traditional patterns.



Research shows that the birth of the first child is often the time when men reduce their already meagre housework time input at the woman's expense. Although women's interruptions of employment due to childcare duties have decreased, most of those women returning to work reduce their working hours. Another critical point where mainly women invest time is periods of sickness of children (and also of other relatives<sup>27</sup>). This is fostered by labour market regulations. School entry of a child (particularly of the youngest child) is a point where time schedules change again, although its impact on women's labour force participation depends on various institutional factors (like school hours, school meals, after-school childcare, public transport etc.<sup>28</sup>) and on labour market demand and time patterns.

Institutional factors related to childcare which influence women's time budgets and household decisions are mainly:

- the organization of leave (maternity leave, parental leave, leaves for sick care) and the financial arrangements covering loss of wages during these periods

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27. An investigation in 1987 in the FRG on the number and situation of people in need of sick care living at home calculated that more women (79%) than men (21%) were caring for needy sick people, and that women invest much more time than men do in this activity. Due to the high time-intensity of sick care, only 12% of the women nursing at home can be engaged in full-time gainful employment, while another 14% work only part-time. (Bundesministerium für Jugend, Familie, Frauen und Gesundheit, Frauen in der BRD, Bonn, 1989: 58).

28. This is extensively documented in a research paper of CREW, Infrastructures and Women's Employment. Study on Behalf of the E.C. Commission, written and compiled by the Centre for Research on European Women. Brussels (V/174/90-EN), 1990 and in P. Moss, Childcare and Equality of Opportunity. Consolidated Report to the E.C. Commission (V/746/88-EN), Brussels, 1988.

- the possibility to reduce working hours during periods of child care
- access to public childcare facilities and infrastructures as well as their time schedules and the compatibility of different time patterns
- the system of state transfer payments and family allowances.

To end, it is clear that the issues are complex because people's income resources are affected by three different systems of distribution each of which interact with different outcomes, varying across countries. Therefore, there is no universal panacea which could unilaterally solve the problem of women's financial disadvantage. It is clear to us that the gender dimension of redistribution strategies which has been largely overlooked has to be developed further within a comparative perspective.

### 3. SUMMARY

Despite the existence of equality legislation and many positive action programmes, women's income position continues to be significantly inferior to that of men. This paper considers the situation in two countries with quite different institutional structures - the Federal Republic of Germany and the United Kingdom - and reviews a number of strategies for combating gender inequality in resource distribution.

The first part of the paper considers the empirical evidence of the outcomes for women of the three main income distribution systems: the labour market, the welfare system and household/family. This analysis shows that, although the institutional structures may vary between the two countries, essentially German and British women's income position is much



inferior to that of their male counterparts. Within the labour market, the key mechanisms perpetuating inequality are time organisation and wage inequities. As regards state transfers, their continued close connection to labour market performance, the lack of recognition of housework as a basis of entitlement and the privileged role accorded to the patriarchal model of the family all act to disadvantage women and, at the same time, to privilege men. As regards the third income transfer system - the household or family - it is difficult to draw firm conclusions on its efficacy because of absence of information. What is clear, however, is that women's vulnerability is realised when they have to rear a child(ren) alone; lone parent families having a very high incidence of poverty in both countries.

In the light of these facts, the second part of the paper outlines a number of strategies for change. It is emphasised that any real improvement will necessitate the redistribution of both time and money between women and men and that the domestic division of labour cannot remain as it is. Three specific strategies are considered in turn - individualization of rights; a basic income; redistribution of the costs of childcare and its organization. Each of these has advantages but also danger points which are pointed out. In the final analysis, the complexity of women's income position makes a single strategy inappropriate. Further development and testing of these and other income redistribution strategies as they affect the position of women is urgently needed.







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