The welfare state and attitudes toward inequality and redistribution:
Data from 46 nations and 65,000 respondents

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Paper to be presented to the Annual Meeting of the
American Association for Public Opinion Research
Session: Public Opinion Across the Globe
Anaheim, May 17, 2014: 3:30 – 5:00
Concurrent Session J, Platinum 4

(This research was supported in part by a grant from the Australian Research Council.)

Income inequality

• Income inequality is a central focus of political struggle in the modern world
  – Issues of legitimate pay and income inequality spark bitter polarizations, public debates and protests throughout the history of industrial development.
  – In this paper, we investigate the possibility that attitudes are not merely a product of individual self-interest.
  – Instead they partly reflect the influence the nation’s welfare institutions (welfarism) themselves have on individual attitudes.

National differences:
Free market economies

• Striking differences between hands-off free-market systems,
  – mainly in English-speaking lands
  – largely limit government action to providing "rules of the game" and a stable legal framework
  – a limited social safety net
• Here inequality is a normal "side effect" of the market economy

Welfare states

• At the other extreme are welfare states,
  – many emerging in Northern Europe after World War II
• Governments champion extensive intervention in the economy:
  – corporatist labor markets,
  – income redistribution
  – generous social welfare.
Attitudes that might be affected: Redistribution

1. It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes.
   - Strongly agree [100]
   - Agree [75]
   - Neither agree nor disagree, undecided [50]
   - Disagree [25]
   - Strongly disagree [0]

2. Differences in income in <country> are too large.
   - Strongly agree [100]
   - Agree [75]
   - Neither agree nor disagree, undecided [50]
   - Disagree [25]
   - Strongly disagree [0]

(For details see Handout pages 9 and 10)

Further attitudes: Legitimate pay of low status occupations

Next, what do you think people in these jobs ought to be paid -- how much do you think they should earn each year before taxes, regardless of what they actually get...

(a) First, about how much do you think an unskilled worker should earn? …………… $__________

(b) Next...

Shop assistant? ...

Skilled worker in a factory? ...

(for details see Handout pages 13 to 15)

…legitimate pay of high status occupations

- what do you think people in these jobs ought to be paid -- how much do you think they should earn each year before taxes, regardless of what they actually get...

- Medical doctor in general practice? ...

- Cabinet minister in the national government? ...

- Chairman of a nation-wide corporation? ...

(for details on Handout pages 13 to 15)

Other things that might matter...

- Level of development of the nation (GDP per capita) and individual characteristics, in addition to nation:
  - Dependent variable = Welfarism + Age + AgeSquared + Male + Education + EducationSquared + OccupationalStatus + OccStatusSquared + Supervisor + SoloSelfEmployed + BusinessOwner + Earnings + EarningsSquared + InteractionWelfare X earnings + InteractionWelfare X earningsSquared + GDP + $individual + $nation

- Model estimated by multi-level methods
  - (For details see Handout page 6)
Technical details

• Model selection and sensitivity analysis: Handout page 6
• Parameter estimates: Handout page 7
• Measurement of control variables: Handout page 4
• Missing data treatment: Handout page 5
• Method choice: Multi-level regression. Handout page 5.
• Results: Handout pages 11 to 16.

Conceptual model

Figure 1. Conceptual model: The welfare state can influence individual attitudes. All effects of control variables (in green) are allowed. National level variables are shown in ALL CAPITALS.

Implication

• This conceptual model incorporates the “welfare state” literature’s key hypothesis that a nation’s welfarism strongly influences public opinion:
  – Living in a highly welfarist country like Sweden induces residents to strongly endorse redistribution and equality, whereas
  – living in a market-oriented country with only minimal welfarism turns people against equality and redistribution.

Do differences between nations shape their citizens’ opinions?

• Hypothesis 1: The weakest theory is that government policy is irrelevant
  – Marx,
  – classical economics,
  – other self-interest theories);
• Hypothesis 2: The strongest claim is that government dominates
  – dominant ideology arguments
  – system justification theory
Those imply…

<table>
<thead>
<tr>
<th>Individual beliefs</th>
<th>Dominant ideology, system justification etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualist theories, self-interest, etc.</td>
<td>(Hypothesis 1)</td>
</tr>
<tr>
<td>(Hypothesis 2)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

Redistributive attitudes
- no effect
- strong

Reduce pay of elite occupations
- no effect
- strong

Increase pay of low skilled occupations
- no effect
- strong

An alternative in-between: Institutional anchoring...

- Hypothesis 3: Institutional anchoring:
  - Only the core attraction of systems strongly valued
  - secondary attractions accepted mainly because of that.
- The core features of the welfare state could be
  - helping the poor (H 3B)
  - reducing inequality (H 3C)
  - furthering redistributive beliefs (H 3D)
- Envy (or possibly resources for government)
  - modest pay for high status occupations, much less than in market-oriented societies (H 3A)
  - (For details see Handout page 1).

So institutional anchoring alternatives are…

<table>
<thead>
<tr>
<th>Individual beliefs</th>
<th>Core is resource acquisition, perhaps envy (H3: Anchor A)</th>
<th>Core is helping the poor (H3: Anchor B)</th>
<th>Core is reducing income inequality (H3: Anchor C)</th>
<th>Core is ideological, policy preference (H3: Anchor D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redistributive attitudes</td>
<td>weak</td>
<td>weak</td>
<td>strong</td>
<td></td>
</tr>
<tr>
<td>Reduce pay of elite occupations</td>
<td>strong</td>
<td>weak</td>
<td>strong</td>
<td></td>
</tr>
<tr>
<td>Increase pay of low skilled occupations</td>
<td>weak</td>
<td>strong</td>
<td>strong</td>
<td></td>
</tr>
</tbody>
</table>

Data

- Data are mostly from the International Social Survey Programme’s (ISSP’s) “Ideology of Inequality” surveys
  - Four rounds, beginning in 1987
  - Design: Kelley, Evans et al for the first three rounds
  - Data: Zentralarchive, various years
- Comparisons with the national census, where available, show the surveys to be largely representative of the population
- 112 surveys in 46 countries with over 65,000 respondents
  - (For details see Handout page 2)
Measurement: Welfare state

Panel A: Inter-item correlations

<table>
<thead>
<tr>
<th></th>
<th>Cepaz-E</th>
<th>Cepaz</th>
<th>H-K</th>
<th>H-S</th>
<th>Kenworthy</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Crepaz Extended</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Crepaz (1992 original)</td>
<td>1.00</td>
<td>1.00</td>
<td></td>
<td></td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td>3. Hicks-Kenworthy</td>
<td>.84</td>
<td>.84</td>
<td>1.00</td>
<td></td>
<td>.91</td>
<td></td>
</tr>
<tr>
<td>4. Hicks-Swank</td>
<td>.76</td>
<td>.76</td>
<td>.54</td>
<td>1.00</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>5. Kenworthy</td>
<td>.85</td>
<td>.85</td>
<td>.86</td>
<td>.56</td>
<td>1.00</td>
<td>.87</td>
</tr>
</tbody>
</table>

Panel B: Criterion variables

6. English language and legal system scale (Silanes 2003)  -.40  -.69  -.84  -.46  -.66  -.81
7. Inequality (Gini; World Bank)  -.84  -.65  -.85  -.63  -.78  -.89

*(For details see Handout page 3)*

Welfarism of nations: Scandinavia the most, USA & English speaking nations the least

Figure 3: Welfarism (Crepaz-Extended scale, various countries 1987-2009)

Measurement: Redistributive attitudes

Panel A: Inter-item correlations

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>Continuing factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Reduce differences in income</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.80</td>
</tr>
<tr>
<td>(2) Differences in income are too large</td>
<td>.54</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td>.77</td>
</tr>
<tr>
<td>(3) Too much of a difference between rich and poor</td>
<td>.62</td>
<td>.69</td>
<td>1.00</td>
<td></td>
<td></td>
<td>.83</td>
</tr>
<tr>
<td>(4) Income and wealth should be redistributed</td>
<td>.64</td>
<td>.54</td>
<td>.65</td>
<td>1.00</td>
<td></td>
<td>.81</td>
</tr>
<tr>
<td>(5) Government should reduce income differences</td>
<td>.64</td>
<td>.56</td>
<td>.68</td>
<td>.89</td>
<td>1.00</td>
<td>.82</td>
</tr>
</tbody>
</table>

Panel B: Criterion variables

Education  -.18  -.11  -.21  -.19  -.21  --
Male  -.08  -.06  -.06  -.07  -.06  --
Family income  -.15  -.11  -.18  -.18  -.19  --

*(For details see Handout pages 9 and 10)*

Results 1:
Only small welfare state effects on redistributive attitudes
Results 2:
Only small welfare state effects on the pay thought legitimate for low status occupations like unskilled worker
Measurement: Legitimate earnings

**Panel A: Inter-item correlations**

<table>
<thead>
<tr>
<th></th>
<th>Low status occupations</th>
<th>High status occupations</th>
<th>Confirmatory factor loading [1]</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Unskilled worker</td>
<td>1.00 .84 .00</td>
<td>.86 .90</td>
<td>Low status occupations</td>
</tr>
<tr>
<td>(2) Shop assistant</td>
<td>1.00 .70</td>
<td>.96 .90</td>
<td></td>
</tr>
<tr>
<td>(3) Skilled worker in factory</td>
<td>.70 1.00 .86 .00</td>
<td>.96 .90</td>
<td></td>
</tr>
<tr>
<td>(4) Lawyer</td>
<td>.70 .70 1.00 .84 .00</td>
<td>.96 .90</td>
<td></td>
</tr>
<tr>
<td>(5) Medical doctor in general practice</td>
<td>.37 .40 .43 .58 .67 .67 .89 .00</td>
<td>.90 .89</td>
<td></td>
</tr>
<tr>
<td>(6) Cabinet minister in the national government</td>
<td>.28 .28 .45 .60 .67 .70 .10 .00</td>
<td>.90 .77</td>
<td></td>
</tr>
<tr>
<td>(7) Judge in the nation’s highest court</td>
<td>.32 .40 .42 .70 .95 .70 1.00 .00</td>
<td>.90 .83</td>
<td></td>
</tr>
<tr>
<td>(8) Chairman of a nation-wide corporation</td>
<td>.20 .28 .33 .44 .54 .68 .64 .70 .00 .00 .79</td>
<td>.90 .79</td>
<td></td>
</tr>
<tr>
<td>(9) Owner-manager of a factory with 500 workers</td>
<td>.33 .40 .45 .61 .64 .68 .70 1.00 .00 .00 .77</td>
<td>.90 .77</td>
<td></td>
</tr>
</tbody>
</table>

**Panel B: Criterion variables**

<table>
<thead>
<tr>
<th></th>
<th>Education</th>
<th>Male</th>
<th>Family income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>-.08 -.07</td>
<td>-.02</td>
<td>-.02 -.07 -.03</td>
</tr>
<tr>
<td>Male</td>
<td>.02 .02 .03</td>
<td>.03</td>
<td>.03 .04 .06 .06</td>
</tr>
<tr>
<td>Family income</td>
<td>-.12 .14 .16</td>
<td>-.21</td>
<td>-.18 .18 .18 .20</td>
</tr>
</tbody>
</table>
Results 3:
Large welfare state effects on the pay thought legitimate for high status occupations (like doctor, cabinet minister, or chairman of a nation-wide corporation)
DISCUSSION

- No simple answer: A nation’s welfarism matters but does not dominate. Hypotheses 1 and 2 rejected.
- The core attraction is NOT helping the poor
  - Nor it is reducing income inequality or changing ideology
- The core attraction of the welfare state is reducing incomes for the prosperous: Resource acquisition for the government – simply envy.
  - Hypothesis 3 A is accepted. Details in Handout pages 19-21.

Individual beliefs
Core is resource accumulation, perhaps envy (H3: Anchor A)
(1)
Core is helping the poor (H3: Anchor B)
(2)
Core is reducing income inequality (H3: Anchor D)
(3)
Core is ideological, policy preference (H3: Anchor C)
(4)

Redistributive attitudes
- Weak
- Weak
- Weak
- Strong
- No effect
- Strong

Reduce pay of elite occupations
- Weak
- Weak
- Weak
- Strong
- No effect
- Strong

Increase pay of low-skilled occupations
- Weak
- Strong
- Strong
- Weak
- No effect
- Strong

Institutional anchoring theories: Core attraction strongly valued, secondary attractions accepted mainly because of that (Hypothesis 3) Individualist theories, self-interest, etc.
(Hypothesis 1)
(5)

Dominant ideology, system justification, etc.
(Hypothesis 2)
(6)

(Measurement note: Images of society)

Q14. These five diagrams show different types of society. Please read the descriptions and look at the diagrams and decide which you think best describes <country>.

Type A: A small elite at the top, very few people in the middle and the great mass of people at the bottom.
Type B: A society like a pyramid, with a small elite at the top, more people in the middle, and most at the bottom.
Type C: A pyramid except that just a few people are at the top.
Type D: A society with most people in the middle. Many people near the top, and only a few near the bottom.

END
Income inequality

- Income inequality is a central focus of political struggle in the modern world
- Nations vary greatly in the amount of inequality
  - Usually measured by the Gini coefficient
  - Very egalitarian nations have Ginis around .3. Sweden and Germany are examples.
  - Inegalitarian nations are around .6. Brazil and Chile are examples
- The USA is around .4.

Heaven on earth?

Early days of the welfare state: Climate of scholarly opinion

The first doubts creep in: Occupational sex segregation; public sector concentration

The double-edged sword? More work, less opportunity (Mandel and Semyonov)

A second look at the issue: No double edged sword: Complex, differentiated effects

Overview

- In the 1960s and 1970s the classic welfare states were hailed exemplifying the way of the future in gender equality.
- Doubt creeps in: Research in the 1990s discovered high occupational sex segregation and continuing strong government-sector concentration of women’s employment in the welfare states.
• Crescendo of doubt: An influential pair of articles (Mandel and Semyonov 2005, 2006 in the ASR and AJS; about 175 citations each) claim to show that welfare state policies increase women's workforce participation but simultaneously reduce their chance of getting high status, well-paying jobs.

• Now the accepted wisdom in the field. Widely cited as fact in summary articles in handbooks and literature reviews.

Yet, there are compelling reasons for uncertainty about M&S’s claims.

1. **Too few countries**: Their claims are based on survey data from 22 countries, a small number when the central question turns on differences among nations. Simulation studies suggest that 30 is the smallest acceptable number.

2. **Unusual definitions**: There are definitional issues in their narrow conception of the welfare state and unusual specification of elite jobs.

3. **Eccentric occupational measurement** in the LIS dataset used in M&S, drastically different from benchmark ILO data.
Even more reasons for uncertainty

(4) **Coarse measurement of education**, the key causal variable.

(5) **Important gender interactions ignored**: Strong untested assumptions about the lack of gender interactions in many contexts.

(6) **Omission of cross-level interactions**. Their model assumes, rather than demonstrates, that the welfare state has the same effects on people in very different social locations. ||

Replication and extension

A much larger data set and more appropriate measures & models exonerate the welfare state: It has no overall impact on women's employment, jobs, or incomes.

Replication and extension, continued

• The welfare state does however redistribute: slightly increasing hours worked for some women but decreasing them for others;

• slightly reducing occupational status for some women but increasing it for others;

• and, most dramatically, doubling the income of poorly educated women while halving it for the highly educated. ||

Sneak preview
The welfare state redistributes
- The welfare state
  - enhances the opportunities of particular groups of women
  - while reducing the opportunities of others.
- Results from Model 8

Does the welfare state impair women's access to desirable jobs?
M&S's most striking and important claim is that welfare state inadvertently reduces women's chances of getting powerful and desirable jobs (2005, 2006):
- "To sum up our arguments, we contend that the massive entrance of women into the labor force of well-developed welfare states has not been accompanied by their equivalent entrance into powerful and desirable positions. On the contrary, in highly developed welfare states the 'glass ceiling' has become lower and wider. ..."

Who gets desirable jobs?
- The best single measure of a job's desirability/quality is its status, long and justly one of sociology's central concepts.
- Women do very well in that.

Who gets high incomes?
- What the welfare state accomplishes is what it was originally intended to do: redistribute income
  - Also it redistributes men's income in the same way as it redistributes women's.
Survey data

World Inequality Study
• We analyze the World Inequality Study (WIS), which pools over 130 surveys from several major international survey projects that ideally include measures of family background, education, occupation, income, and attitudes to inequality (Kelley, Evans and Sikora 2005).

World Inequality Study, continued
• Specifically, data are from
  – the International Survey of Economic Attitudes (Kelley et al. 1998);
  – the International Social Survey Programme, ISSP;
  – the Social Stratification in Eastern Europe surveys (Szelenyi and Treiman 1994);
  – and others (notably IBGE 1988; Treiman, Moeno and Schlemmer 1998).
• The surveys are all large, representative national samples with very detailed occupational information, most commonly 4 digit ISCO codes (International Labor Office 1988).

Selectivity analysis
Selectivity analysis comparing the WIS sample with the population of nations shows that more developed nations are significantly more likely to be included:
– A very poor nation with GDP per capita a tenth of the US level has about a 9% chance of inclusion while a prosperous nation at western European levels has a 63% chance
– However since level of development is explicitly included in our model, this will not induce selectivity bias.
Selectivity analysis, continued

- The sample also over-represents **larger nations**.
  - Small nations with a population around ten million have roughly an 18% chance of inclusion while large nations around 50 million have a 28% chance.
  - But population size is virtually unrelated to our key, so this makes no practical difference to the analysis.

- The sample is representative with respect to language, **English speaking nations** not being significantly over-represented.

- The nations in the study contain over 60% of the world’s population.

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**Welfare state index**

There is a large and important literature characterizing welfare states, with the earlier work proposing typologies and more recent work focusing on the myriad salient dimensions on which welfare states differ from others.

M&S’s Welfare State Intervention Index is in the newer tradition of quantitative measurement

- Its focus is more specialized than other widely used indices
- Focus: public funding of family services and the size of the government sector.

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**Welfare state index, continued**

- Their ratings are similar to other broader and well-established measures, including
  - Hicks-Kenworthy (1998) composite focusing on social institutions,
  - the politically focused Hicks-Swank (1992) index,
  - Kenworthy’s (2003) wage co-ordination measure, and
  - Crepaz’s (1992) compelling summary index
Comparison of welfare state measures

The correlations below are based on very few countries and so are tentative.

Correlations among scales average fully $r = 0.72$.

The Crepaz summary index seems to be closest to the general consensus, with an average correlation of $r = 0.82$ with the others.

<table>
<thead>
<tr>
<th>Table 1. Alternate welfare state/corporatism measures: Correlations and factor analysis</th>
<th>Crepaz-E</th>
<th>H-K</th>
<th>H-S</th>
<th>Kenworthy</th>
<th>M-S</th>
<th>Factor loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crepaz extended</td>
<td>1.00</td>
<td>.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-K</td>
<td>.92</td>
<td>1.00</td>
<td>.88</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H-S</td>
<td>.79</td>
<td>.64</td>
<td>1.00</td>
<td>.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenworthy</td>
<td>.84</td>
<td>.63</td>
<td>.82</td>
<td>1.00</td>
<td>.70</td>
<td></td>
</tr>
<tr>
<td>Mandel-Semyonov</td>
<td>.73</td>
<td>.63</td>
<td>.82</td>
<td>.37</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>(Average correlation)</td>
<td>.82</td>
<td>.76</td>
<td>.72</td>
<td>.67</td>
<td>.64</td>
<td></td>
</tr>
<tr>
<td>(Number of nations)</td>
<td>117</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>21</td>
<td>13</td>
</tr>
</tbody>
</table>

Technical note: Extending the measure to other nations

National comparisons

Measurement of other variables

Models, part 1

- **Model 1.** We began with a simple and conventional individual-level model including gender, education in years, potential labor force experience, and family situation.
- **Model 2.** Education is hugely important, so we catered for possible non-linear effects by including a quadratic. This greatly improved the fit.
- Next we add the welfare state index, estimating several models broadly similar to M&S's and obtaining results broadly consistent with theirs.
  - The multiplicative interaction between gender and the welfare state index, M&S's key result, remains very large for hours worked, substantial for occupational status, but smaller and still statistically significant for income.
- **Model 6.** includes multiplicative interaction terms that allow the effects of education, family situation, and other individual-level variables to differ by gender.
  - These are hugely important for hours worked, as is well known; very important for occupational status; and important for family income.

OccupationalStatus = \( a + b_1 \text{Education} + b_2 \text{EducationSquared} + b_3 \text{YoungMarried} + b_4 \text{OldMarried} + b_5 \text{PotentialLFExp} + b_6 \text{PotentialLFExpSquared} + b_7 \text{GDP} + b_8 \text{FormerlyCommunist} + b_9 \text{WelfareState} + u_j + e_{ij} \) (for women only) [Model 7]

- And the same for men only. ||

Models, estimation, part 2

- **Model 8 (preferred extended model)** adds interactions between the welfare state index and education, between welfare and education squared.
- Also, in analyses of analyses of labor force participation and hours worked, Model 8 adds interactions with family situation.
- These are all statistically significant and particularly important for occupational status and family income.

- OccupationalStatus = \( a + b_1 \text{Education} + b_2 \text{EducationSquared} + b_3 \text{YoungMarried} + b_4 \text{OldMarried} + b_5 \text{PotentialLFExp} + b_6 \text{PotentialLFExpSquared} + b_7 \text{WelfareState} + u_j + e_{ij} \) (for women only) [Model 7]
- And the same for men only. ||

Sensitivity tests, part 1: Many variants of Model 7 give similar results
Labor force participation & hours worked

- Overall, women's labor force participation and hours worked for pay appear in general to be slightly higher in nations closer to the welfare state ideal type than in other more market oriented societies – so long as no adjustments are made for differences in educational levels, Communist heritage, or other confounding factors.||
Summary of results from Model 7

Thus the welfare state neither enhances nor impedes women’s labor force participation in total once these compositional differences are taken into account.

- notably that formerly Communist nations are more welfare oriented and have higher rates of women’s labor force participation for historical reasons.
- These results are clearly contrary to M&S’s claim that the welfare state greatly enhances women’s labor force participation.

The welfare state redistributes

- The welfare state
  - enhances the opportunities of particular groups of women
  - while reducing the opportunities of others.
- Results from Model 8

Results: Quality of jobs

The welfare state and women’s access to desirable jobs: The claim

- M&S’s most striking and important claim is that welfare state inadvertently reduces women’s chances of getting powerful and desirable jobs (2005, 2006):
  - “To sum up our arguments, we contend that the massive entrance of women into the labor force of well-developed welfare states has not been accompanied by their equivalent entrance into powerful and desirable positions. On the contrary, in highly developed welfare states the ‘glass ceiling’ has become lower and wider.”
  - “The singular contribution of this study is that it highlights some negative implications of ‘woman-friendly’ interventions .”
- This theme flows through much of the recent literature based on M&S’s pioneering analysis:
  - (Andress and Hummelsheim 2009; Korpi, Ferrarini and Englund 2010; Mandel 2010; Mandel 2011; Mandel and Shalev 2009; Orloff 2010; Ryu 2010; Yash and Stier 2009).
Which jobs are desirable?

- M&S’s specification of desirable jobs is unusual and implausible. They define them as “managerial occupations” and measure them by the diverse, country-specific definitions of the Luxembourg Income Study – rather than using a standard, cross-culturally comparable definition such as the International Standard Classification of Occupations
- Managerial jobs account for only a very small fraction of the labor force. For example, standard ISCO definitions give an average of only 3%
- Managerial jobs – even by the narrow ISCO definition – are not the most desirable jobs.
  - Higher professional jobs are better, on average
  - more prestigious
  - equally lucrative.
  - The evidence follows….

Who gets desirable jobs?

The best single measure of a job’s desirability/quality is its status, long and justly one of sociology’s central concepts.

- Women do very well in that.

Desirable jobs, continued

<table>
<thead>
<tr>
<th>Occupational group (ISCO classification)</th>
<th>Status</th>
<th>Women %</th>
<th>Men %</th>
<th>Status (index)</th>
<th>Earnings (ratio)</th>
<th>Education (%)</th>
<th>Family income (ratio)</th>
<th>Social mobility (index)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>75</td>
<td>3</td>
<td>7</td>
<td>1.11</td>
<td>2.1</td>
<td>5.0</td>
<td>2.1</td>
<td>15.4</td>
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<tr>
<td>Technical</td>
<td>70</td>
<td>5</td>
<td>5</td>
<td>1.91</td>
<td>2.0</td>
<td>4.5</td>
<td>13.4</td>
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<tr>
<td>Professional</td>
<td>60</td>
<td>13</td>
<td>5</td>
<td>1.72</td>
<td>1.9</td>
<td>3.7</td>
<td>10.6</td>
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<td>Higher professional</td>
<td>51</td>
<td>5</td>
<td>5</td>
<td>1.51</td>
<td>2.0</td>
<td>3.5</td>
<td>8.2</td>
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<tr>
<td>Routine clerical</td>
<td>48</td>
<td>6</td>
<td>4</td>
<td>1.45</td>
<td>2.0</td>
<td>3.4</td>
<td>6.2</td>
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<tr>
<td>Skilled worker</td>
<td>37</td>
<td>5</td>
<td>3</td>
<td>1.45</td>
<td>2.0</td>
<td>3.2</td>
<td>5.8</td>
<td></td>
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<td>4</td>
<td>1.50</td>
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<td>3.0</td>
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<tr>
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<td>6</td>
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<td>6</td>
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<tr>
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<td>12</td>
<td>11</td>
<td>0.77</td>
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<td>1.8</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Unskilled worker</td>
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<td>12</td>
<td>11</td>
<td>0.77</td>
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<td>1.8</td>
<td>3.0</td>
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<tr>
<td>Farmer</td>
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<td>12</td>
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<td>0.77</td>
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<td>1.8</td>
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<tr>
<td>Unskilled service</td>
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<td>12</td>
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<td>0.77</td>
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<td>0.77</td>
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<td>Farm worker</td>
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<td>0.77</td>
<td>2.0</td>
<td>1.8</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

Results: Income
Who gets high incomes?

- What the welfare state accomplishes is what it was originally intended to do: redistribute income
  - Also it redistributes men's income in the same way as it redistributes women's.

Conclusion

Where did M&S go wrong? part 1a

M&S's findings are not a peculiarity of their samples or measurement decisions.

- When we restrict the analysis to the countries in M&S's analysis (save for tiny Luxembourg which is not in the WIS database) and replicate their analysis as closely as possible, the WIS data yield substantially the same results.
- So does the full WIS sample of 39 nations.

Where did M&S go wrong? part 1b

M&S's fundamental error in the labor force participation analysis was gross mis-specification of their models

- specifically ignoring vast and well-known gender differences in the effects of education, age, and family circumstances.
- This was compounded by ignoring the enduring legacy of Communism, with its virtually compulsory women's labor force participation.
Where did M&S go wrong? part 2a

The quality of jobs that women get, Mandel & Semyonov faced an unusually difficult task because of the crude, unsystematic, and idiosyncratic occupational data available in the Luxembourg Income Study

- Their other errors lie in imagining that managerial jobs (in which women are under-represented in almost all nations) are the best jobs available;
- in neglecting the more numerous, more skilled, higher prestige, and equally well paid professional jobs (in which women are amply represented in almost all nations); and
- in ignoring occupational status, the usual summary measure of job quality (in which women exceed men in most nations).

Where did M&S go wrong? part 2b

- Nor did they allow for the welfare state's differential impact on the well educated
  - increasing their occupational status
  - But reducing their income by almost half.

Summary

- Our replication does not support Mandel and Semyonov's (2005, 2006) important and surprising claims that the welfare state paradoxically increases women's labor force participation while simultaneously reducing access to desirable jobs and high incomes.
- Nor does it support the many similar claims in the large and important literature that flows from their seminal work.
- We reach quite different conclusions
  - using a much larger data set,
  - more refined measurement (particularly of education and occupation), and
  - more discerning statistical models (particularly ones that allow for the many interactions between education, gender, and the welfare state).

No overall gain or loss from the welfare state

- We find that the welfare state has no significant overall effect on women's involvement with paid work (whether measured by labor force participation or by hours), contrary to M&S's claims.
- We find that welfare state policies do not impair women's access to high status jobs.
  - Even when we narrow the focus to managerial jobs, there is no significant effect.
  - M&S's “lower and wider” glass ceiling was an illusion, not evident in the larger dataset using more precise measurement, standard definitions, and more discerning models.
- Moreover, we find that the welfare state has no net effect on the financial rewards women reap
Income redistribution by the welfare state

What the welfare state actually does is what it was originally designed to do: redistribute income.

- There is no overall effect of the welfare state on women’s incomes, but, like an updated Robin Hood, it takes from the upper middle class and gives to the working class.
- Compared to the most market-oriented societies, the welfare state doubles the family incomes of women with the least education and halves the incomes of women with the most education;
- it does the same for men.
- Highly educated women in welfare states may be partly compensated by prestige: They get slightly higher status occupations than their peers in market-oriented societies, on average. ||

Comparison with Anglo-Saxon nations and with Communism

In its heyday, Communism’s strong labor force policies
- justified by ideology,
- eased by family-friendly social policies, and
- enforced by bureaucratic fiat and economic necessity
- did greatly increase women’s labor force participation.

And Communism’s economic incompetence also ensured the jobs women got were much worse than those available to their peers in the West,
- and the pay much lower.

But contemporary social democratic governments are neither so draconian nor so incompetent:
- Their benign policies lead to results which, overall, differ little from those in an Anglo-Saxon market-oriented society.

Notes: From the day after the talk:
1. Just started talking about the predicted value graphs without doing an example.
2. Did not do enough on the robustness of the results to alternative definitions of the welfare state. Maybe try also using one of the typologies as a set of dummy variables.
3. Steffan Mau suggests at “polity” indicator of democracy is available for all countries. He thinks it should form part of the “welfare state” index, but we are not so sure (we want to look at it in any case): answer would be “yes” in a Wilenski convergence framework where the welfare state is a “side effect” of modernization; less clear if modernization does not sweep away institutional and cultural differences.
4. Many people were concerned about the income measurement – we explained that we had relativized it by dividing for each country by the number of skilled worker incomes. Some didn’t like family incomes because that could mask differences among societies in the gender wage gap. Are there supplementary sensitivity tests we could do on countries where we have both measures to show that the key results of the model hold anyway?