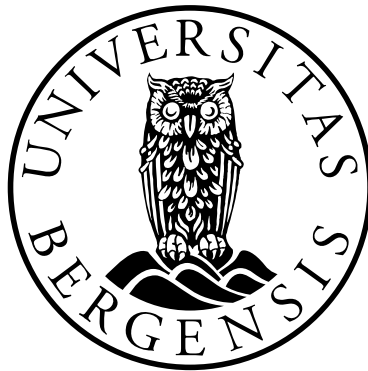


The welfare state matters

*On the economic consequences of partnership dissolution in
Norway and Britain*

Anne Hege Henden Strand



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Summary

Recent sociological observations have indicated that unstable family relations and lone parenthood present new social risks to society, posing a challenge to the welfare state and threatening to increase gender inequality. Several cross-national studies from the US and various European countries have documented that the economic consequences of partnership dissolution are more severe for women than men, indicating that divorce and separation are significant contributors to gender inequality in society. Norway had not previously been included in any such cross-national study, yet research conducted on Norway had indicated that there were few income differences between women and men after partnership dissolution there. This study had two main purposes; first, to introduce Norway into a cross-national comparison investigating whether Norway would be a country with lower levels of gender inequality in post-dissolution incomes, and second, to explore the role the welfare state potentially plays in reducing gender income inequality in relation to partnership dissolution.

A case-study approach was applied where Norway was compared with Britain, a country with a well-documented situation of gender income inequality amongst separated persons. Analyses of individual level, longitudinal data were carried out, and different income measures and methodological designs were applied in order to analyse the extent to which partnership dissolution acted as an event leading to a downward shift in household income. This methodological approach was used to argue that dynamic, quantitative research is particularly suited to examine the links between life course changes, gender inequality, and the welfare state.

Crucially, this study found that partnership dissolution did not lead to income differences between women and men in Norway, however, in Britain partnership dissolution lead to a larger income gap between women and men. Furthermore, this study found that women and men differed in their economic dependencies following dissolution. Men relied to a larger extent on labour income after dissolution than women did. Norwegian women depended equally on labour market income and on

economic transfers to secure their incomes after dissolution. British women were particularly vulnerable, since they had a weaker connection to the labour market than did men and heavier caring responsibilities than men, but at the same time, received little in terms of economic transfers. This significantly increased their poverty risks as a consequence of partnership dissolution.

In addition, this study revealed how family policies had shifted over time in both countries to become closer to an 'adult worker' norm. However, despite policy developments in the two countries broadly following the same direction, large differences in welfare state institutional systems between the two countries were demonstrated. Norway had a better system for income protection than Britain, largely based on policies that economically compensated parents for having children in the household. This reduced the economic risks of lone mothers in Norway. Although partnership dissolution rates were similar in the two countries studies, the difference in welfare state support was identified as the most important factor in terms of generating cross-national variance in the economic situation of women and men after partnership dissolution. A key finding was thus that the welfare state matters for reducing gender income inequality.

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1 Introduction and theoretical framework

1.1 Introduction

Gender equality has improved greatly in contemporary Western societies over the past decades. Despite this positive trend, however, there are processes of social change that continue to challenge the progress toward gender equality. One of the major challenges is the great rise in partnership dissolution.¹

Partnership dissolution challenges gender equality both from the perspective of the individual and the welfare state. For a growing number of individuals, the tasks of organising caregiving, work and economic resources extends across two household units. How this organising takes place remains gendered. Most women have greater caring responsibilities after partnership dissolution than do men. And since most women also have lower incomes than men, women become responsible for the welfare of more people on a lower income as a consequence of partnership dissolution. This increases women's poverty risks (Ruspini 2000). For the welfare state, partnership dissolution poses a challenge in terms of securing a reasonable distribution of resources and access to paid work between women and men. How welfare states have dealt with this challenge varies between countries.

This thesis poses the question of what importance, if any, do welfare state arrangements hold on gender inequality in terms of the economic consequences of partnership dissolution? And more specifically, what cross-national variation can be found between Norway and Britain in this respect?²

¹ In this thesis, divorce and cohabitation dissolution are studied jointly under the phrase *partnership dissolution*. The dissolution of same-sex couples is **not** considered.

² The focus on cross-national differences in gender inequality means that other forms of differences, such as social class, ethnic relations and sexual orientations are not part of the discussion in this thesis. Another restriction in this study is that the study object is those partnership dissolutions that form single-headed households, with or without children after the split. However, a non-trivial number of divorces also leads directly to *other* types of family units being formed, such as moving in with new partners, or moving in to share a household with own parents or siblings. These family types are left out of this study. The main reason for this exclusion is that there is very limited comparative information available on the role of kinship networks and friendship networks after a divorce.

These questions will be answered by means of analysing and comparing two panel data sets: the Norwegian Level of Living Panel Survey (LEVPAN) 1997-2002 and the British Household Panel Survey (BHPS) 1997-2004.

According to existing welfare theory, a comparison between a Scandinavian and an Anglophone welfare state context would imply a significant difference in terms of women's post-dissolution economic position, where a lower level of gender income inequality is expected in Scandinavia. Such an assumption may be drawn on the basis of a welfare state regime model (Social Democratic versus Liberal) (Esping-Andersen 1990; 1999); in terms of a breadwinner model (weak versus strong male breadwinner) (Lewis 1992); or in terms of family support model (dual-earner versus market model) (Andreß et al. 2006; Andreß 2003).

However, for understanding the economic consequences of partnership dissolution, it is also necessary to pay specific attention to what could be labelled the empirical divorce research. A range of empirical studies, both comparative and nation-specific in nature, have analysed the economic consequences of partnership dissolution (Finnie 1993; Holden and Smock 1991; Poortman 2000; Sørensen 1992). Particularly many studies have included Britain (Aassve et al. 2007; Andreß et al. 2006; Dewilde 2006; Jarvis and Jenkins 1999; Jenkins 2008; Uunk 2004). A unified conclusion can be drawn from this literature: after partnership dissolution, women are the economic losers. Gender income inequality has been documented in a range of countries as the outcome of divorce, but seems particularly prevalent in Britain. Even studies from the other Scandinavian countries, Sweden (Andreß et al. 2006; Gähler 1998) and Denmark (Hussain and Kangas 2009), frequently held to be the frontrunners in terms of gender equality, have found greater economic loss for women after separation than for men.

So far, Norway has not been an integrated part of this cross-national literature. In Norway, research into the economic consequences of divorce has largely been confined to a national policy debate on payment of child maintenance. The driving research question has been whether the receivers of child maintenance, mainly the

mothers, have the poorest economic situation lowest income levels, or whether contributors of child maintenance, mainly the fathers, have the most meagre finances (Bratberg and Tjøtta 1999; 2008; Kirkeberg and Pedersen 2000; Kitterød and Lyngstad 2009; Melby 1997). The most recent study (Kitterød and Lyngstad 2009) found very small differences between mothers and fathers in this respect, indicating that income inequality following divorce is *not* gendered in Norway. This research finding does not seem to have stirred much controversy within Norway. However, no or little gender income difference after divorce is an empirical research finding that goes against the cross-national divorce research, which has concluded that partnership dissolution lowers the incomes of women the most and thereby increases their poverty risks more than men's. It is a specific aim of this thesis to further explore if and why Norway seems to be an 'anomaly' or a 'deviant' case in terms of economic consequences after partnership dissolution.

There is also another set of cross-national literature worth noticing in this context, as it has pointed to another 'anomaly' associated with the Norwegian case. Within what could be labelled a case of feminist comparative welfare state research, Norway has frequently been classified as the 'odd' or 'laggard' country in Scandinavia when it comes to gender equality (Knudsen and Wærness 2001; Leira 1989; Sainsbury 1994; Sümer 2009). By this is meant that Norway has been supporting a more traditional role for mothers, lone mothers and caregivers. A more traditional 'mother ideology' has also meant that women in Norway enter later into paid employment and work in more part-time positions when compared with other Scandinavian women.

However, the notion of Norway as being the more traditionalist Scandinavian country sits somewhat awkwardly with the cross-national divorce research, which has found that in countries where many women work part-time and hold a more traditional pattern of caring and gender roles, are also associated with high poverty risks, especially for lone mothers. Hence, a likely assumption to be drawn from this is that any country with a more traditional 'mother ideology', as in Norway, would lower women's connection with the labour market and increase their caring responsibilities

after divorce, which again would raise their economic vulnerability as a consequence of divorce. Based on this, it could be tempting to pose the hypothesis that partnership dissolution in Norway would lead to increased gender income inequality. However, as pointed out above, current research evidence from Norway points in the direction of no or little gender income inequality; whereas studies from Sweden and Denmark have found gender income inequality as an outcome of divorce. The obvious question to ask is: *why?*

In order to answer this question, this thesis will seek to explore the links between gender, income inequality and partnership dissolution by carrying out a cross-national comparison of the economic consequences of partnership dissolution in Norway and Britain. An important contribution of this thesis is to introduce Norway into the world of comparative divorce studies, which to the author's knowledge, has not previously been done. For this purpose, this thesis favours a cross-national case study design. Comparing different countries is useful for testing the validity of general findings and to uncover inconsistencies that cannot be understood in single-nation research (Kohn 1987:713). Britain has been chosen as a contrast case to Norway because, in the cross-national divorce research, Britain has been a key case. It has been included in many such studies and is one of the countries where gender income inequality following separation has been well documented. In addition, comparable data is available for analysis. The author of this thesis also has personal knowledge of this country.

In addition to relying on a cross-national comparison, this thesis also applies a longitudinal, quantitative research design, which is particularly useful for assessing gender inequality (Ruspini 2002). Despite a long-standing interest amongst feminist researchers on engendering welfare research, little attention has been paid to the topic on of how to be gender sensitive in longitudinal research (Ruspini and Dale 2002b:3). This is in spite of the massive growth and popularity of carrying out empirical studies within the wide field of welfare and economic analysis based on various household panel studies that follow individuals' life courses over time. The use of longitudinal rather than cross-sectional data can be a powerful tool for informing discussions on

gender inequality, as it allows for exploring gender differences in light of social change. In the case of partnership dissolution, longitudinal data can track income changes over time, making it possible for empirical research to document income shifts that take place both *before* and *after* partnership dissolution. In that way, income changes can, with greater probability, be related to the intervening critical life event. Access to longitudinal data and the application of appropriate techniques for analysis may therefore make for a valuable contribution to the empirical study of how a critical life event poses different challenges to women and men. Longitudinal analysis therefore may make a valuable contribution to studying gender equality progress.

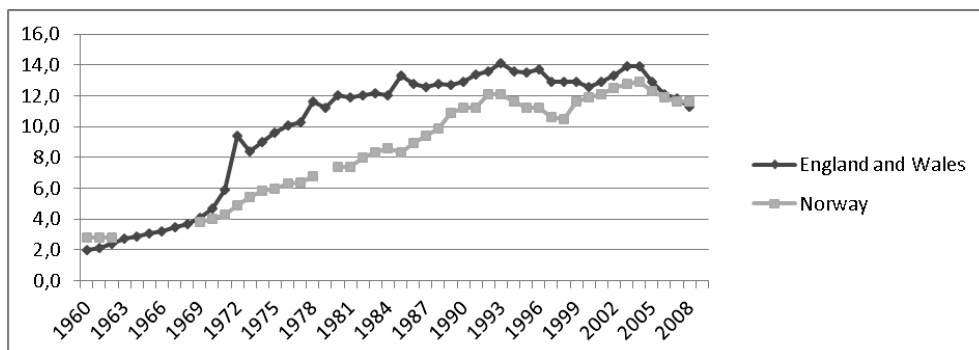
To summarise, this thesis will build on a research approach put forward by Ruspini and Dale (2002a) of applying a *gender-sensitive, longitudinal and comparative* perspective on understanding women's life courses. Moreover, an empirical investigation of gender inequality in post-dissolution incomes in Norway and Britain based on panel survey data will be carried out. How this can be anchored theoretically is the topic for section 1.3, and how to anchor this methodologically is the topic for chapter two of this thesis, how this can be embedded institutionally in the welfare context is the topic for chapter three.

But first, the outline of the rest of this chapter is as follows; First, the chapter turns to an outline of the background research on how partnership dissolution has evolved within British and Norwegian societies and how partnership dissolution may be understood as a 'new social risk' (section 1.2). Next follows the theoretical framework for this thesis, theorising the gendered links on caregiving and gender, on the (comparative) welfare state literature and gender and on the life course perspective and gender (section 1.3). Finally, the chapter is rounded off with an outline of the rest of the thesis (section 1.4).

1.2 Background to the study

Divorce rates have increased massively over the last few decades throughout the Western world as it has in the two countries studied here, illustrated in figure 1 below.

Figure 1.1: Divorce rates for women in Norway, England and Wales, per 1000 married/separated woman



Source: Statistics Norway and Office for National Statistics (FM2, No. 34, Table 4.1)

The great rise in divorce rates in England and Wales came before 1980, whereas in Norway there has been a more gradual growth with a peak in the early 1990s (see figure 1.1). England and Wales have had higher divorce rates than Norway since 1970 but the two countries are now approaching the same level of approximately 11.5 divorces per 1000 married/separated women. The most current trend shows a slow decline in divorce rates in both countries. However, this is not to say that partnership dissolution has declined in society. Rather, in the same period that divorce rates have increased (and marriage rates have gone down), the numbers of unstable non-marital unions have gone up. In Norway, around half of people aged 25-34 years are cohabiting (Aarskaug Wiik 2009), and in Norway, a majority of first births are now given by unmarried mothers, most of whom are cohabiting.³ In Britain, cohabitation is on the increase but numbers are lower than in Norway. In the age group between 25-34 years, 43 percent of women are cohabiting, with corresponding numbers somewhat lower for men (ONS 2002). Many cohabiters convert their relationships into marriages, but many relationships also end. Therefore, although the dominant family pattern in both countries is still that of the couple relationship (married or not), there is

³ Statistics Norway "Statistikkbanken" <http://statbank.ssb.no/statistikkbanken>, information downloaded 13.07.2011.

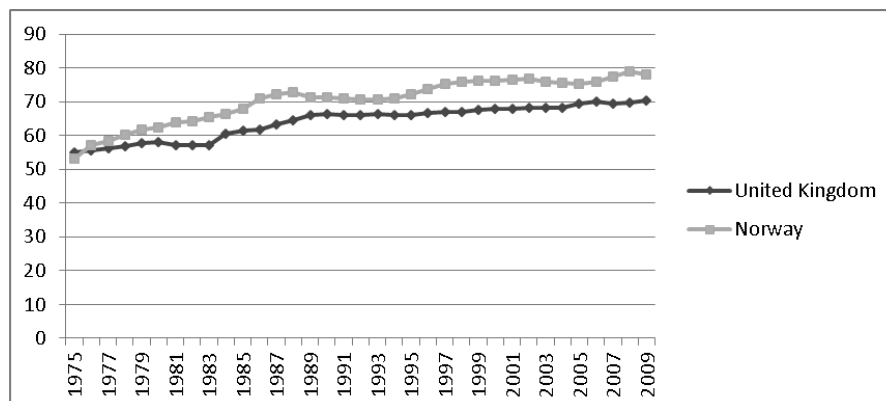
a growing likelihood that relationships that are formed will be dissolved. This in turn increases the number of one-person and single-parent households in the population.

The evolving trend of growth in marital and non-marital dissolution has been an important part of societal debate. During the 1960s and 1970s, divorce was regarded as positive for women, and those trapped in bad marriages were encouraged to seek personal autonomy and independence (Maclean 1991; Stang Dahl 1994). However, this initial focus of divorce as a liberation strategy for women has, in pace with increasing divorce rates, shifted to a greater concern for poverty. For women, bad marriages have in reality been swapped for bad economic prospects (Maclean 1991; McLanahan 1992).⁴ For the welfare state, the increasing numbers of economically vulnerable one-income families, of which lone mother households is the most disadvantaged group, has added to the already existing groups of economically disadvantaged: the unemployed and welfare dependent (Ruspini 2000).

Corresponding with the growth in partnership dissolution, there has been an increase in women's labour market participation. The increase came mostly before 1998 and has remained relatively stable since that time (see figure 1.2). In 2009, around 80 percent of Norwegian women and 70 percent of British women were employed. It needs to be added that this conceals a higher share of part-time work amongst women. In 2009, 41 percent of Norwegian women in employment worked part-time (ssb.no), the corresponding share for British women is around 50 percent (statistics.gov.uk).

⁴ Although qualitative research has reported that this was still a preferred situation for many women who regarded it better to be in full control over the spending of a small amount of money than having sufficient money within a marriage, but where the husband controlled the spending (Maclean 1991).

Figure 1.2: Employment rates for women aged 15-64 in Norway and United Kingdom 1975-2009, in percent.



Source: OECD annual labour force statistics (stats.oecd.org)

The exact link between divorce and the women's labour market participation is in dispute. A well-known hypothesis from economic theorist Gary Becker (1981) claims that an increase in women's labour market participation and economic independence decreases the desirability to marry or to stay married, indicating a positive correlation between divorce risk and women's incomes.⁵ The sex-specialisation hypothesis suggests that as women's economic dependence on men is reduced, the gain to marriage for both women and men is also reduced. The complementarity and interdependence in a partnership, where one spouse specialises in market production (the husband) and the other in domestic work (the wife), is dissolved when both spouses become employed in paid work and share housework (Becker 1981).

However, this view has been challenged. It has been claimed that women's increased participation in paid work is not to be interpreted as a direct increase in women's economic independence. Increasing women's income has, in turn, raised the total family income as women contribute more money to the household. This, in turn, generates a mutual interdependence between the spouses on each other's incomes to

⁵ But as pointed out by Jane Lewis (2001:9), there is, in fact, nothing about this theory that makes it particular to marriage. It may be just as applicable to cohabitation, as Becker's model is ignoring what has made the marital relationship special, namely that it has been supported on a much broader societal level through legislation of marriage and divorce, in public policies and in the general opinion.

improve the household's standard of living. It can therefore be argued that with more women making substantial contributions to the family economy, more men start to rely on their partner's incomes, and a mutual interdependence on a two-income family is generated. This should make high-earning women attractive partners as men are no longer solely responsible for the family income and they are allowed a share in their wife's earnings (Oppenheimer 1997; Sørensen 1991).

Empirical support for this hypothesis has been pointed out by US research, which finds that single parenthood and divorce is increasingly biased towards the least educated and lower earners (Esping-Andersen 2009; McLanahan and Percheski 2008). Research from Norway has also documented a negative association between educational level and divorce risk, meaning that the risk of divorce is higher for less educated women, who are likely to be the lowest earners (Lyngstad 2004). This suggests that it is not necessarily the women with the highest earnings and best economic prospects that actually divorce. With the risk of divorce high among low income women, the likelihood of relying on welfare state support after divorce remains high. Welfare state dependencies among women after partnership dissolution will be analysed later in this thesis.

This societal concern for growth in partnership dissolution is reflected in contemporary welfare theory which points to family change as one of the *new social risks* facing citizens, especially women with caring responsibilities, and with which welfare states have to deal (Bonoli 2006; Esping-Andersen 1999; Taylor-Gooby 2004).⁶ After the Second World War, Western welfare states experienced a growth in income protection systems supporting family income provision, largely through the male breadwinner. Income protection was developed to secure income for families whose needs were not adequately met through the market. Systems such as retirement pensions, unemployment, sickness and disability benefits were developed and enhanced. During this historical period, welfare states did not invest to the same extent

⁶ Other new social risks groups are the low skilled and immigrants. These are not considered in this thesis (Bonoli 2006; Taylor-Gooby 2004).

in systems to cater for care for young children, which was largely managed through the family system by women, although cross-national differences must be acknowledged (Taylor-Gooby 2004). This means that welfare states (implicitly) relied on women's unpaid labour in the family as an important provider of caregiving services. The transition to post-industrial society with the associated changes in women's education and labour market participation changed this. Women started to enter into the paid work force and changes in the labour market facilitated this trend. In particular, more flexible and part-time jobs were generated in the expanding welfare state service sector (health and education). This enabled women to combine their roles as workers and caregivers and improved women's economic status. However, men's caregiving patterns have not changed as much, meaning that women are still more at risk of poverty after divorce, having less profitable jobs and greater caring responsibilities than men (Lewis 2009; Ruspini 2000).

But where the welfare state previously tended to meet the old social risks with income protection policies, welfare state responses in terms of new social risks are shifting more towards policies such as labour market activation, expansion in care for children (and the elderly) and the promotion of equal opportunities (Mätzke and Ostner 2010; Taylor-Gooby 2004). This means that welfare states now increasingly meet citizens exposed to *new social risks* with a reduced focus on income replacement and a stronger emphasis on assisting self-sufficiency in the market. This is also evident in policies enacted towards single parents, with stronger demands for activation of this group.⁷ This development is also frequently referred to in the literature as the growth in the adult worker model assumption.

Where labour market participation protects against poverty, however, it remains unclear as to whether the market will ensure gender equality. As feminist-inspired research has pointed out – the activation demand put on lone mothers, and the assumption made by the government that it is possible to activate all lone parents, may

⁷ See chapter 3 for an overview of policies directed towards lone parents and the increased demand for labour market activation.

become counterproductive in terms of protecting children and their mothers against poverty. Reducing income replacement policies and introducing stronger activation criteria alone will not make lone parents employable leaving single parents and their children vulnerable to poverty (Haux 2010; Lister 2006). This may be more pertinent in a national context where, to a lesser degree, the welfare state is supporting women's work, which is more the case in the Liberal welfare model than the Scandinavian model (Esping-Andersen 2005; Taylor-Gooby 2004). It is thus important to assess what importance variations in state welfare policies have for minimising gender income inequality as a consequence of divorce.

There are two ways in which partnership dissolution contributes to an increase in gender income inequality. First, it generates gender inequality *within* the divorcing population. Cross-national studies has shown that men experience moderate income losses after partnership dissolution, whereas women and their children suffer greater economic losses (e.g. Andreß et al. 2006). However, income loss outweighs income gain in relation with partnership dissolution, regardless of gender. Therefore, a second inequality arises in the population between those who divorce ('divorcing couples') and those who do not divorce ('intact couples') (Esping-Andersen 2009; McLanahan and Percheski 2008). This is *not* initially a gendered inequality, as male and female one-income households are generated equally after divorce. However, as long as single mothers continue to be the most economically vulnerable group, this inequality is also gendered (Ruspini 2000).⁸ This means that for quantitative research to evaluate the extent to which gender inequality is rising in society as a consequence of partnership dissolution, it is necessary to take into account inequalities between separating men and women, as well as between intact and separating couples. This is also the approach taken in this thesis.

⁸ With this tendency to higher divorce risks amongst the lesser educated, it can also be claimed that gender inequalities in divorce may tangent on class inequalities in divorce. However, this will not be a topic for further investigation in this thesis.

In terms of explaining how gender income inequality is related to partnership dissolution, feminist literature has pointed out that it is inadequate to regard divorce alone as the ‘generator’ of gender inequality. Rather, marriage acts as a *concealer* of gender inequality. An important argument amongst feminists has been that divorce *unmasks* and makes visible gender inequalities that already exist within couple relationships before they dissolve. Divorce reveals women’s true economic position, since after divorce they come to depend solely on their own income (Lewis 2001b; Orloff 1993; Smock et al. 1999; Stang Dahl 1984). This gendered inequality is strengthened by the fact that women’s greater caregiving responsibilities continue after divorce, but without access to a men’s income. As Jane Lewis has commented on the situation for women “...*marriage may now be perceived more as a risk than a protection against risk, as was traditionally the case*” (Lewis 2009:4). The sociological study of divorce and partnership dissolution therefore makes for an essential contributor to the understanding of gendered inequality in Western societies today.

An important argument in this thesis is that in order to study gender differences in the economic consequences of partnership dissolution, it is necessary to relate post-dissolution income to the household economy before the relationship ended (a longitudinal design). This has important theoretical and methodological implications. Theoretically, it becomes relevant to engage in social explanations that can explain gender differences in access to money arising from the gendered distribution of paid and unpaid work. Women’s incomes have increased as a consequence of their greater participation in paid work, but women on average still earn less than men. In addition, caregiving work and domestic labour remain unequally distributed between women and men and are types of work that remain largely unremunerated (Knudsen and Wærness 2008). Researchers have claimed that couples do not necessarily have a system of financial management that reflects women’s extra effort in unpaid work, and that inequalities within marital or cohabiting relationships can be related to the power held by men to allocate and control financial resources (Pahl 1980; Phal 1995; Vogler 1998). In addition, an increasing number of married and cohabiting couples have

separate and independent systems of financial management. This in turn leaves women more economically subservient in the couple relationship if they do not contribute as much income as the male partner, and increases women's economic risks in relation to partnership dissolution (Knudsen and Wærness 2009; McLanahan and Percheski 2008; Phal 1995). Studying the effect of partnership dissolution therefore provides an opportunity to understand women's economic vulnerability compared with men's in contemporary societies. The household economy is however not a function of men's and women's work efforts alone, but is also closely linked to the wider institutional context. The welfare state is therefore an important factor to consider when examining any gender differences in post-dissolution income (Andrefß et al. 2006; Daly and Rake 2003).

From a methodological point of view, examining the income transition from a couple to a single household context taking place as a consequences of partnership dissolution requires access to longitudinal data on household income. Longitudinal data gives income information on the same individuals over time and thus makes it possible to trace income changes in light of a changing household context (Ruspini and Dale 2002b). The use of longitudinal data is outlined further in chapter two. But first in the section below theoretical explanations linking gender income inequality to the welfare state, the labour market and family contexts are discussed.

1.3 Theoretical framework

The aim of the following section is to draw on insights from social sciences theory in order to develop a *gender-sensitive, comparative* and *longitudinal* framework for analysing economic consequences after partnership dissolution. For this purpose, three sets of theory are highlighted: theories on gender-relations and the welfare state, theories on cross-national welfare state variation, and life course theories concerned with the dynamics of social life. These theories in various ways explain the links between the individual life course and the larger societal welfare state structures and their impact on gender relations. The data available for analysis in this thesis are on a household level and the empirical focus in this thesis is therefore on the micro level. However, a central argument in this thesis is that any changes in the micro household

economy is closely correlated with, and determined by, the wider welfare state macro structure. It is therefore necessary to consider changes and developments in welfare state structuring in order to understand gender inequality in the household economy.

The following is not to be considered a literature review in the sense of going through each of the main works or providing a chronological account. Rather, the purpose is more modest in that the aim is to engage with the literature to provide theoretical insights for the subject matter.

1.3.1 Feminist welfare state theorising: care and employment

Norwegian feminist scholars during the 1970s and 80s have been pioneering in theorising the relationship between women and the welfare state and the link between gender relations in the couple relationship, and how gender inequalities in the marriage institution relates to the welfare state (Hernes 1987; Hernes 1984; Stang Dahl 1984; 1994; Wærness 1984). Many of the insights these Norwegian feminist scholars have developed have later been echoed in the more recent British and wider international feminist debates (see for instance Daly 2000; Daly and Rake 2003; Lewis 1992; Orloff 1993; Sainsbury 1996).

The nature of welfare state interventions into private life has been the specific focus for a Scandinavian scholarship theorising the special presence of the welfare state in women's lives. Coining the Scandinavian welfare states as 'women-friendly', Helga Maria Hernes (1987; 1984) draws attention to the fact that women's lives are more dependent upon and determined by state policies than are those of men. A division of labour between the family, market and the state is decisive for the welfare of women. Generous systems of parental leave and public childcare services have enabled women to participate in paid work. In addition, the service-intensive welfare state has generated labour market opportunities for women, in particular in the education and health sectors. This welfare state intervention means that women come to rely on the welfare state both as an employer and as a provider of caregiving services, which otherwise would have been carried out in the private home by women. Welfare policies have therefore enabled women to combine motherhood and employment .

Hernes emphasises that the relationship between women and men is one of ‘dependence’ and not partnership – pointing to elements in the labour market that continue to disadvantage women: women continue to earn on average less than men, women form the great majority of part-time workers, the labour market is still highly gender-segregated by occupation, and there are few women in top management. These characterisations which remain largely unchanged today, in particular in Scandinavia. Despite this, Hernes also points out that the transition from private to public dependency for women is an advantage as state intervention assists with an organisation of daily life which prevents women from being tied up with family and domestic issues (Hernes 1987). Despite Scandinavian women’s great dependency on the state Hernes concludes that the state is the best-suited societal agent to secure gender equality and relative economic independence for women (Hernes 1987). As such, the state, in the form of the Nordic democracy, holds the potential for being women-friendly and promoting women’s agency, as opposed to being patriarchal and repressive of women (Hernes 1987:15).

Whereas Hernes’ theory links state and gender, other feminists have been theorising the relationship between the gendered organisation of work and care in the family and how this organisation is sustained by the welfare state. The theory of a ‘tripartite maintenance system’ links a woman’s economic status to the marriage institution and her status as a mother (Stang Dahl 1984). Embedded in social expectations, *marriage* becomes a woman’s main pillar of income. The other pillars are *wages*, which for married women are usually supplementary, and *social insurance* where access is guided through paid work and again is supplementary for women. The exception being welfare rights based on motherhood. This means that women and men in marriage have unequal access to money. Women’s incomes are not only dependent on the husband’s income but also on his employment status, her own employment status and motherhood (Stang Dahl 1984).⁹ The way economic resources are generated within the

⁹ The essay by Tove Stang Dahl was first published in T.Støren and T.S Wetlesen: *Kvinnekunnskap*, Gyldendal 1976, under the title “Ekteskapet, den modern husmannskontrakten. Noen kvinneverettslige problemstillinger”.

marriage has therefore in turn generated a ‘men’s track’ and a ‘women’s track’ in the welfare state, the former being based on rights achieved via the labour market, the latter on the merits of motherhood or otherwise on means-testing (Stang Dahl 1984; 1994).

This brings to light several important aspects on the relationship between the welfare state and women. First, it illustrates the gendered power relations between individuals, and the way in which the state acts to control women by prescribing the role of mother for them (Daly and Rake 2003). Second, it demonstrates how principles of entitlement to benefits construct different rights for men and women, so that men become more represented on the rights-side and women on the means-tested side of the welfare state insurance arrangements (Daly and Rake 2003:16; Sainsbury 1996). Third, it points to the institution of marriage, and a gendered distribution of labour, as the sources for economic inequality between men and women. Albeit the marriage contract is gender-neutral and is entered into voluntarily by two parties on equal footing, in reality, it entails social pressures and expectations that are different for men and women. Hence, without independent access to money for women, gender inequality will continue to exist (Stang Dahl 1984; 1994).

Feminist scholarship envisages mainly two routes for improving the economic conditions for women and for ‘bringing gender in’ to welfare state analysis. The first route is granting women access to paid work (Gornick and Meyers 2005; Ray et al. 2010), and the second route is a greater societal appreciation and/or economic compensation for unpaid care work by the welfare state (Daly and Rake 2003; Stang Dahl 1984; 1994; Wærness 1984). Feminists differ in terms of which of these routes should be the favoured track for enhancing gender equality. A ‘*women’s employment perspective*’ presented in the international debate particularly by US feminists has emphasised the need to insert women into paid work to avoid poverty, and has argued that a substantial number of women would benefit from stronger (not weaker) links to the labour market (Gornick and Meyers 2005; Ray et al. 2010). The ‘*care perspective*’ has been presented by feminists both in Norwegian and British contexts and holds that

women's economic conditions must not solely be improved by making women more similar to men but by valuing women's distinctive connection to care and unpaid work (Daly and Rake 2003; Stang Dahl 1994; Wærness 1984).

The *care perspective* has been prevalent in Norwegian feminist thinking (see e.g. Wærness 1984), but is also put forward by British feminists as an alternative theoretical approach to the role of the welfare state (Daly and Rake 2003; Graham 1983). Care is a special social category that includes both the dimension of labour as well as emotions. A distinction can be made between two types of care work. *Personal service*, which is typically provided to a healthy, adult husband and older children, and *caregiving work*, typically provided to young children, the sick and the elderly (Wærness 1982; 1984). It is really only the latter category that should count as care work (Wærness 1984). Personal service work looks similar to care work in the tasks being performed, however it is distinguished by the fact that it could in principle be carried out by the person 'cared for' him- or herself. Although difficult to make this distinction in real life, it theoretically demonstrates that caring as an activity is not always carried out in cases where the person receiving care is 'in need' (Wærness 1982; 1984). The care perspective is a relational perspective. For instance, in the case of personal service work (typically to a husband), the care receiver has a higher status than the care provider (typically the wife). However, there is also interdependence involved with these services. Men's relative independence in the public sphere and working life is based on a great dependency on personal caring services executed by women in the private sphere (Wærness 1984:85). This interdependence may be weakened by welfare states that take on greater responsibilities for caregiving activities. However, in the caring sector within the welfare state, the great majority of employees are women, which means that it is women who have the monopoly on care work in the public sector, as well.

The care perspective provides several important insights. First, caring provides a lens through which the welfare state can be studied, but not in terms of a patriarchal body serving men's interests more than women's. Rather, the state must be regarded as a

social actor that intentionally or unintentionally forms gender relations (Daly and Rake 2003). The welfare state tends to overlook the economic value of care work because the low female labour market participation acts as a precondition for the welfare state's societal organisation of care. This means that women's unpaid caregiving services in the private sector are crucial not only for the welfare of individual families but for the welfare of society at large (Daly and Rake 2003; Wærness 1984). Second, as a social explanation for women's life choices, 'caring rationality' is characteristic for women's agency and constitutes a contrast to the dominating 'rational actor' model, embedded in economic theory. Viewing care work as embedded in personal relations provides an insight into power relations in the family sphere where differences in gender roles are perceived of as rational action within the context of the human experience of feeling concern for and taking responsibility for the well-being of others, especially exemplified with women's identities as mothers (Wærness 1984). Third, it underlines that caregiving must be regarded as part of welfare analyses as care is always embedded in personal relations. But rather than assuming that these relationships are dominated by male suppression and power, caring must be understood as embedded in a complex set of social relations where feelings and emotions such as senses of obligation, commitment, trust or loyalty justify and 'make rational' the act of caring (Wærness 1984). Fourth, the care perspective may serve as a reminder that care work and personal services will always form part of interpersonal relations. Even within the context of a service-intensive welfare state, there will always be the additional need for care and domestic work in the private home. This points in the direction of a limitation as to the extent that gender inequalities pertaining to unequal distribution of caregiving and domestic work in the private household can be solved by state intervention and regulation alone.

In the last decade, several feminist welfare state scholars have aimed to combine the two routes, employment and care, into a blended social model, the so-called 'dual-earner/dual-carer' model (Crompton 1999a; Ellingsæter 1999; Sainsbury 1999). This perspective does not disregard the care-perspective but makes a stronger call for strengthening women's ties to employment and men's ties to caregiving. The notion

for gender equality in this model is therefore that men and women engage symmetrically in care for children and in paid work. This, however, requires state intervention, in particular to support parental caregiving (Ellingsæter and Leira 2006a). However, the theories on ‘the woman friendly welfare state’ (Hernes 1987), the notion of a man’s track and a woman’s track in the welfare state (Stang Dahl 1984), as well as the notion of ‘dual-earner/dual carer’ society (Crompton 1999b; Ellingsæter 1999), all underscore the need of the welfare state to secure gender equality.

1.3.2 Comparative welfare state theory and gender

What could be labelled a feminist comparative welfare state perspective has been devolved as a response to the highly influential ‘conventional’ welfare state regime theory developed by Gösta Esping-Andersen (1990; 1999) and the underlying political-economy perspective in general.¹⁰ Viewing the welfare state as a settlement mainly shaped by class-related conflicts, the welfare regime perspective emphasises the influence of political and economic actors, such as political parties and trade unions, when explaining how welfare is organised in society. Applying the principle of de-commodification, Esping-Andersen refers to the degree that social rights allow people an adequate living standard, independent of pure market forces. By strengthening workers’ rights vis-à-vis employers, a link is made between class stratification and the type of social policy promoted. From this background, welfare state variability can be identified as a response to how welfare states react to competing pressures for de-commodification. The degree of de-commodification determines whether the state responsibility begins only when the market (and the family) fails in providing services. On this basis, Esping-Andersen identifies three clusters of welfare state regimes: the Social Democratic, the Liberal and the Conservative.¹¹ Norway is listed as a Social Democratic regime, which is characterised by high levels of de-commodification, and thus lower market dependence. Britain is

¹⁰ Ann Orloff (1993) refers to Walter Korpi and Gösta Esping-Andersen as representatives for the ‘power resources school’. Here I follow Esping-Andersen (1999) and Daly and Rake (2003), who classify these theoretical viewpoints as the political-economy perspective.

¹¹ In particular, two large debates followed in the wake of Esping-Andersen (1990). One contested the lack of gender focus (for an overview see Sümer 2009, Daly 2000). The second contested the appropriate number of regimes and the positioning of individual countries within regimes (see for instance Arts and Gelissen 2002).

classified as a Liberal regime with low levels of de-commodification. The conservative welfare states, such as Germany, rank in the middle.

The early version of Esping-Andersen's theory was heavily criticised by feminists for being insensitive to gender.¹² Several feminist contributions have been put forward in order to engender cross-national welfare state analysis. The main feminist critique has been directed at the use of the analytical category de-commodification, and the state responses to economic compensation for paid work. According to the feminist critics, to base the analysis on this, is to base it on a male standard and disregards the social rights of citizens that are economically dependent, the majority of whom are women (and children) (Orloff 1993). De-commodification requires that one is first commodified, a designation that applies to men to a larger extent than women. A gender-sensitive analysis of the welfare state therefore needs to recognise the unpaid caring and domestic work carried out by women (Orloff 1993), which was also pointed out by Norwegian feminists early in the debate (Hernes 1987; Stang Dahl 1984; Wærness 1982). Being attuned to class-differences, the political-economy perspective is less sensitive to analyse how the welfare state is an important contributor in terms of generating gender hierarchies by privileging full-time paid workers over workers who do unpaid work or combine part-time paid work with care and domestic work (Orloff 1993).

Several feminist approaches were suggested in order to capture cross-national welfare state analyses. Orloff (1993) suggested to supplement Esping-Andersen's (1990) welfare regime approach with two additional dimensions to capture gender variation, namely the right of women to be commodified, expressed as women's access to paid work, and the capacity of women to form and maintain autonomous households without a male head.¹³ This latter dimension is particularly relevant for a study of

¹² See Sümer (2009) for an extensive overview of the feminist critique raised against Esping-Andersen.

¹³ This is basically the same approach taken by Stang Dahl (1984), but where Stang Dahl emphasised the right of women to gain access to a husband's income inside marriage, Orloff (1993) does not to the same extent base women's rights to money to the married relationship.

partnership dissolution as it investigates the extent to which women are free from compulsion to enter and stay in marriages for reasons of economic provision.

Another alternative approach to engender cross-national welfare state theory has been to look at cross-national variations in terms of male breadwinner regimes. Jane Lewis (1992; 1997) has identified three breadwinner regimes: strong, moderate and weak. These are distinguished by the extent to which state policies adhere to a male breadwinner ideology reflected in the way social policy treats women, and mothers in particular. Focussing on the provision of unpaid work in society, cross-national variation can be found in the level of social service provision and married women's participation in the labour market (Lewis 1992; 1997).¹⁴ Britain is classified as a strong male breadwinner state, and the Nordic countries as weak breadwinner states. In her later works, Lewis refers less frequently to this model, and more to a general societal trend of an erosion of the male breadwinner and a shift in family and work policies in the form of an *adult worker model*, steering the policy development in the direction of pushing everyone – women and men – into paid work (Lewis 2001a; Lewis 2001b; Lewis 2009).

Another cross-national policy model has been suggested to specifically explain variations in economic consequences of partnership dissolution between men and women (Andreß et al. 2006; Andreß 2003). This classification scheme draws on the principle issued by Orloff (1993) that cross-national variation should be reflected in terms of the extent to which family policy grants economic autonomy and enables women to establish independent households without a male head. Four prototypical models of family support are distinguished on the basis of how much economic autonomy is granted the weakest family member: the market model (Britain), the extended family model (Italy), the male breadwinner model (Germany) and the dual-earner model (Sweden). Belgium is used as an example of a state with a family policy that fits both the male breadwinner and the dual-earner model (Andreß et al. 2006;

¹⁴ Other important feminist cross-national and comparative work has also been contributed by Diane Sainsbury (1996, 1999) and her development of a model of three gender policy regimes.

Andrefß 2003). Although Norway is not included in this analysis of family support, it has been suggested that Norway, as in line with Belgium, is also a country that does not fit squarely within one model. Norway has a family policy *dualism*, supporting both the dual earner as well as the male breadwinner/general family support model (Ellingsæter 2003; Korpi 2000; Sainsbury 1994).

Classifications of family policy to capture cross-national variation have been important, but increasingly it has become popular to characterise the development within European welfare states in terms of erosion of the male breadwinner model and a general shift to an ‘adult worker’ model (Daly 2011; Mätzke and Ostner 2010). The adult worker model thesis holds that social policy is increasingly treating women and men as individual workers, an argument relying largely on sociological theory drawing on the individualisation thesis. This holds that there has been an erosion of tradition, structures and roles in the family and a shift towards a society that values individual autonomy over social inter-connectedness. This gives the individual greater opportunity to create her own biography (Beck and Beck-Gernsheim 1995; Giddens 1991). However, caution needs to be taken as to whether the adult worker model signifies a conceptual framework for a new normative model *underpinning social policy* or a *characterization of real life* (Daly 2011). As to the former, Lewis has argued that policy developments indeed increasingly assume the adult worker model and that this involves a set of assumptions about individuals, their work and family practices (Lewis 2001a). However, there remains a gap between this policy assumption and reality (Daly 2011; Lewis 2001a). Reality is better described in Britain as a ‘one-and-a-half earner’ family arrangement, extending to a ‘one-and-three-quarter earner’ family in Scandinavia (Crompton 2006; Lewis 2009). The gender neutral language of the adult worker model furthermore serves to mask gendered practices within work and family life (Daly 2011). The adult worker model does not stand in opposition to the ‘dual earner/dual carer model’, however, it more strongly underscores the earner aspect, pointing out a policy development more concerned with ‘pushing’ women into the labour market than ‘pushing’ men into family obligations, but again cross-national variation is to be expected.

Esping-Andersen has largely been admitting to the feminist critique raised against him, and has revised his early welfare state regime model to better reflect the family institution, as well as the relationship between market and state.¹⁵ Applying a theoretical concept originating in feminist work,¹⁶ Esping-Andersen attaches 'familialism' to describe a welfare regime that assigns a maximum of welfare obligations to the household (Esping-Andersen 1999). 'De-familialization' characterises a regime that maximises individuals' command over economic resources independent of family background. 'De-familialization' thus implies that households' welfare and caring responsibilities should be assisted, either by the welfare state or by market provision. Esping-Andersen applies four criteria by which to measure level of de-familialization: service commitments to families, subsidies to child families, degree of public childcare for under three year-olds and supply of care to the elderly. Esping-Andersen finds that the Social Democratic regime scores high on de-familialization, providing good opportunities for both men and women to participate in paid work via welfare state intervention, the Liberal regime scores low. In Britain, day care is largely left to the market, and, compared to the Nordic countries, is costly. This leaves the families mainly in charge of care for pre-school children, which is provided mainly by mothers and other relatives (grandparents).¹⁷

¹⁵ "The lack of systematic attention to households is painfully evident in my own *Three Worlds of Welfare Capitalism*. It starts out by defining welfare regimes as the interaction of state, market, and family and subsequently pays hardly any notice to the latter" (Esping-Andersen 1999: 47, in footnote).

¹⁶ Esping-Andersen (1999) makes reference to the feminist Chiara Saraceno (1996) as the user of the concepts of 'familialism' and 'de-familialization'.

¹⁷ Another dimension Esping-Andersen (1999) claims to pick up with the de-familiarization concept is an explanation for variations in fertility rates across Europe. Inserting women into paid work has meant that welfare states can no longer rely on the availability of women as housewives and full-time carers. Welfare states are actively or passively encouraging familialism, and this in turn is diminishing welfare as it leads to lower fertility, lower household incomes and higher risks of poverty. This threatens the future of the welfare state (Esping-Andersen 1999; 2002; 2009). Here the theme of maternalism is found in Esping-Andersen's analysis, but as observed by Sümer, "*Esping-Andersen moves to a feminist position through an economic argument*" (Sümer 2009:33), stating that women's paid employment is economically efficient as lack of de-familialisation leads to low fertility. This is in opposition to the feminist position, demanding recognition for the role of motherhood and women's unpaid care work. In feminist work, the theme of motherhood and the welfare state has rather been expressed as an ideology underpinning social policy and in the focus on care work, which regardless of level of welfare state service are tasks that need to be performed, especially in relation to small children (Daly and Rake 2003; Lewis 1997; Wærness 1984).

The political-economy perspective in general, and the welfare regime model of Esping-Andersen in particular, brings important insights in terms of studying the welfare state from a gender perspective (Daly 2000; Daly and Rake 2003). First, embedded in empirical measures, the regime theory has been able to demonstrate that welfare states cluster into regimes. Great explanatory power is offered in the observation that cross-national differences in welfare state intervention contribute different logics to which variations in the state-work-family connections can be explained. The regime theory is therefore powerful in serving as a *sensitizing device* for exploring cross-national variation. Second, this scholarship has brought to the foreground that the welfare state involves, and indeed is shaped by and shapes, conflicts of power (although it has tended to express this in the form of stratification along class lines, rather than in terms of gender inequalities). Third, in continuation of this point, redistribution of welfare in the political-economy approach has tended to be seen as a reflection of a series of power balances in society. This has been important in bringing to the foreground the understanding that welfare is indeed contested and influenced by ideology, and has also demonstrated the links between democracy and capitalism (Daly and Rake 2003).

But the political-economy perspective has also played down the need to theorise gender relations (Orloff 1993). In the view of some feminists, this has meant that too little attention has been directed towards “the nuts and bolts of policy” and to the redistributive effects of welfare policy (Daly and Rake 2003:12; Lewis 1992; Lewis 1997). The way gender is recognised in the welfare state regime model is in the distinction made between familization/defamilization. This integrates the family into the analytical framework, but is less attuned to capture how different welfare states operate to underpin gender relations within the family unit (Daly and Rake 2003; Ruspini and Dale 2002a). Furthermore, this analytical distinction on the family is expressed in relatively static terms, and hence bears little recognition that the family unit may be changing in its construction and societal functions (Daly 2011). A similar critique is also directed at the use of typologies in more general.¹⁸ They remain

¹⁸ For a general overview of the critique of welfare regimes as ideal types, see Arts and Gelissen (2002).

‘frozen’ in time and therefore are constraining in terms of generating significant new insights and to capture policy developments that could lead countries to shift regimes. The typologies also serve to significantly downplay within-regime variations. National policy models are more complex than what a regime model would suggest, as national states in practice will combine policy elements from various cases. Besides, policy models develop and change over time, hence new developments, complexities and opposing trends within national cases may not be entirely captured by conventional typologies (Daly 2000; Daly and Rake 2003; Dewilde 2003; Ellingsæter 2006). Following this position, it makes sense to more carefully examine national policies in a country comparison, allowing for a more detailed explanation of cross-country differences. This is an approach more closely associated with a case study design and is also the line of argument which will be pursued in this thesis, a position that will be developed in the next chapter.

Although the political-economy perspective and the feminist perspectives presented above are important for a gender-sensitive analysis, they share a common weakness in terms of acknowledging change (Daly 2000; Daly and Rake 2003). This is possibly due to the relatively fixed notion that underlies these theories, either that of the welfare state as serving the interests of capitalism or patriarchy.

An alternative comparative welfare state approach has been suggested by Daly (2000) and Daly and Rake (2003). Rather than assuming that countries adhere to an underlying model in the form of welfare state regime, breadwinner regime or family policy variation, a gender-sensitive welfare state analysis is more meaningfully elaborated by applying an approach closer to the case-study, where each country is recognised and described as qualitatively different units. This also makes it less problematic to position cases, such as the Norwegian, into a certain regime model. The relations between the welfare state and gender is best observed via three lenses: care, work and welfare (Daly and Rake 2003). But rather than building a case from a ‘clean slate’, the various cross-national ideal types may serve as ‘sensitizing’ tools from

where discussion can proceed. In the next section a more dynamic social theory, the life course perspective, is outlined.

1.3.3 The life course perspective, state and gender

To study partnership dissolution with the intention of analysing gender inequality requires a research strategy sensitive to social and individual change. The life course perspective holds a promising avenue for this purpose (Dewilde 2003; Mortimer and Shanahan 2006). Life course research concerns transitions, trajectories and events made by persons across the life course. The study of life course dynamics may span a relatively long time period such as implied by the concept of trajectory, or over a short time, as is the case in this thesis, through the study of events or life transitions (Elder 1985; Hagestad 1991). It offers to the study of the dynamics in women's and men's life courses both a theoretical notion at the micro and macro level. This notion of analysing economic welfare as the outcome of 'lived life', i.e. how the life course shifts over time, can also be meaningfully paired up with a methodological framework for analysing longitudinal panel data. This will be further discussed in chapter two.

At the micro level, divorce or partnership dissolution is as a phenomenon inherently *dynamic* in nature and is therefore in a life course perspective treated as a transition between two separate life domains: between being in a relationship and being single (Hagestad 1991). In a study of social and gender inequality, it can be helpful to make a further distinction between a life course 'event' and a life course 'transition' (Dewilde 2003). A transition refers to changes that are in accordance with a socially constructed life course, and is therefore tied in with generally accepted age and gender norms. Transitions may be more or less predictable for the individual, but they are less problematic as they are expected to be experienced by a majority of the population. Transitions are normative in the sense of being "*socially created, socially recognized and shared*" (Dewilde 2003:125). An example of a normative transition is for a young person to move away from the parental home to set up an independent household. An 'event', on the other hand, may not *a priori* be differentiated by age and gender norms and it may be more or less predictable. The lack of foreseeability in relation to events are therefore more likely to lead individuals into certain situations such as poverty

(Dewilde 2003). This happens as individuals better prepare themselves for transitions than less predictable events. Similarly, the social support of institutional (welfare state) and informal (kinship) structures may be more comprehensive in terms of life course transitions than events. Partnership dissolution and unemployment are examples of life course events. This thesis is therefore first and foremost interested in the economic impact of events and not transitions.

Situating partnership dissolution as a life course *event* means that the life course approach draws focus to the dynamics in male and female life courses, and how these are interlinked, in the sense of partly being shaped by and partly shaping social policy, with the social processes or mechanisms that generates this inequality (Daly and Rake 2003; Dannefer 2003; Ruspini 2000).

Another feature of the life course perspective is that it draws attention to the importance of where and when an event takes place when exploring its significance (Elder et al. 2003; Kohli 2009). Historically, divorce has shifted in meaning quite rapidly over the past decades, from carrying a strong stigma, being if not prohibited, at least limited by law (especially in Britain), to becoming both a socially and legally acceptable and ‘normalised’ life course event (Sørensen 1991). In addition, the growth in cohabitations and subsequently non-marital dissolutions has created a ‘new’ phenomenon of partnership dissolution, as opposed to merely divorce. Cohabitation started out as being limited to a specific and very young population segment but has now become widespread and has started to mirror marriage behaviour. In Norway, three out of four persons born in 1950 or later either lives in or has lived in a cohabitation (Dommermuth et al. 2009) Legislation has also, to some extent, followed this trend, so that now cohabitation and marriage are treated more similarly in a legal sense, particularly in Norway. This means that as a life course event, marital and non-marital dissolution have become more similar, and so it also becomes sociologically meaningful to study the two together, as is done in this thesis.

From a macro level, the life course perspective is furthermore instructive in the way it links the significance of historical time to gender. In the industrial era, the state and market institutions influenced men's life courses the most. The structuring of women's life courses have been more influenced by the demands of the family and reproduction (Mayer 2005). In the post-industrial era, this has shifted as women's behaviour has changed in relation to participation in paid work, but also in terms of reproduction (fertility) choices. This has led women's life courses to become increasingly structured by state and market forces, which is what is being reflected in the theoretical notion of the *masculinisation of the female life course* (Esping-Andersen 2009). But despite this trend, the female life course is still strongly shaped by discontinuity in the sense of moving between different spheres of activity, between work and care, compared with the more continuous male life course. This is captured in the notion of a lesser degree of *feminisation of the male life course*. Gender inequality is therefore upheld as women's life courses have changed more than men's. In terms of women's role in society, this process has in popular terms been coined 'gender equality light' (Skrede 2004), 'a half-changed world' (Gornick and Meyers 2005)¹⁹ or 'the incomplete revolution' (Esping-Andersen 2009).

The life course perspective also theorises the link between the welfare state and the individual, or between the macro and the micro level. A central argument is that the shape of the state, market and family nexus constitutes an opportunity structure for the individual, as well as a constraining structure (O'Rand and Krecker 1990). That is, the shaping of the macro structures has a direct impact on the living conditions on the micro level (Leisering and Leibfried 1999; O'Rand and Krecker 1990). The outcome for the individual of a life course event at the micro level must be analysed in relation to this macro structure.

There is a disagreement as to the importance the state holds in the shaping of the macro structure. The '*institutionalisation of the life course*' hypothesis regards the

¹⁹ ¹⁹ Gornick and Meyers has borrowed the term "a half-changed world" from the writer and journalist Peggy Orenstein's book (2000) *FLUX: Women on sex, work, kids, love and life in a half-changed world*. Anchor Books: New York.

state as the most important actor (Leisering and Leibfried 1999; Mayer 2005; Mayer and Müller 1986; Mayer and Schoepflin 1989). By integrating some life course transitions into its safety net and excluding or ignoring others, the state is an effective agent in structuring the outcomes of life course events and social risks (Leisering and Leibfried 1999). The way the state is effective in achieving this is by basing policy measures on normative models reflecting class and gender divisions. Social policy therefore explicitly or implicitly influences the life course. For instance, the state has income protection systems in cases of unemployment, but not an income protection for a divorced housewife whose labour efforts have been invested in care work for the family. This means that the link between the institutionalisation of the life course by the welfare state and poverty is quite direct in the institutionalisation of the life course perspective: *“people who are affected by non-insured social risks and who lack private resources will end up relying on welfare, if they are eligible”* (Dewilde 2003:121).

However, it may be more complicated from the perspective of the state than to simply shift its normative constitution and to offer better protection against gender and class related risks (Dewilde 2003). A second *‘de-institutionalisation of the life course’* hypothesis plays down the role of the state in forming individual’s life courses, and points to other important macro structural changes outside the state with wide impact on the resource distribution at the micro level. Changes *exogenous* to the state take place within the family unit and inside the labour market, which in turn weakens and alters the links between the state and the family.²⁰ The de-institutionalisation hypothesis is not ignoring the state influence on shaping individual life courses, but it is concerned with analysing a range of exogenous factors that contribute towards a stronger degree of *de-institutionalisation* of the life course. The outcome is highly diversified life courses, changed risk structures, a weakening of the public management of risk and increased inequality (Bonoli 2006; Esping-Andersen 2005; Esping-Andersen 2009; O’Rand 2003). Labels like ‘de-institutionalisation’, ‘de-

²⁰ Another important exogenous factor constraining the state’s possibility of shaping individual’s life courses and generating new social risks is immigration. The immigration factor is not further theorised in this thesis.

standardisation' and 'individualisation' have been used to claim that the link between the welfare state and the life course has been transformed (Dewilde 2003). For example, whereas Western states have found it relatively easy to form systems for income protection against some important life course transitions, e.g. between youth and adult life and between adult life and old age,²¹ exogenous forces like family change become more challenging for state regulation, and hence new social risks are generated as a result of exogenous forces weakening state influence (Bonoli 2006).

Welfare states have responded differently to exogenous pressures generated by family change. This has resulted in cross-national variation in the economic outcomes of partnership dissolution. In Britain for instance, policies that could be regarded as intervening into the private sphere of family life have generally been shunned by politicians, whereas Norway has had a tradition of a stronger regulation of family life. It is therefore not just the increase in divorce rates per se which represents a risk but rather the societal response and economic provisions made to meet these changes.

In sum, there are some considerable advantages with the life course perspective for the study of gender inequality following partnership dissolution in a cross-national perspective. Drawing attention to gendered variations in the continuity and discontinuity in the life course, the perspective sees micro level changes in light of larger structural changes in society. Hence, the life course perspective is concerned with linking societal change at the micro and macro societal levels. The life course perspective also deals theoretically with variation, something which also makes this perspective suited to explain cross-national differences between welfare states and the variations in underlying normative life course models and state policies (Leisering and Leibfried 1999). The perspective is also useful in that it shares a notion of agency both at the individual level and at the level of the welfare state. At the individual level, the term *life course* has a double meaning: both in terms of a regulated path that lives should follow and where deviations from this path may lead into poverty, and second,

²¹ Education in the early life stages secures the individual economic provision during adult life, and retirement pension provides economic security for the inactive years in old age.

in the individual biographical sense as the notion of the individual's encounter with his or her own history (Leisering and Leibfried 1999:37). The agency of the state is captured in the notion of how the welfare state holds the power to shape individuals' lives by accommodating both individuals' material and ideological circumstances. This is not to say that the welfare state acts as one agent, rather the *agency* of the welfare state is exercised through *many agents*, which may sometimes act contradictorily, but where the totality of their actions make up the agency of the welfare state (Daly and Rake 2003).

1.3.4 Discussion and assessment of the theories presented

Combining the care perspective with the life course perspective contributes to shed light on the gendered impacts of partnership dissolution. Female caring choices that seemed rational within the context of the couple family logic may turn 'irrational' in hindsight, especially for women who have invested in caring for children and family. For men, a similar division of labour where men are the main earners and supplementary carers within the couple family may, in the event of partnership dissolution, turn irrational in the sense of feeling a loss of closeness to one's own children. The care perspective offers a theoretical understanding of life decisions being driven by forms of rationality other than economic ones, but where these decisions may still become economic in their consequences. Or, put in the language of the life course perspective: a life course event such as partnership dissolution may carry unintended (and negative) consequences that constrain life course opportunities in the future. This also means that in light of increasing divorce rates, relying on a male breadwinner increasingly becomes a risky life course strategy for women. The dominant normative welfare state model is also shifting towards the adult-worker model (Mätzke and Ostner 2010). But since the adult-worker model is a reality to a greater extent realised for men, the economic risks associated with partnership dissolution are disproportionately borne by women. The empirical investigation of partnership dissolution therefore needs to be embedded in an understanding of the influence of the past on the present economic situation, but also situated within a larger macro-structural context.

Here, this macro-context is reflected in the functioning of the welfare state, delimited to the national contexts of Norway and Britain. Drawing on the literature review above, however, there are several facets to the welfare state. Most obviously, the welfare state is an economic actor in that it intervenes, via its policies, in a way that reallocates and distributes resources. In its redistributive impacts, the welfare state also reallocate life chances (Daly and Rake 2003). However, welfare state non-provision, for instance in terms of caregiving services or economic redistributive policies, may be equally important in its implications for gender inequality (Daly and Rake 2003). This brings to light a second important aspect of the welfare state, that the way it influences men's and women's life courses is through often-contradictory gender ideologies. For women, the welfare state may grant women economic autonomy (e.g. allowing them to live as lone parents), while at the same time create new welfare state dependencies, in the form of provisions, services, and also as a flexible employer (Hernes 1987). The welfare state thus forms a crucial role in creating and reinforcing social values, including those attached to social roles such as spouse, worker and carer. The welfare state functions both in terms of redistributive, political and social processes. Hence, cross-national welfare state variation may be envisaged in terms of "*welfare states' involvement in the regulation, production, distribution and politicization of welfare*" (Daly and Rake 2003:36).

Scandinavia and Norway are regarded as front-runners in terms of gender equality. However, it is important to acknowledge that the particular meaning of gender equality promoted in these countries is largely based on a notion of *sameness* (Bygnes 2010; Holst 2007).²² Hence, the explicit goal for gender equality policies has been to achieve *gender neutrality* within the family and society at large (Hernes 1987).²³ In practice,

²² Feminist scholars have long been debating whether gender equality for women is best achieved via *sameness* or *difference*. This is sometimes portrayed as Wollstonecraft's dilemma, after Mary Wollstonecraft, women's activist and suffragette. She early pointed out that striving for gender equality means on the one hand striving for sameness, in the sense of becoming the same as men. But this is to demand the impossible because it excludes precisely what patriarchal citizenship also excludes, namely the distinctive attributes, capacities and activities of women (Pateman 1992).

²³ This is not to say that there have not been policy initiatives in Norway which could be taken in the support of gender equality based on the notion of *difference*. For instance, supporting the role of men as care-takers as well as cash-for-care reforms which remunerate care work, are examples of this. These policies will be discussed

this has mainly involved women changing their behaviours to become more similar to men, although more recent policy initiatives, particularly in Scandinavia, have started to focus on altering the behaviours of fathers (Ellingsæter and Leira 2006b). The notion of sameness is also reflected in quantitative and empirically-oriented social research which has held as the most important success criterion of gender equality, that women are included in politics and the labour market, at largely *the same level as men* (see for instance Kjeldstad 2001; Skrede 1999). This has resulted in gender equality being measured after a '50/50' distribution principle or a form of 'balance feminism' (Holst 2007).²⁴

The task for quantitative research in commenting on gender equality has therefore largely been confined to providing gender distributions on a range of indicators based on cross-sectional data. In this sense, quantitative analyses of gender inequality can be said to carry the implicit notion that the problem in question is solved when distributions between men and women look the same. This is, however, unlikely to be a very 'gender-sensitive' approach, as a 50/50 balance may coexist with large inequalities between men and women, as long as the group distribution is balanced (Holst 2007). Furthermore, it potentially undermines the usefulness of statistical measures informing gender inequality debate in several ways. First, if used unwisely, these types of quantitative measures may actually contribute to *conceal* existing gender inequality. Second, the use of cross-sectional aggregate measures sit uncomfortably with the insights from social theory that women's poverty and the experience of new social risks come about as an outcome of social change, such as family change, and that past experiences may structure future life outcomes. Third, the 50/50 measures are also unsuited to reveal how any gender equality outcomes come about, and whether women depend more on the welfare state than men, as suggested by social theory (Esping-Andersen 1999; Hernes 1987; Stang Dahl 1984). Gender

more in chapter 3. The point here is that in a context of quantitatively *measuring* gender equality, a 50/50 distribution has been the dominating strategy.

²⁴ A 50/50 distribution between men and women is for example applied in the quantitative measures used in the Norwegian 'Barometer of Equality' (2000-2005) (Ombud for Equality) and 'SaLDO' (the new joint Ombud for Equality and Anti-Discrimination) (2007-2010) which is a series of reports with the purpose of monitoring the equality and discrimination situation in Norway.

differences in welfare state dependence is important to explore, not the least in terms of discussions around which groups in society will be most hit by welfare state retrenchment and economic recession. Therefore, ‘gender sensitive’ research needs to apply a strategy and methodology which can evaluate women’s and men’s economic vulnerability in light of changing household contexts and in terms of gender differences in state and market dependencies.

A necessary prerequisite to achieve this goal is the access to comparative and longitudinal data, which follows individuals over time, and thereby contains information about how household incomes fluctuate in light of changing household and work contexts (Jonsson and Mills 2001; Ruspini and Dale 2002a). It is therefore not the life course seen from the perspective of the individual that becomes interesting, where life events may be rationalised according to biographical stories of more or less intentional character. Rather, it is *the aggregate of individual life courses* which become the study object and where gendered social inequalities, vis-à-vis changing family contexts, in need of explanation may be revealed (Jonsson and Mills 2001).

1.4 Outline of rest of thesis

In sum, divorce and partnership dissolution is an important subject for ‘revitalising’ the discussions on gender and the welfare state. But since the role of the state varies between countries, it is also a topic that is suited for cross-national comparison. This means that partnership dissolution constitutes an intersection of many important dynamics in contemporary societies: family and work changes, income loss and poverty and welfare state challenges. As such, partnership dissolution makes for an interesting case into the study of gender inequality.

To follow up on this theme, the outline of the rest of this thesis is as follows. Chapter two is the methodology and data chapter where advantages of the comparative and longitudinal approach applied in this thesis are outlined. The chapter also contains information on the two data sets analysed in this thesis: the Norwegian Level of Living panel study and the British Household Panel Survey.

Chapter three looks closer at the institutional background in the two countries compared by looking at family policy measures and marriage law. It is assumed that cross-national variation in institutional frameworks will have an impact on the economic consequences of partnership dissolution.

Next follows the three empirical chapters in this thesis, all contributing in different ways to analysing whether gender income inequality is a consequence of partnership dissolution. The first, chapter four, analyses the risk of experiencing income poverty following two different events that leads a household to deviate from the dual-earner norm, namely partnership dissolution and employment related events. The poverty line approach is applied as a yardstick for assessing gender inequality, hence drawing on the argument that if women have a higher risk of poverty following partnership dissolution than men, than this can be understood as gender *inequality*. Furthermore, this analysis also draws out comparisons between those who do not experience the event of partnership dissolution ('intact couple') versus those who experience partnership dissolution ('broken couples').

Chapter five further examines the role of the welfare state in its impact on the post-dissolution economic situation of a household, looking at the extent to which the welfare state acts as a buffer to prevent gender inequality as a consequence of partnership dissolution by protecting women against income loss. Drawing on an income-decomposition analysis, this chapter makes for an opportunity to discuss the extent to which women and men differ in their dependencies on the state and the labour market for securing their own economic welfare

The last analysis, chapter six, shifts the focus from differences in macro welfare context to exploring the extent to which differences in individual level characteristics, more precisely caring responsibilities and employment relations, impacts women's and men's post-dissolution incomes.

Chapter seven is the concluding chapter where the main issues raised by the theoretical framework, including policy outline, the methodologies applied and the empirical investigations carried out are discussed.

2 Methodology and data

2.1 Introduction

The purpose of this chapter is to account for the research methodology applied in this thesis. The chapter expands on the gender-sensitive, comparative and longitudinal approaches to the study of gender income inequality following partnership dissolution, sketched out in the previous chapter. The methodological strategy rests on two pillars. The first is the use of a comparative approach, more specifically, a comparison between two welfare state contexts, the Norwegian and British, treated as two different cases. The choice of a comparative approach is related to the theoretical framework presented in the previous chapter. The second pillar is the use of a longitudinal approach and the application of longitudinal survey data in the analysis, which is particularly useful for examining how major life course events, such as partnership dissolution, impacts on women's economic vulnerability (Dewilde 2002; Ruspini 2002b:21).

The chapter is divided into four parts. First, the comparative case-study approach is presented in section 2.2. Second, the longitudinal approach is outlined in section 2.3, and discusses in particular how it benefits a gender-sensitive study. Third, the assumption of pooling household income is assessed as well as two different strategies of 'engendering' pooled household income measures. Fourth, extending the previous point, the two longitudinal panel data sets applied in this thesis are described in section 2.5. The final section 2.6 contains the definition of partnership dissolution applied in this study and an assessment of the income measures used. Further descriptions of samples, variables and methods of analysis used in the thesis are presented in the empirical chapters four, five and six.

2.2 Comparative and cross-national case study design

The linkages between women's economic vulnerability and women's positions in paid employment and their caring obligations in the family can be seen in light of the wider welfare state structures and the constitution of the female life course. Interruption of women's employment in relation to childbearing and rearing, women's tendency to

work part-time (in order to accommodate their family work), and women's concentration in relatively few occupations with low salaries and career prospects may curb women's economic positions and increase women's poverty risks in relation to divorce (Ruspini 2002b; Stier 2009). However, to some extent, the nation-specific shaping of the welfare state will enable or constrain women and men in their employment and caring choices, which will have implications for women's economic vulnerability after partnership dissolution (Andreß and Hummelsheim 2009b; Stier 2009).

From a methodological point of view, a challenge for this study is related to how the interplay between welfare state contexts, the individual life course and gender relations is to be examined and incorporated into a survey-based analysis.²⁵ The welfare state comprises many institutions, sometimes with opposing effects on an individual's welfare. This means that the significance the welfare state holds is of such a nature that it cannot easily be reduced to single indicators to be 'estimated' in a regression model. In appreciation of the complexity of the welfare state and its specific agency, the methodological strategy adopted in this thesis is a *comparative case-study design*.²⁶

The general aim of case-oriented research is to relate the phenomena being studied to the wider economic, social and historical context in which they take place (de Vaus 2008; Ragin 1987). Observed gender income differences in a case-study are therefore linked to a detailed and complex description of differences and similarities in policies and regulations between the countries compared (Sigle-Rushton 2009a). This requires an in-depth knowledge of the nation-specific welfare state framework. Relevant welfare state influences which will be considered in this thesis are: how welfare states provide monetary transfers and fiscal relief, how the public infrastructure enables

²⁵ Administrative registers such as marriage, divorce and income/taxation records may also be exploited in such a study and can be useful in the sense that they contain more individuals than a survey sample. However, such registers were not available for this project. There are also other problems with register information. For instance, information about cohabitation is normally lacking. Without being able to include cohabitation in the analysis, it also becomes problematic to estimate post-dissolution household size. This may have a serious impact on post-divorce household income estimates, as they cannot be controlled for household size. The use of register data may therefore be ill suited for researching post-dissolution incomes (Kirkeberg and Pedersen 2000).

²⁶ Another common research strategy is to capture the significance of the welfare state through a regime approach, e.g. welfare state regime (Esping-Andersen 1990).

family members to participate in the labour market, and how the state enact laws which protect children and former partners from economic loss (Andreß and Hummelsheim 2009b). The first comparison presented in this thesis is therefore between the Norwegian and British welfare state policy contexts, and is presented in chapter three. The reference unit in the comparison is the nation state, the level at which family policy and law is directed. This is not to disregard that there may be intra-national differences in the impact of welfare policies, but it falls outside the scope of the thesis to examine these any further.

A case-oriented strategy compares outcomes by being sensitive to the context in which the outcomes are produced (Ragin 1987:35). This is a strategy that works best when focusing on only a small number of cases, and studying *in depth* the determinants affecting the outcome, i.e. the institutional shaping of the welfare state and the nation-specific gendered care and work relations (Stier 2009). With many countries involved in the analysis, this rapidly becomes an insurmountable task. Therefore, this thesis limits the comparison to two countries, Norway and Britain.²⁷

There are several reasons for why these two countries were selected for comparison. As was pointed out in chapter one, an important task at the outset of this PhD project was to introduce Norway to the field of cross-national and comparative research into the economic consequences of partnership dissolution. It was therefore pivotal to find an appropriate contrast case. Britain was selected for this purpose for several reasons, both substantive and pragmatic. First, Norway and Britain have similarly high divorce rates but differ in the significance the role welfare state plays for gender equality. The advantage of comparing two relatively different cases is that this method can be thought of as being similar to an experiment (De Vaus 2001:51). Hence, the analysis of whether the economic consequences of partnership dissolution under differing welfare state conditions yield predictable differences in outcome will contribute to the

²⁷ Another strategy often applied by researchers wishing to follow a case-study approach is to gather several 'single country cases' into one book volume where different authors contribute different single country analyses, and where the editors draw the links between them in a concluding chapter (Andreß and Hummelsheim 2009a).

development of greater confidence that the causal process of income change is related to the differing welfare state contexts (De Vaus 2001).

Second, systematic cross-national comparisons may be valuable for research seeking to determine whether an explanation developed in one or more cases has wider applicability (De Vaus 2001:51; Hantrais 2009:49). Previous cross-national research into the economic consequences of partnership dissolution has concluded that women's incomes are more negatively affected by this critical life event than men's incomes. However, research conducted only for Norway had found less evidence of gender income inequality following dissolution. The use of deviant cases integrated into a cross-national comparative research design is useful for testing the wider applicability of research findings and for forcing potential re-evaluation of key theories and concepts (Hantrais 2009:49). Hence, in this instance, the comparison between Norway and Britain is interesting because it can highlight the wider applicability of the negative impact of partnership dissolution for women, and also force a possible refinement of theory, concepts and measures used to understand *why* economic outcomes between women and men differ after partnership dissolution. Third, for more pragmatic reasons, data were easily available for Britain in the form of the BHPS study, which made Britain well-suited as a contrast case. Finally, the author has also lived and worked in both countries and hence has a comparatively better knowledge of these two country contexts compared with other countries.

With this *comparative* research strategy, the welfare state takes a central role in explaining why gender income inequality differs between countries. Behind this methodology also lies a specific notion of the welfare state. Welfare states must be seen as "*complex and integrated wholes*" (Daly and Rake 2003:42). This means that the 'effect' of the welfare state cannot be reduced to the specific and 'narrow' influence of particular institutional arrangements. The welfare state must rather be understood in a holistic manner. The aim of this thesis is therefore *not* to test the effect of one or more specific national policies on the economic outcome after separation (i.e. not to do an effect evaluation, of for instance the direct effect of child support on

women's economic outcome after divorce). To do this, a different comparative approach would have had to be applied.²⁸ The explanatory power assigned to the welfare state is not derived via statistical testing, but is 'observed' in the cross-national *comparison* of variations in access to income after dissolution. This thesis is therefore first and foremost designed to outline the general influence the nation-specific welfare state system holds on individual's economic status, after separation. It is less attuned to identifying specific mechanisms (i.e. specific policy programmes) within the broader welfare state context that may affect individual's income situation.

A case-oriented, comparative design also holds the advantage that it is possible to test whether the same change in life circumstances leads to the same outcomes in the countries compared. The other cross-national comparison in this thesis is that of women's and men's income changes following partnership dissolution, based on household panel survey data (presented in chapters four, five and six). These analyses examine whether experiencing the same event (here: partnership dissolution) leads to the same economic outcomes between different countries and between women and men, or not. If differences in outcomes are observed, than this poses the question of *why* gender income inequality following divorce and separation differs cross-nationally. To answer this, observed income differences are in the next instance attributed to divergences in national welfare state contexts. This is a common strategy in cross-national survey research where the aim is to *explain* diverging outcomes with reference to the nation-specific linkages between welfare state and the phenomenon being studied (Andreß and Hummelsheim 2009a; Daly 2000; Daly and Rake 2003; Sigle-Rushton 2009b). The case-study is thus an evidence-oriented strategy (Ragin 1987), and where explanatory statements about the gendered linkages between work, care and welfare state can be developed on the background of empirical analyses coupled with a broad economic, social and historical welfare state context (Daly and

²⁸ For an overview of other comparative methodological research designs for measuring the direct effect of different policy measures see for instance Sigle-Rushton (2009) or Stier (2009). Statistical tools frequently applied in 'policy impact evaluation' research are for instance difference-in-difference and matching methods, regression discontinuity design and (quasi/natural) experiments. Such tools will not be used here, and the view taken here is that to isolate a few factors or elements of the welfare state institutional structure, with the aim of testing the isolated effect of these policy measures, may be misleading, or at least a too narrow analysis strategy for interpreting the impact the welfare state holds on the economic consequences of partnership dissolution.

Rake 2003:42). In a case study, contextual information is collected about the case, so that there is a context within which to understand the causal process being observed (De Vaus 2001:50).

The case-study approach to some extent stands in opposition to another common strategy in the comparative literature, which is to explain cross-national differences by means of a typology, such as a regime model. Whereas this study does not disregard the important insights gained from regime comparisons, and how such comparisons have been able to demonstrate how welfare states cluster according to more or less coherent embodiments of institutional arrangements (e.g. Esping-Andersen's (1990; 1999) welfare state regime model), this thesis is not concerned, for instance, with testing the internal validity or positioning of specific countries within such typologies (e.g. Uunk 2004), or in developing new typologies for understanding cross-national variation in the economic consequences of separation (Andreß et al. 2006; Andreß 2003).

The position taken here is that the regime literature has an inherent weakness in that it positions countries into models, whereas countries may not always fall neatly into these pre-defined typologies. Moreover, policies may develop over time and regime models are not necessarily able to capture how nations develop and perhaps shift their regime positioning. Since a primary aim of this thesis is to introduce a country that has not previously been analysed to the comparative divorce literature, the Norwegian case, this thesis has opted for a methodology that is more attuned to national complexity than studies relying on the regime logic. To the extent that this study is engaged in the regime literature, it is more on the level considering to what extent the Norwegian case can be said to be fitted into existing regime classifications, such as the Social Democratic welfare state regime of Esping-Andersen (1990; 1999) or family support typology of Andreß (2003). Deviant case studies are useful in theory building as they can contribute to refine and sharpen existing hypotheses (Hantrais 2009).

Of course, there are limitations to the comparative case-study approach. As in all case-oriented research, the goal of appreciating complexity is given precedence over the goal of achieving generality (Ragin 1987). This means that the findings from this study are not necessarily directly transferable to other country contexts. Furthermore, the ‘holistic’ position taken on the welfare state means that it is not possible to determine the effect of specific policy programmes or benefit initiatives on the outcome in question (Stier 2009). This may leave the research less relevant for policy makers, who are often more interested in specific policy initiatives rather than the *general* welfare state influence on the household economy.

2.3 Longitudinal research approach

The use of a longitudinal approach in this thesis refers first and foremost to the survey data that are analysed. ‘Longitudinal’ is an imprecise term but is here taken to mean that the data consists of repeated observations, gathered over several consecutive waves, so that individuals can be followed over time. The longitudinal approach is therefore a *dynamic* approach, analysing relations between phenomena which evolves over time (Ruspini 2002a).

The writer of this thesis wishes to contribute to a research programme exploiting longitudinal data to ‘engender’ analyses of income change (Ruspini 2000; Ruspini and Dale 2002b). This includes a clear strategy to empirically demonstrate the underlying processes by which women and men fall into, experience, and escape economic vulnerability. For this purpose, the interaction between critical events and changes in resource distribution in the family, labour market and welfare state institutions are analysed. Understanding the impact of life course dynamics on income change and poverty risks requires access to longitudinal data. Despite this particular advantage of observing shifts in gendered distributions of economic resources, longitudinal data analysis has not been widely applied in feminist-inspired analyses of gender inequality. A problem for feminist researchers wishing to query into gendered distributions of economic resources has often been the lack of longitudinal data or the lack of knowledge on how to analyse longitudinal data (Ruspini and Dale 2002c). This is unfortunate given the unique opportunity provided by longitudinal data in

understanding the gendered impact of family change on women's income risks. The impact partnership dissolution has on the household economy can be disentangled by linking changes in the life situation of women and men to the interaction between individual action and the wider social structures (Ruspini 2002b).

The more common approach within feminist-inspired cross-national empirical studies has been to apply cross-sectional data, and focus on different groups of economically disadvantaged women such as women receiving benefits or lone mothers (Daly 2000; Daly and Rake 2003; Hansen et al. 2006; Sørensen 1994). However, cross-sectional studies do not integrate into the analysis how women enter into the economically difficult situation, for instance, that the most common way in which to enter lone motherhood is through separation and divorce. Therefore, instead of studying lone motherhood per se (in a cross-sectional fashion), analysing partnership dissolution as a *transition* is a more direct way of examining the link between family change and income change.²⁹ This provides a strategy of empirical analysis that is better equipped for pointing to the *causes* behind economic risk and poverty, in that conditions preceding the dissolution can be taken into account into the analysis. Longitudinal research is therefore better for making statistically valid conclusions on causality, or at least aims in that direction (De Vaus 2001). Panel data provide information on the same individual for several consecutive years and can therefore be used to identify the order in which events take place, hence it is possible to determine whether income changes take place before or after the dissolution. Observing the income of a household before partnership dissolution ('pre-test') and the household income after partnership dissolution ('post-test') assigns explanatory power to the critical event between the two time points compared as being the presumed causal variable behind the income change (De Vaus 2001:43). Therefore, any income change between two observation points can be connected with great certainty to the inter-mediating event of partnership dissolution. The drawback of focussing uniquely on partnership

²⁹ An admitted weakness is that this approach only analyses those cases where lone parenthood starts when a relationship ends, and excludes from the analysis those who have children without having a partner.

dissolution as an event is that it excludes from the analysis other economically vulnerable women such as lone mothers who never had a partner present.

A longitudinal research design is superior to a cross-sectional design. Longitudinal data, and the appropriate techniques of analysis, make it possible to examine the economic consequences of partnership dissolution as a function of *both past and contemporary experiences* (Dewilde 2002; Poortman 2000; Smock 1994). This means that the direction of change and causal connections can be studied. With longitudinal panel data, it is possible to identify whether an event occurs before or after another event, and thereby it is possible to establish whether one event is the cause of another event with greater probability. Here in this thesis it is established how incomes shifts after partnership dissolution, which thus lends explanatory support to the assumption that partnership dissolution caused the income change (De Vaus 2001).

Longitudinal research methods, such as panel data methods, therefore have greatly improved the possibility of making inferences with regard to the mechanisms behind poverty, exploring which critical events may act as triggers of income changes (DiPrete and McManus 2000; Ruspini and Dale 2002b). In addition, longitudinal data and the application of appropriate techniques of analysis greatly improve statistical analysis by allowing the researcher to be in a better position to control for unobserved explanatory variables (Petersen 2004).³⁰

The application of longitudinal data also more closely corresponds with a theoretical life-course perspective, where life course events are seen as advantages and disadvantages accumulated over the life course (Dannefer 2003). That is why the use of longitudinal data reflecting family change is particularly important for informing research interested in establishing the links between gender inequality and the dynamics of women's life courses (Ruspini and Dale 2002b). However, a small but growing number of studies are applying these methods when analysing women's income risks related to divorce and partnership dissolution in particular (see section

³⁰ See also chapter 4 and the use of fixed effects models.

4.2 for an overview). By applying a feminist-inspired theoretical framework for the analysis, and by including Norway into this scholarship, it is this research literature to which the writer of the thesis wishes to contribute.

In the data, individuals are tracked once a year, so that changes in life circumstance can be compared between one year and the next. This makes it possible to distinguish between short- and long-term economic consequences of partnership dissolution, and to directly associate the event with corresponding income changes. Due to the lack of a long time series (for Norway), it is the short-term economic consequences of partnership dissolution that is the focus of this thesis.

The other way in which a longitudinal analysis approach is sensitive to gender, is in the way it opens up the opportunity to examine the impact the *welfare state* has on the household income for women and men. Household incomes are comprised of several income sources, such as wage income and welfare transfers. Longitudinal data makes it possible to examine women's and men's dependencies on different income sources by tracing them, both before and after the partnership dissolution. In this way, shifting dependencies on market and welfare state incomes for women and men can be determined. A longitudinal approach is therefore to be preferred when analysing the redistributive effects of the welfare state.

The growth in access to longitudinal household panel data for different countries have thus started to make the empirical basis for disentangling the complicated links between large scale societal trends, such as gender equality, and the micro-level life courses of individual men and women, and to study variations in these links between countries (Dewilde 2006; DiPrete and McManus 2000).

Of course, there are weaknesses to this methodological approach. The greatest disadvantage for doing research on partnership dissolution in this way is the limited access to information about divorces and separations in the data. To apply this strategy and analyse partnership dissolution as an event in a person's life course, it is necessary

to measure what has changed since the subjects were married or cohabiting, using information from *recently* separated couples. Although partnership dissolution rates are high and on the increase, separated couples still represent a minority of the population at any given point in time. This means that to obtain sufficient numbers of partnership dissolutions in panel data, it is necessary to gather data from a relatively long observation period. Small sample sizes are also common weakness in studies of the consequences of divorce (Andreß and Hummelsheim 2009b). In this thesis, six- and eight-wave panels have been analysed. This provides an observed number of partnership dissolutions about in line with previous studies, however, the sample size for Norway is admittedly low. Hence, low sample size is a possible source of error in subsequent analyses (see also section 2.5).

2.4 The use of income measures to assess gender inequality

The absolute main concern in this thesis is to measure the extent to which partnership dissolution has a more negative impact of women's economic situation than men's. To achieve this aim, a range of different income measures are applied, which in sum total, it is argued, makes for an empirical strategy 'sensitive' to gender income inequality. In this section, the empirical strategy regarding the incomes measures used is outlined.

2.4.1 Income pooling

Initially, it needs to be underscored that this thesis analyses changes in household income. This also means that this study relies on the same *pooling* assumption as the majority of quantitative income studies, namely that all members of the same household pool the economic resources available in that household, and that all persons in the same household therefore share the same level of living. This makes for a reasonable presumption that during the time couples whose relationships have lasted for some time are likely to make several joint investments related to sharing the same dwelling, inventory and food and thus, arguably, share the same standard of living. The problem with this assumption is that it, rightfully, has been criticised by feminist researchers for *not* being particularly gender-sensitive. Moreover, the pooling assumption likely hides the fact that women have less power to spend and control economic resources in households where they are the lowest earners (Millar and

Glendinning 1989; Phal 1995). This means that the pooling assumption poses a particular problem to feminist research interested in gender inequality in the household economy, in that it is likely that a measure that uses pooled household income contributes to the concealment of gender inequality and hides differences in women's and men's relative contribution and dependencies in the household economy (Daly and Rake 2003:119; Lewis 2001). Typically, it is difficult for survey-based research to observe and determine how individuals contribute and share economic resources inside the household. Hence, the household economy appears as a kind of 'black box' to researchers interested in intra-household income inequality (Ruspini and Dale 2002a).

Although the exact distribution of economic resources within households is not known, some scenarios assuming different degrees of pooling of economic resources can be developed. First, for a couple who have relatively equal incomes, a high degree of income pooling means that the joint household income will provide a higher level of living for both spouses together as a family than separate. This may also decrease the economic incentives to end the relationship, but the strength of this effect is not necessarily independent of income level (Oppenheimer 1997). Two high earners will together pool a large family income. This in turn makes it difficult for either of the two spouses to replace the income of the other in case of partnership dissolution, creating a high degree of economic interdependence within the relationship. Partnership dissolution will in this case represent a relatively great loss of economic welfare for both ex-spouses. But this loss of welfare may not have a large impact on the decision to separate, as both spouses are likely to sustain an independent household without being threatened with poverty. However, avoiding poverty does not mean the same as not experiencing an income loss, which can still be substantial for both women and men, if both earn the same and pool these resources during the relationship.

In a household where both spouses earn about the same, but both are low earners, the relative loss of one income would be less compared with the higher earning couple. Hence, the binding effect of a pooled household economy might be considered lower. On the other hand, a pooled family income from two low wages is nevertheless more

than one low wage, and if money is scarce in the first instance, the loss of one income might be decisive on the whether to divorce or not, since poverty is a likely outcome of partnership dissolution. For example, it could be difficult to pay a housing mortgage or a car loan alone on a single low income. The economic outcome of partnership dissolution would then either be poverty or dependence on other sources of income, like welfare transfers.

If a separate or independent money management scenario is assumed, then the income *difference* between the two spouses could mean a great deal in terms of economic incentives to divorce or to stay married.³¹ On the one hand, it could be argued in the same vein as Becker (1981), that independent money management will increase the incentive to end the relationship, as the economic situation inside and outside marriage would be more or less the same. Independent money management gives women the opportunity to become independent households, and thus the opportunity to divorce. However, if separate money management means that both spouses contribute the same towards shared expenses like housing and food, then the size of any income difference between the two spouses really matters, as the highest earner will keep a larger independent share for him (or her)self after the shared expenses have been paid. This means in turn that for a couple with two incomes but where the husband is the higher earner, the husband, with a separate money management system, will have a higher level of living than the spouse *inside* the same marriage, since he will dispose of the most money after shared expenses have been paid. The economic independence of the lower earning woman inside this marriage will relate to how much of the income she has left after the joint expenses have been paid. But her economic independence is nevertheless greater than if she had no income. After divorce, the relative welfare loss for the higher earner will still be lower than for the lower earner, since the level of welfare outside marriage will be directly related to individual income. The lowest earner will have relatively more to lose in the case of divorce, since that person has

³¹ It should be noted that independent management of money within couple relationships is the model most different from the modelling assumptions made in most economic analyses of family economics, including here, which assumes pooling of income to the extent that all individuals in the same household share the same level of living (see also chapter 4).

more limited access to money, unless other sources of income are available such as welfare transfers.

What is not answered in the scenarios above is what steers the decisions to pool or not pool incomes during a relationship. It is argued here that this may not be seen as a conscious choice based on rational economic calculations of potential loss of income in the anticipation of a future end of the current relationship. Rather, the pattern of money management within the family must be seen as being influenced by a range of factors, including gendered norms guiding the division of unpaid work in the family. Societal norms guiding the recognition of the value of the unpaid work carried out may play a role for a couple with one high and one low earner, which is the typical situation today with many part-time working women; the willingness to pool household income might be greater if the higher earner has a high appreciation of the unpaid work contributions made by a lower earner. Hence, decisions to pool or separately manage money cannot be seen as disconnected from norms guiding gender relations to earning and care, a theme which will be followed up in this thesis.

2.4.2 'Gender-sensitising' income measures

This study aims to find an empirical strategy than can make income analyses more gender-sensitive and that can contribute to 'engender' the pooling assumption. The most important step taken is to apply a *longitudinal approach* to the investigation of household income.

The longitudinal study of partnership dissolution can be used to discover how processes of income change can be gendered and linked to sudden changes in the life course. The extent to which women are more negatively affected by partnership dissolution must be interpreted as the outcome of a gender income imbalance existing in the relationship prior to dissolution. Observing partnership dissolution is the same as observing the end point of a longer process of accumulating inequality within the household. This inequality does not show when analysing the joint household income of a couple, as the pooling assumption presupposes that all members of the same household share the same level of living (i.e. they pool their economic resources).

What is suggested in this thesis is that studying the partnership dissolution event provides a window through which gender income inequality in the household can be studied and observed. This window opens up when, by the means of longitudinal data, having the possibility of observing how the income situation shifts between two different time observations, where the first observation is of the household economy while the couple is ‘intact’ and where the second observation is after partnership dissolution and the new and separated female and male household economics have been established. Hence, studying partnership dissolution as an event means that the analysis tracks changes in household income from a joint-couple household income (pre-dissolution) into sex-segregated household incomes (post-dissolution). Thus, studying income changes in relation to partnership dissolution can contribute to making gender inequality transparent to empirical investigation, drawing the veil from the ‘black box’ that the household economy represents and providing a gendered gaze on contemporary income risks (Ruspini and Dale 2002b).

The drawback of making inferences about gender income inequality based on comparing changes in pre- and post-dissolution household income is that the gendered distribution of pre-dissolution economic resources is unknown to the researcher. To further ‘gender sensitise’ the analysis, two strategies are applied. First, in chapter four, a relative income poverty line approach is taken.³² This is a commonly applied approach in the context of studying economic inequality in general and the economic consequences of partnership dissolution in particular (Dewilde 2002; Ruspini 2000). The income poverty line approach holds several advantages.³³ First, from a methodological point of view, a dichotomous distinction between entering or not entering a poverty spell as the outcome of an event may be implemented, transparently and relatively easily, by the use of logistic regression that regresses the dichotomous dependent poverty variable on a set of independent variables coded as events (Ruspini 2000:130). Second, from a comparative point of view, the large amount of existing

³² A relative poverty measure is used; more specifically the poverty line is drawn at 60 percent of median equalised household income in the particular country studied. See also chapter 3.

³³ The poverty line approach has also been criticised for being founded on an arbitrary measurement strategy as there are no theoretical sound reasons for exactly where to set the poverty line. For an overview of this critique see for instance Veit-Wilson (1997).

studies in the research literature also relying on a poverty line approach, means that the findings from this study may be more easily compared with the existing research literature. Third, from a philosophical point of view, it has been argued that a particular organisation of society which contributes to a redistribution of material resources in such a way that it leads to poverty and economic inequality is incompatible with a just society (Fraser 2003).³⁴ If, for instance, it is possible to determine that poverty risks are greater for women than for men as a consequence of partnership dissolution, there is reason to also argue that the current societal organisation and redistribution of resources has not led to gender equality (Ruspini 2000). Lastly, this makes research more relevant for informing the policy-making processes, as clearly identifiable injustices may make a more direct call for political action.

Second, in chapters five and six, different income sources are analysed in order to become more sensitive to gender income inequality. Breaking the household income down into wage earnings and economic contributions from transfers makes it possible to determine who contributes most to the household economy. In this way, examining different income sources can reveal whether women have greater or different economic dependencies than men following partnership dissolution (Daly and Rake 2003; Ruspini 2002a).

There are some limitations to the income measures applied in this thesis. First, it needs to be noted that it is *income* and not consumption that is used as the indicator for economic well-being. This means that differences in consumption needs are not taken into account. The most obvious example is that housing expenses, a necessary consumption expense for all households, are not included in the income measure. Furthermore, the income measures also ignore private transfers such as gifts. Second, income measures are made annually. Income fluctuations within one calendar year are

³⁴ Feminist philosopher Nancy Fraser states that economic redistribution needs to be based on a distribution of material resources in a way that secures everyone's 'voice' and independence. This precludes an organisation of society that results in gross disparities in wealth and income. To build such a just society necessitates a *redistribution* of material benefits such as income and property (Fraser 2003). However, Fraser leaves it an open question as to how large any economic inequality must be before it becomes unjust (Holst 2007).

not addressed. Third, the effect of indirect benefits from public spending (other than cash transfers) are not reflected in the income measures. For instance, the effect of affordable day care for children, schooling and health care are not directly reflected in any of the income measures used. The wider effect of the welfare state system is not, and cannot, be treated as a quantitative entity. Rather, the effect of differences in family and welfare policy system are addressed theoretically, above, and also outlined further in chapter three.

2.5 Data

The following two national household panel surveys are used for all analyses in this thesis: *Norwegian Level of Living Panel Survey (LEVPAN)*, 1997-2002³⁵ and the *British Household Panel Survey (BHPS)* 1997-2004.³⁶ In addition, some of the income information from BHPS was obtained from an additional release of the BHPS containing derived variables on net household income.³⁷

Both surveys are high quality data sets collected by serious actors, and provide rich opportunities for empirical analysis. The reason why these two data sets were chosen for this thesis is that they were the only sources available at the time when this PhD project started, which both had information on partnership dissolution and income changes over time and was collected in a way that made the surveys comparable.

Both data sets were provided as ‘flat files’. All data preparation (setting up files in long data format), tabulation and regressions have been performed using Stata.³⁸ To the author’s knowledge, no previous study has compare the LEVPAN data with BHPS,

³⁵ The Norwegian Level of Living Panel Study (in Norwegian: Samordnet levekårsundersøkelse, panelundersøkelsen), was collected and made anonymous by Statistics Norway. Data for this project were provided by Norwegian Social Science Data Services (NSD). Neither the original data collectors nor NSD bear any responsibility for the analyses and interpretations presented here.

³⁶ The British Household Panel Survey data were made available through the *UK Data Archive*. The data were originally collected by the *Institute for Social and Economic Research (ISER)* at the University of Essex, (formerly known as *ESRC Research Centre on Micro-Social Change*). Neither the original collectors of the data nor the UK Data Archive bear any responsibility for the analyses or interpretations presented here.

³⁷ The data file for ‘Derived Current and Annual Net Household Income Variables, BHPS waves 1-14’ (SN3909) was put together by *ISER* at the University of Essex and made available for this study by the UK Data Archive. None of these institutions are responsible for the analyses and interpretations made here.

³⁸ I am sincerely grateful to Prof. Stephen P. Jenkins at ISER, University of Essex, for kindly proving Stata routines for converting BHPS into long file format. He also provided Stata routines for how to analyse household changes across time in the BHPS data.

although it has always been the idea that these Norwegian data should be comparable with a range of other European panel data surveys (Vatne Pettersen 2004), consequently a considerable amount of time was spent in order to prepare the data for analysis and to ensure comparability for all applied measures.³⁹

Both panels are unbalanced, with different numbers of time observations (t_i) for each individual. They are short panels with a relatively large number of individuals but with few observations on each ('a large n , small t panel').⁴⁰ The panels are not compact and there are 'gaps' where some individuals leave the panel for one or more waves and then re-enter the panel.

To attribute differences in survey findings to real differences between the countries, rather than to differences in data collection methods, there must be equivalence in the survey data compared (de Vaus 2008). There is a high degree of methodological equivalence between LEVPAN and BHPS data, for instance for the data analysed here the question asked to respondents are comparable. However some differences between the surveys exist which are pointed out below.

2.5.1 The Norwegian Level of Living panel study (LEVPAN)

Whereas levels of living surveys have been running regularly in Norway over the past 35 years, the history of the Norwegian Level of Living *panel* study is much shorter. The panel analysed here comprises six waves of data from 1997-2002.⁴¹

³⁹ This applied a particular challenge to the LEVPAN data from Norway, which were provided without little survey guidance and documentation. I am therefore very thankful to Silje Vatne Pettersen at Statistics Norway for spending her time on answering all my LEVPAN related questions.

⁴⁰ The BHPS is really a long running panel but not all available waves of data have been analysed in this thesis.

⁴¹ After 2002 LEVPAN became part of EU-SILC. Technically it is according to Statistics Norway possible to extend the LEVPAN panel survey with additional waves from EU-SILC as the new EU-SILC is partly based on the same sample as LEVPAN. But such data was not made available for the current study. Direct communication with Statistics Norway only offered LEVPAN and EU-SILC as separate data files with no way of linking the two. In addition, the new Norwegian EU-SILC data are also unsuited to analyse the economic consequences of partnership dissolution. This is due to an administrative change made in the child maintenance in payments system in 2001, where child maintenance was made non-taxable. In addition it was opened up for the possibility of making private arrangements for child maintenance payments. In 2004 between 35 and 40 percent of child maintenance was based on private arrangements (Lyngstad 2008:20). These alterations means that Norwegian tax authorities no longer have any complete registers compiling information on child maintenance. This has also made it more difficult to analyse the economic consequences of partnership dissolution in Norway without issuing separate surveys to collect income information.

The LEVPAN survey has a representative sample of the Norwegian population aged 16-79 years, however, all analyses in this thesis are of samples restricted to individuals of working age (18-66 years in Norway).⁴² The original sample from 1997 consisted of 5000 individuals with a close to 80 percent response rate in the first wave, declining to about 70 percent in 2002. In 2002, a total of 3590 persons were interviewed. For more information about the survey, see Vatne Pettersen (2004).

A key aim of this thesis is to analyse changes in *household* income, using the household as the unit of analysis. This poses a challenge in terms of the Norwegian data, which is not a ‘true’ household panel but comprises a sample of individuals. In LEVPAN, only one person has been interviewed per household. This person has however been asked about which other persons live in the same households, as well as information about key characteristics of other household members. This information has been exploited to generate household level information. The unit of analysis in this thesis is therefore the household, and not the individual level. This procedure also makes the analyses from LEVPAN comparable with BHPS, which uses the household as sampling unit (see below).

The other way in which the LEVPAN and BHPS differ is in the way income information is obtained. Income information in the LEVPAN is based on official income, tax and benefits registers. This register information is matched to each interview upon completion. This is possible through the Norwegian person number system. The matching is done by Statistics Norway and the data is made anonymous before given to researchers. Information on income from registers is an advantage for data accuracy, since errors generated by people not remembering their own incomes and transfers accurately are avoided.

2.5.2 The British Household Panel Survey (BHPS)

The British Household Panel Survey (BHPS) has a long-running history and has been carried out every year since 1991 for a total of 18 waves of data in 2009. In 1991, a

⁴² Since this thesis is concerned with relating post-dissolution income changes to women’s and men’s positions in paid and unpaid work, it makes sense to only include those in the population who potentially can be in paid work. People in retirement age are therefore excluded from the analysis.

nationally representative sample of 5500 households was selected for interviews. All members over 16 years in a sampled household are interviewed, totalling to interviews with more than 10000 individuals annually.⁴³ The survey has a response rate of about 60 percent.

The sample analysed in this thesis comprises the waves 7-14, containing data from the years 1997-2004. This data range is approximately from the same years as the Norwegian data. The year 2004 was the last year for which derived current and annual net household income information was available when this PhD project commenced and is therefore selected as the last analysis year.

The BHPS is a 'true' household panel survey in that the sampling frame is based on households and not individuals. For instance, this means that in a couple household both partners are interviewed, and in terms of partnership dissolution both partners can be followed after the split.⁴⁴ This contributes to increased sample sizes, as for couple households both the man and the woman of that couple is interviewed, and for subsequent partnership dissolution, possibly two persons can be followed after the split.

Whereas income information in LEVPAN is taken from registers, income information in BHPS is based on interview information. In the BHPS, people are asked about their *gross* incomes. In order to obtain information on *net* income, researchers at the Institute for Economic and Social Research (ISER) at the University of Essex have developed a set of *derived* income variables which accompanies the BHPS data (Bardasi et al. 2007; Levy et al. 2006). ISER also have a routine for imputing incomes in cases of non-response. Income information in this study is taken both from the official annual gross measures and the derived net income measures. Both the annual

⁴³ The BHPS also carries out an interview with children between 11 and 15 years in the selected households. This youth information has not been analysed in this thesis.

⁴⁴ There are some instances where not both persons are followed after the split see Taylor, Marcia Freed (ed.) with John Brice, Nick Buck and Elaine Prentice-Lane (2010) British Household Panel Survey User Manual Volume A: Introduction, Technical Report and Appendices. Colchester: University of Essex.

gross and net income includes values imputed by BHPS staff where there were items of non-response.

2.5.3 Assessing income in LEVPAN and BHPS

A central focus in this thesis is analysing the economic situation of the household before and after separation. The national panel studies provide various income indicators. For LEVPAN the time period for the income variable is year, BHPS has information on weekly income, which has been aggregated to yearly income. Hence, for this thesis, it is yearly household income that is analysed.

Household income consists of income from several sources, e.g. labour market, assets, and public and private transfers such as child support. The sources that have been included in the analyses are described further in chapter four.

To analyse income changes before and after separation, income from the wave before dissolution ($t-1$) is compared with the income in the wave the dissolution takes place (t). A weakness of this approach is that there is no way of knowing when, in the time period between t and $t-1$ that the actual dissolution took place (date and month of partnership dissolution). Hence, income information from the year t can partly refer to a period where the couple was still not separated (Poortman 2000).

There is also an added problem with this approach related to how income information is obtained in the LEVPAN data. In Norway, income information is taken from official tax registers. However, there is a one-year lag in this information. This means that income information added to a specific wave of data refers to household income in wave $t-1$, the year prior to the interview. When analysing the LEVPAN data, it is therefore necessary to lag the income variable by one wave before analysing it. The consequence of this is that wave one is missed for analysis purposes due to left censoring of the income variable. This also further reduces sample sizes for Norway. This particular problem of left censoring does not apply to the BHPS.

2.6 Definition of partnership dissolution and sample characteristics

With the growth in longitudinal panel data, the possibility to empirically investigate partnership dissolution as a dynamic *event* has become customary in the research literature (Andreß et al. 2006; Dewilde 2006; DiPrete and McManus 2000; Jarvis and Jenkins 1999; Poortman 2000; Smock 1994; Uunk 2004). People are regarded as having experienced partnership dissolution if they make the transition from living with a partner (married or cohabiting) at time t to be living alone at time $t + 1$. This means that someone has to first be identified as having a spouse or partner, then observed as no longer living with that partner.⁴⁵ Both married couples and consensual unions with and without children are included. In terms of marriage, dissolution is registered when the partners stop living in the same household, and not when a legal separation or divorce takes place, as these are events often occurring years after the ex-partners actually lived together. This is important since the aim is to measure the short-term economic impact of partnership dissolution, and not the economic situation when divorce papers are finally signed perhaps years after the partners stopped living together. By then, the economic situation may have already stabilised or changed again.

Persons who after dissolution move to share a household with any other adult person (such as one's own parents, siblings or friends) after the relationship ended are not included in the study. This restriction is made since the primary aim is to focus on gender differences in economic vulnerability and it is more difficult to study these in households which are 'mixed' in structure and consists of relatives, friends and other household constellation. The income pooling in these 'mixed' household contexts is opaque with the available data and consequently these households have been kept out of the analysis.

⁴⁵ In the event that someone experiences multiple separations within the time-period, observed only the first observed event of partnership dissolution is included in the sample.

Based on this procedure, a total of 248 partnership dissolutions were identified for Norway and 549 partnership dissolutions were identified for Britain (see table 2.1).⁴⁶ However, there is no valid income information in the surveys for all these dissolutions, hence some analyses presented later are based on a smaller sample (see chapter four).

It is difficult to determine whether this choice of definition of partnership dissolution results in a certain sample bias. For example, it could be argued that by only analysing those separations which after dissolution establishes an independent household, would bias the sample towards ‘high resource partnership dissolutions’. It is possible that only those with the most resources will be able to set up an independent household, and that by excluding those persons from the analysis who move in with relatives and friends after dissolution, means that those with few resources are left out of the analysis. If this is the case, the sample analysed will be biased towards high resource people, and negative income shifts may be underestimated.

In order to make an assessment of such biases, the same strategy as applied by Jarvis and Jenkins (1999) is followed. The sample of persons who separate during the observation period (before they end their relationships) is compared with the base sample of all couples⁴⁷ in wave 1 of the panel. Table 2.1 shows some, but not substantial differences between the groups. Commenting on the resource situation first, separating persons in the Norwegian sample have a somewhat larger share in the lowest income group and the highest income group, compared with intact couples. This should not indicate a particular bias towards ‘high resource’ dissolutions being analysed but rather heterogeneity in income within the separating group. In Norway, those who separate are also somewhat younger than intact couples but the distribution of children is about the same for both groups. The largest difference is found in relationship status. Those experiencing partnership dissolution are strongly skewed towards cohabitation. Just over 20 percent of the Norwegian couples are cohabiting;

⁴⁶ Making this identification is a complicated process in particular in BHPS involving analysing and matching different files. I owe thanks to Professor Stephen Jenkins for providing Stata syntax and assistance on how to do this matching correctly.

⁴⁷ The ‘intact couple’ category includes those couples who later dissolve their relationships, measured in wave 1.

but 70 percent of the men and 61 percent of the women who experience partnership dissolution in Norway were cohabiting before the split.

Turning to the British sample, the income situation prior to dissolution does not indicate large pre-split income differences between the two groups, which do not support an assumption of the sample of separated persons being biased towards high resource groups. Furthermore, the table shows that about half of the people who end their relationships are married prior to dissolution, the other half being cohabitators. In terms of other characteristics in the British sample, the separating population is younger and British women who separate more frequently have children before they separate, which could indicate that separating fathers are to some extent dropping out of the survey. Analysing the first four waves of BHPS data, Jarvis and Jenkins (1999:242) have previously documented that separating husbands have a higher attrition rate than separating wives, and there is an indication of the same effect found here.

If comparing sample characteristics between Norway and Britain, there are some differences that could indicate that the separated persons in Britain constitute an economically more vulnerable sample group. First, people separate at a younger age in Britain than in Norway, and younger persons may more often have fewer economic resources and may have lower salaries. Second, separating persons in Britain more often have children prior to the dissolution compared with Norway. This may also be an indicator that the British sample of separated persons analysed here constitutes a more vulnerable group. Third, the net income for separating persons in Britain is more skewed towards the lower income group than in Norway.

Table 2.1 *Characteristics of persons experiencing a partnership dissolution measured in 1997, Norway and Great Britain. In percent.*

Column percentages	Norway				Great Britain			
	Separating couples		Intact couples		Separating couples		Intact couples	
	Men	Women	Men	Women	Men	Women	Men	Women
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Relationship status at <i>t</i>								
Married	30	39	78	79	50	51	76	78
Cohabiting	70	61	22	21	49	48	24	22
Age at wave <i>t</i> (years)								
< 26	12	16	4	5	23	20	9	8
26-34	46	39	23	27	38	38	30	30
35-44	29	23	28	28	23	29	29	29
>=45	13	22	40	40	17	13	31	33
Dependent children at wave <i>t</i>								
Has children	47	48	59	57	54	62	54	54
No children	53	52	41	43	46	38	46	46
Net income at wave <i>t</i> (as % of wave 1 mean)								
< 50	8	5	4	3	10	13	10	10
50-100	39	45	49	52	38	36	41	42
> 100	53	50	47	45	52	51	49	48
Base <i>N</i>	118	130	1052	1125	244	345	2045	2009

Wave *t* for separating persons indicates the panel year in which the partnership dissolution takes place. All income information is indexed to 2001 price levels using "Statistics Norway consumer price index" for LEVPAN and using "Before Housing Costs" index for BHPS. Income is adjusted to take account of variations in composition and size between households using the modified OECD (EU) equivalence scale. Totals may differ from 100 percent due to rounding.

Another significant difference found in table 2.1 between Norway and Britain is the larger number of persons cohabiting prior to the break in Norway. This could indicate that cohabitation is the more volatile relationship status in Norway and that marriage is more unstable in Britain. An alternative explanation is that Norwegians favour cohabitation and that there is a 'higher threshold' to get married in Norway than in Britain. It is however difficult to make a firm conclusion based on these numbers, since the length of relationship is not taken into account here. A number of cohabitations end in marriage later and the apparently volatile nature of British marriage could also reflect that British cohabiting couples marry sooner than Norwegian cohabiting couples.

3 Family policy, marriage law and household economy in Norway and Britain ⁴⁸

3.1 Introduction

Exploring the impact family policy has on household income is important for understanding the economic consequences of partnership dissolution. Policy frameworks interact with and influence women's and men's work and family lives in various ways and, thereby, also their incomes. For instance, any gender differences in how economic resources have been acquired and accumulated before partnership dissolution is partly a result of existing policy measures, which create opportunity structures for women and men and shape their economic well-being. This policy influence continues after dissolution (Andreß et al. 2006; Stier 2009). The economic consequences of ending a partnership are therefore the result of a complex relationship between gendered work and family practices and institutional frameworks, such as work and family policies, specific for when and where a partnership dissolution takes place.

In this chapter, the aim is to address the role family policy plays in the household economy. The focus will be on policies and policy developments that influence women's and men's *access to money* after partnership dissolution.⁴⁹ According to Millar (2008), this takes place via three different policy influences.⁵⁰ First, policies may regulate the access to money through *marriage law*. States have regulations for how a couple divides assets (such as money, pensions and savings) if a marriage ends. With the rise in cohabitations, the legal regulation of non-marital unions has also

⁴⁸ I am very grateful to Professor Julia Brannen for commenting on an early draft of this this chapter and [please spell out and capitalize] prof. dr. juris Tone Sverdrup for commenting on a later draft.

⁴⁹ It should be acknowledged that it is not just the state and its policy institutions that are of importance in deciding the economic outcome after partnership dissolution. Other important agents can be family and friends as well as volunteer organisations. The role these agents play in the economic provision for people after partnership dissolution is however outside the scope of this thesis. Furthermore, it should be noted that the way the labour market acts to influence the economic position before and after partnership dissolution is not a direct result of work policies alone, also work availability and the operation of for instance stock markets and economic recessions are of importance. The impact of those macro factors on the household economy falls outside the scope of this thesis.

⁵⁰ The threefold distinction used here largely follows the three areas of activity for family policy sketched out by Millar (2008:170): The legal regulation of family behaviour; policies to support family income; and the provision of services for families.

become a policy concern. But although marriage and cohabitation law may be seen as important regulations for influencing gender income imbalances, its impact on the gendered income distribution on a societal scale is limited, since it only regulates the economic settlement between two divorcing spouses and their already-existing assets. Hence, if concerned with gender income equality on a macro level, policies *adding additional economic resources* to some households may prove more influential in altering gender imbalances in post-dissolution incomes. This means that the part of state regulation concerned with the potential ‘future income’ of a household may be more crucial to understand when analysing the economic consequences of partnership dissolution. Adding economic resources to lone mother households for instance may in turn neutralize gender inequality on a societal level. Policy measures adding money include various benefits, allowances and other economic transfers (e.g. payment of child maintenance and alimony payments) or transfers that remunerate care work for instance, such as cash-for-care measures.⁵¹ But states also issue regulations regulating potential ‘future income’ such as payments of child maintenance and alimony. The effect of these policy measures on reducing gender income inequality is largely dependent upon the level of generosity of any particular benefit paid, eligibility criteria and the level of take-up in the eligible population group. The measures in place vary between countries and over time.

Increasingly, however, welfare states seem to prefer a third policy strategy to influence households’ access to money. By issuing policy measures that *promote labour market participation*, so-called activation policies indirectly influence the household economy by encouraging individuals to participate in paid work (Millar 2008). Policy measures under this heading are wide ranging and include for instance (affordable) childcare,

⁵¹ The focus on *access to money* means that I consider policies with an impact on households’ net income situation, but I disregard household spending. This is a limitation of this study. However, it needs to be appreciated that policies aiming to reduce the cost of necessities such as electricity, food and heating thus serve to reduce the spending needs of households can also be efficient tools for fighting poverty. But with the emphasis made here on net income means that I consider transfers such as housing allowance but leave out policies that regulate prices in the housing market or the costs of necessities, for instance.

support for education, and work stimulation through tax credits.⁵² The general aim of these policies is to reduce the need for welfare state support and intervention in order to ensure households' access to money. Hence, underpinning policy development is an 'adult worker' assumption where all citizens should be self-sufficient through own labour market participation. As discussed more thoroughly later in this chapter, whether these measures are efficient in achieving gender equality in incomes after partnership dissolution has been questioned by feminist policy researchers, as this to a large extent leaves gender equality to the devices of the market (Daly 2011; Haux 2010; Lister 2006; Mätzke and Ostner 2010; Orloff 2006).

Historically, Norway and Britain have followed different tracks in family policy development. For instance, they have differed in the extent to which cohabitation and partnership dissolution have been regarded as important trends that welfare states need to accommodate, or whether such family changes should be a private concern and off-limits for policy regulation (Daly 2010; Ellingsæter and Leira 2006b; Skevik 2001a). Britain, with a liberal heritage, has put forward an ideology of limited family intervention, carrying the assumption that families themselves make decisions, such as whether to divorce, and that the families must also bear the financial costs of these decisions (Daly 2010). Families have been encouraged to find solutions without state assistance. State economic provision has been minimalist, and focussed on means-testing and poverty alleviation. Family forms alternative to marriage such as cohabitation have largely been ignored until recently, and policy has indirectly been supportive of marriage as the preferred family form (Hatland 2001; Lewis 2001c). In a Scandinavian context, there has been a much stronger tradition for policy interventions into family life that has not only been widely accepted, but indeed, expected (Ellingsæter and Leira 2006b:2). A central premise for family and work policy has also been to achieve gender equality, when this has been challenged by family diversity. In terms of lone parenthood, Norway stands out in a Scandinavian context as having developed particularly comprehensive policies towards this group, not only by offering

⁵² It could be debated whether taxation measures should rather be classified as policies that directly increase individuals' access to money. This is not a clear-cut issue but taxation measures are positioned in this outline as policies to promote work, since tax reduction presupposes that individuals actually work (i.e. are commodified).

economic protection but also in terms of supporting lone mothers economically in their role as mothers and carers (Skevik 2006:247). As for cohabitants, more regulations relevant for this group have been developed in Norway than in Britain (Hatland 2001; Noack 2010:201).

By outlining policy development within family policy in Norway and Britain, this chapter will seek to explore how policy generates specific and gendered state, market and family ‘dependencies’ for households after partnership dissolution. The aim is to understand how and to what extent the welfare state via its family policy can influence, or potentially offset any gender inequalities in post-dissolution incomes. To make a full and detailed account of family policy development in the two countries studied is a massive undertaking. What is presented here is therefore a mere skeleton and by no means a full account of the field of family policy and marriage law in the two countries. This chapter primarily focuses on family policies that may come into play in relation to partnership dissolution.

The structure of the chapter broadly follows the distinction between the three areas of family policy and marriage law sketched out by Millar (2008). First, the legal regulation of family behaviour, in particular, marriage law (section 2.2) and legislation for cohabitation (section 2.3) are considered. Then, developments in policies that support the family income by adding economic resources are outlined. An emphasis is placed on policies towards single parents. In addition, the more recent measures in promoting labour market participation, especially for women and single mothers, are considered (section 2.4). The chapter is rounded off with a discussion of how, over the last decades in Europe, family policy has shifted in the direction of an ‘adult worker model’ (section 2.5).

3.2 Developments in marriage law

In terms of influencing individuals’ access to money via marriage law, the most important regulation to consider is how assets are divided between the spouses after the break. However, the law also regulates access to divorce. In the following, the regulation of access to divorce is first outlined, before the statutory regulation of the

division of assets is discussed. Differences are found between Norway and Britain in both instances.⁵³

3.2.1 Regulation of access to divorce

Access to divorce is considered easier in Norway, which operates a so-called ‘no-fault’ divorce system, which means that no proof of why the divorce should take place is needed.⁵⁴ Divorce is seen as a private matter and an individual right. The only requirement is a waiting period of minimum one year to make sure the parties do not change their minds. England and Wales, on the other hand, have a ‘fault-based’ divorce legislation system.⁵⁵ This means that divorce cannot take place simply because the parties no longer wish to be married. Divorce is not treated as a right; but must be proven to a judge as having ‘irretrievably broken down’. There are five proofs that are legal grounds for divorce: adultery, unreasonable behaviour (‘cruelty’), desertion for two years, separation for two years where each party consents, or separation for five years (no consent needed).⁵⁶

After a period of separation, divorce can be granted in both Norway and England, but separation holds different meanings. In Norway, it is regarded as a ‘cooling-off’ period, emphasising that this is a period where the partners can change their minds, and if they do not, they can file for divorce.⁵⁷ In England, with a fault-based system, separation is treated as a proof that the marriage has actually broken down (Skevik 2001). It has been discussed for a long time in England whether to shift to no-fault

⁵³ The outline here is based on divorce legislation for England and Wales.

⁵⁴ Divorce in Norway is regulated by the 1991 Marriage Act. Additions to this regulation has been added in 2008 concerning same-sex couples, which are not further considered in this outline.

⁵⁵ Divorce in England and Wales is governed by the Matrimonial Causes Act 1973 (MCA 73). In Scotland, a no-fault divorce system was implemented in 2005.

⁵⁶ The principle of ‘irretrievable breakdown’ in English divorce legislation was included in the Family Law Reform Act 1969 but was not enacted until it was included as part of the Matrimonial Causes Act 1973. This principle represented the end result of an initiative to reform divorce laws that had been in force throughout the 1960s in England. Through the new Act, divorce was made easier to carry out, since no particular reason other than a period of separation was included as a legal ground for divorce. But the problem in England is that if both parties do not wish to divorce then one of the partners is forced to have a long waiting period in order to end the marriage. To accelerate this process, people have felt forced to engage in adultery (and subsequent accusations of fault) to get a divorce.

⁵⁷ In Norway, a divorce can be legally demanded of one of the spouses without a period of separation if the other spouse has intentionally attempted to kill him or her or the children.

divorce law.⁵⁸ In particular, it has been argued that a fault-based system is not in the best interest of the children, as the ex-partners in the separation period leading up to divorce become more concerned with establishing proofs for why the marriage must end, rather than trying to establish a dialog and collaboration with the ex-spouse. This may make collaboration between the ex-spouses more difficult with potential negative consequences for the children (Smart 2000).

3.2.2 Regulation of division of marital assets after divorce in England and Wales

Marriage law dictates how a couple can divide material assets after a marriage has ended, which may have direct consequences for the access to money after divorce. In England and Wales an important development in this law came with the Divorce Reform Act of 1969 and the Matrimonial Causes Act of 1973. Here the principle of a ‘clean break’ for regulating division of assets was introduced. This is a settlement that ends all future obligations the spouses have towards each other forever, including after one of the spouses dies.⁵⁹ This does not include future obligations towards children, which is a separate issue. Clean break divorce settlements are based on the principle that people should not be burdened for a lifetime with financial responsibilities based on unfortunate personal decisions, that a husband should not be economically responsible for an ex-wife for the rest of his life, for example.⁶⁰

The underlying assumption in the clean-break regulation was that re-marriage would follow from divorce. The clean-break regulation would facilitate the move from a bad marriage to a good new marriage with few remaining financial ties (Smart 2000). Re-marriage would in turn obviate further financial support to ex-wives and it would

⁵⁸ ‘No fault divorce’ was suggested in Part II of The Family Law Act 1996 for England and Wales (FLA 96). But this section of the FLA 96 was put on hold indefinitely and has to date (2010) not been introduced.

⁵⁹ In England and Wales, a divorce ends the contract of marriage (and thus makes it legally possible for a person to re-marry) but a divorce does not automatically prevent an ex-husband/wife from asking the Court to make an order to pay him or her money in the future. Hence, it is possible, for example, for an ex-wife/husband to make a claim on future lottery wins, pensions, incomes, assessments of properties that the ex-partner might obtain after the marriage ended. However, the clean-break order stops any such future claims.

⁶⁰ Also, the clean-break order must be approved by a judge. A financial clean break will not be possible if one of the spouses cannot earn at all or can only earn much less than the other unless substantial assets are transferred or a lump sum payment of money is made which is sufficient to meet that party’s needs. However, it is possible to have a financial clean break order where there is an agreement to pay maintenance for a fixed period (for example, to enable a spouse to re-train, or attend a course of education).

provide fathers for children (Sigle-Rushton 2009; Smart 2000). In hindsight, this may seem an unlikely assumption, however, it has to be borne in mind that at the time this law was introduced, marriage rates were still extremely high and divorce rates had yet to skyrocket.

The 1973 Matrimonial Causes Act stated that a financial settlement after divorce should ‘restore the parties to their original financial position’. This entailed a clear maintenance requirement, in particular on men, in order to raise the material standard for ex-wives. However, with the underlying assumption of re-marriage, it was assumed that the economic needs of ex-wives would be met in the future by a new husband and a new marriage would make further alimony payments void. The underlying assumption was therefore that men should be primarily economically responsible for their new wife and potential step-children, and less economically tied up with the previous family (ex-wife and his own biological children) (Smart 2000).

For many divorcing couples it was, however, not possible to reach a ‘clean-break’ agreement. In these cases, the law states that the distribution of matrimonial assets must be left to the discretionary powers of the court (Barlow 2008).⁶¹ During the 1980s and 1990s, most court cases focused on the spouse with caregiving responsibilities. In practice, for families with low levels of assets, this meant that courts favoured the person who was caring for the children (usually the mother). But in wealthier families, a larger share (typically two-thirds) was awarded to the male spouse (Sigle-Rushton 2009).

The clean-break legislation was intended to make divorce easier, but as divorce rates grew rapidly during the 1980s, it soon started to become clear that the re-marriage assumption did not occur. This also meant that maintenance requirements made after

⁶¹ In contrast to most other European countries, a marriage in England and Wales has no direct effect on a couple’s property, which continues to be owned separately unless specifically purchased jointly. In cases where a clean-break settlement is not made, the courts instead have wide discretionary powers in terms of redistributing income and capital assets in order to achieve a fair outcome between the parties (Barlow, 2008). It was not until year 2000 that the House of Lords ruled that the starting point should be an equal division of assets (Sigle-Rushton, 2009).

clean-breaks were hard to implement. The maintenance requirements set down in the 1973 Act were broad and men who re-married had great difficulty in meeting the maintenance requirements while adequately supporting a new family. In particular, women did not re-marry to the extent that had been envisaged, and often remarriages did not last (Smart 2000). This meant that more and more ex-wives and their children became dependent on social security support throughout the 1970s and 1980s. The proportion of single mothers dependent on state benefits in England grew from 20 percent in 1961 to 66 percent in 1987 (Bradshaw and Millar 1991 quoted in Sigle-Rushton 2009:163).

In an attempt to ease the economic burden on divorced men, the 1984 Matrimonial and Family Proceedings Act introduced a clause stating that maintenance would be paid according to the earning capacity of the recipient as well as of the payer. However, this ruling pushed ex-wives with less wealthy ex-husbands further into social security and increased the costs of divorce for the welfare state (Smart 2000). As shall be seen below, this later resulted in a shift in state policies to a greater focus on the role of fathers as economically responsible for their own biological children after divorce (Smart 2000).

3.2.3 Division of marital assets in Norway

The Norwegian Marriage Act of 1927 states that as a main rule, division of the marital estate should happen according to the principle of equal division. Unequal division was an exception to the rule. Another important legal principle introduced in 1927 was independent ownership rights for married women. Before, husbands would have been able to dispose of a wife's inheritance and gifts. This law was of significance for women's liberation but in practical terms it has been less important since during a marriage, most spouses would use each other's possessions regardless of formal ownership (Sverdrup 1999a).

The system of separate ownership rights worked well for a long time in Norway (possibly because it took time for married women to accumulate property

separately).⁶² However, after World War II there were cases brought before the court where there were questions as to whether the wife could be regarded a co-owner, even though the husband had bought the house and it was registered in his name. This meant that in a court ruling, whoever had paid for an item was the owner of that item. With the gendered work and caring practices of typical 1950s and 1960s marriages, a shared house or other items acquired during a marriage were almost always paid for by the husband's wages, and became his possessions after divorce.⁶³ The question was whether a wife's indirect contribution such as covering the family's current expenditures on food and clothing should count as contributions towards acquiring property rights for the wife (Sverdrup 1999b). After all, this legislation was best adapted to men's style of life as women had much lower incomes than men (Hellum 1985; Melby 1996 cited in Sverdrup 1999a).

In Norway, women increasingly demanded that a housewife's caring contribution during marriage should give her ownership rights, in particular to the joint home. There were cases during the 1950s and 1960s dealt with by the Norwegian Supreme Court where it was tested whether the wife could be counted as a co-owner of a house purchased by the husband and registered in his name through her 'indirect' contribution in the form of care work, working for the family business and by contributing to other household expenses. For instance, this was the issue in two Supreme Court cases in 1956 and 1966 where the wife was granted co-ownership on these terms. However, in 1975, the Norwegian Supreme Court made a special ruling, the so-called "housewife's contribution judgement" ('Husmordommen'), where the court gave the wife separate ownership rights solely based on her contribution in the form of unpaid care work during marriage (Sverdrup 1999b). This meant that the Supreme Court broke with the common principles in contractual law, since not only the person who paid for the property, but also *indirect caring* contributions to the marriage made by a wife gave grounds for ownership rights (Sverdrup 1999b). This principle became important seen from a gender equality perspective, since it

⁶² When the new system was initiated all joint property was transferred to the husband in 1928 in Norway.

⁶³ Unless for wealthy couples where women brought heritage or own money into the marriage.

contributed to the remuneration of unpaid care work in cases of divorce (Sverdrup 1999a). This principle may therefore be seen as a policy supporting the role of married mothers as carers, and where the gender-division of work with a male breadwinner and a female caretaker, the normal practice in marriages of the time, was recognised after divorce.

But in 1991, the Norwegian Marriage Act was revised again, and partly broke with previous policies. A tightening up of the equal division of assets principle was undertaken. The main rule of equal division of the marital estate was kept.⁶⁴ However, the “unequal distribution rule” (‘skjevdelingsregelen’) was established. In divorces, one of the spouses could now withhold all assets that could clearly be traced back as having been in his or her possession before the marriage, or that had been inherited or received as a gift from the other spouse during the marriage, to be kept out of the marital estate before the equal partition of the rest of the estate would take place.⁶⁵ In a context where marriages started to end after a relatively short duration, this additional legislation can be regarded as sensible, as there is less access to ‘divorce to money’ (Sverdrup 1999a).

It should be mentioned that there is also a ruling in Norwegian divorce legislation that if one party is left worse off financially than the other when the marriage ends, this should be compensated by the better-off party through the payment of maintenance or alimony. But with the rapid increase in numbers of divorces during the 1970s and 80s, it was no longer self-evident that one spouse should bear the economic responsibility for the other after divorce. In this same time period, more women also entered the labour market and the payment of spousal maintenance became increasingly rare (Skevik 2001b; Sverdrup 2006). If alimony towards the ex-partner is paid, typically in the case where the marriage has been a long one, it is normally paid for a limited period of three years. An ex-partner can in some instances also get a stake in an ex-

⁶⁴ The equal division rule states that the divorcing parties can keep all assets and property he or she brought into the marriage or had inherited or received as a gift during the marriage, undivided. The rest of the marital estate should be split equally (Lødrup and Sverdrup 2004)

⁶⁵ ‘Skjevdelingsregelen’ § 59 in the 1991 Marriage Act for Norway.

husband's pension, if the marriage has been a long one and typically the wife has not worked. However, the diminishing significance of alimony signals a trend where divorce regulation is less concerned with securing wives' future economic situation (as it is assumed that women will work and earn) and more about making the economic outcome after the marriage "fair" according to an economic rationality (Sverdrup 1999b).

It can be argued that the legal justification behind the "housewife's contribution judgement" and the "unequal distribution rule" are the same. The spouses have engaged in a community of work, where both parties have made a contribution. These two sets of rules were initially thought to provide individual and community interests, but have drawn closer to each other. Both sets of rules rest on the idea that marriage is a community of work (Sverdrup 1999b). This means that ownership rights, in the eyes of the law, are not gained as a consequence of marrying, but are achieved, and therefore should be economically compensated, according to spouses' individual work efforts during the marriage. That unpaid care work is counted as a way of acquiring ownership rights does not deviate from this economic way of reasoning behind Norwegian marriage law (Sverdrup 1999b). The normative idea underlying matrimonial legislation is marriage as a *community of work* (Sverdrup 1999b). In the "housewife's contribution judgement" the economic element emphasised was unpaid care work, recognised as a way of gaining ownership rights during marriage. In the case of the "unequal distribution rule", the increase in women's labour market participation rates and the increase in divorce rates have started to emphasise the individual earning potentials of spouses, by limiting or denying the ex-spouse ownership rights to assets acquired before the marriage, because of his or her lack of economic contribution in acquiring these items (Sverdrup 1999b).

The developments in divorce regulations have had different impacts on gender income equality in Norway. The principle laid down in 1927 was an equal participation of marital estate. With women being predominantly housewives, this turned out in practice to generate gender inequality after divorce, something which the "housewife's

contribution judgement” tried to adjust for. After 1991, the new marriage law provided access to unequal division of the marital estate. This positively regulates so that one of the spouses will be better off financially than the other after the divorce. In cases where the marriage has been a short one, this could be seen as being in line with the general sense of justice, and that it is fair if a spouse has inherited money or owned property before a marriage that that person should also dispose of these assets after marriage. Nevertheless, it means a move towards treating marriage less like a joint project between spouses and more like thinking of the spouses as separate individual economic units (Sverdrup 1999b).

Sverdrup (1999b) has argued that the economic reasoning behind these legal changes is problematic. The notion of marriage as a *community of work* equates it to a business partnership, where sharing of profit is made in accordance with investments. This, however, disregards the particular uniqueness of marriage in the legislation and that the spouses during marriage constitute one consumption unit. Whereas business partners make arrangements to secure their individual economic interests, it is less obvious that spouses would, or should do so, in order to maximise their own economic gains in the case of a future divorce. It has therefore been suggested that divorce legislation should have reflected the uniqueness of marriage in a better way, as a *community of life* where “*feelings, work and money are all interwoven*” (Sverdrup 1999b:20). In a marriage, the distinction between “yours” and “mine” is blurred in practice, and not pre-agreed as in a business contract. Applying the same economic logic to marriage as a contract and to base marriage legislation on subtracting input from output, seriously disregards the uniqueness of marriage where the intention is to live a life and not to make economic surplus (Sverdrup 1999b).

3.3 Developments in regulation of cohabitation⁶⁶

There are mainly two ways in which cohabitation has challenged family policy and marriage law. First, it has been debated whether cohabiting couples should be treated as married for benefit and taxation purposes. Second, it has been debated whether the state should issue regulations for dividing property and assets at the end of a

⁶⁶ This outline excludes the legal regulation of same sex relationships.

cohabitation, as they do for marriages ending in divorce. Again, Norway and Britain have differed in their approaches.

3.3.1 Regulation of cohabitation in Norway

Despite its widespread popularity today, it is interesting to note that cohabitation was actually forbidden in Norway until 1972. The so-called ‘concubinage paragraph’ stated that anybody who lived together with a person of the opposite sex in an indecent relationship which caused public indignation could face fines or imprisonment.⁶⁷ Marriage could nullify conviction (Bradley 2001; Noack 2001). However, it remained a ‘sleeping paragraph’, as we know of no cases which resulted in conviction (Noack 2001).

In more recent times, the challenge of cohabitation to Norwegian state regulation has been less of a moral, and more of an economic concern. It has long been debated whether Norwegian cohabiting mothers should qualify for lone parent benefits or not. The background for this was that in 1964, Norway introduced out-of-work benefits for unmarried and widowed mothers, extended to include separated and divorced women in 1971 (Syltevik 1999).⁶⁸ This meant that Norway developed a system for economically supporting lone mothers of all types (widows, mothers living alone, divorced and separated alike) in their role as carers. Hence, it was installed as a clear obligation from the state not just to support women who had lost a male breadwinner, i.e. widows. Rather, lone motherhood as a category, regardless of how the lone motherhood came about, was eligible for economic support (Syltevik 1999). Cohabiting mothers were not excluded from these benefits, on the basis that enforcing control on cohabitation would intrude on family privacy (Skevik 2001a:156). However, already in 1980, politicians raised a concern for the fact that cohabiting ‘single’ mothers were receiving lone parent benefits. This was thought not only unfair towards ‘real’ single mothers but was also worrying because it could make unmarried

⁶⁷ In Norwegian: ‘Konkubineparagrafen’

⁶⁸ In 1971, separated and divorced women and men also became eligible for out-of-work benefits. In 1972, this right was withdrawn from unmarried mothers who were cohabiting with the father of the child. However, unmarried mothers cohabiting with another man who was not the father of the child were eligible for these benefits until the changes made in 1994 and 1999, see below.

cohabitation more economically profitable than marriage (Noack 2010:148; Syltevik 1999).

The concerns for benefit misuse and strategic behaviour, which had worried politicians, were finally addressed during the 1990s. Regulation was altered so that ‘marriage-like’ cohabitations were treated the same as actual married couples for benefit and taxation purposes (Noack 2010:201). A ‘marriage-like’ cohabitation refers primarily to two groups: cohabiting couples with a shared child (as well as previously married cohabiting couples⁶⁹), and cohabiting couples without a shared child but who had lived in the same dwelling for a certain period of time, typically one year. More specifically, this meant that single parents in Norway who started cohabiting lost the right to extended child benefit in 1994, and to transitional allowance as well as other single parent benefits, in 1999. Also in terms of pension rights, cohabiting couples were now treated as married couples (Noack 2010:184). Ending the practice of treating unmarried cohabiting couples as single, not only stopped strategic behaviour but also meant that the state could save expenses on benefit pay outs, and this is also a likely motive for why these changes were issued (Noack 2010:202). Syltevik (1999) has commented on this development in family policy that this represents a shift in Norway towards greater individualisation. The state ceases to regard lone mothers as carers in need of state support. Instead, a more marked understanding of lone mothers as potential wage workers is developed, where non-working mothers are treated as having a deviating behaviour in terms of citizens’ general obligation to work (Syltevik 1999:95). In a juridical sense, this development means that cohabitation and marriage have become similar for benefit and taxation purposes.

Where marriage and cohabitation still differ are in terms of legal regulation for the sharing of assets. Whereas marriage law contain such regulation, the ending of a cohabitation is instead regulated by private property law. There is no law regulating the sharing of assets and hence each cohabiter keeps his or her property, assets and

⁶⁹ The inclusion of previously married cohabiting couples was made in order to reduce the risk that someone would divorce for economic profit (Noack 2010:185).

debts when the relationship ends (Lødrup and Sverdrup 2011:72). However, as is the case in marriage law, co-ownership is based on what the parties contributed to the acquisition of property, and therefore also for unmarried cohabitation, a homemaker's indirect contribution in the form of care for small children is sufficient to make her/him an equal co-owner of the family home or other items bought by the partner with her/his money during the relationship (Sverdrup 2006:476) There are however two exceptions to this regulation. The first is related to "Husstandfelleskapsloven"⁷⁰ which since 1991 has provided an option, given certain conditions, for one partner to buy the house which has served as a family home from the ex-partner. This may be in cases where children need to stay in the family home or in cases where, due to illness or old age, a cohabiting partner needs to stay in this property. However, the property must be bought from the other ex-partner at market value. This regulation does not therefore give access to any of the ex-partner's valuables or assets (Lødrup and Sverdrup 2011:75-6; Noack 2010:169).⁷¹ The second exception is that one of the partners can be awarded an amount of money as remuneration in cases where this partner has "enriched" the other. This may take place if one of the partners has paid for improvement of property formally owned by the other, or has contributed indirectly through domestic work or payment of current expenses during the lifetime of the relationship. Such remuneration will apply only exceptionally, however (Lødrup and Sverdrup 2011:73-4).

One critique which has been directed at regulating the end of a cohabitation on the basis of private property law is the great emphasis it places on fact-finding. Evidence must be gathered on ownership rights, and on what valuables have been acquired during the relationship and who has paid for them (Sverdrup 2009). This emphasis on finding proof may increase a conflict between separating partners. The legislation is therefore ill-suited for making peaceful settlements after relationship breakdown, which is particularly unfortunate in cases where cohabiting parents split up (Sverdrup

⁷⁰ The Norwegian name of the law is "Husstandfelleskaploven" or "Lov om rett til felles bolig og innbo når husstandfelleskap opphører" (Law on rights towards joint home and chattel when households cease to exist).

⁷¹ In practice, this means that even though only one of the partners has signed on a housing mortgage, this person has no automatic or sole right to the house and may be required to buy half the house from the other person. This person can also not sell the dwelling to a third person if the ex-partner wishes to buy it.

2009). Sweden, for instance, has regulation where the value of the family home and household goods are divided equally at the end of a cohabiting relationship, regardless of whether the house is financed with inherited gifts or funds. This makes for a less conflict-producing statutory model, since less emphasis is put on fact-finding for proving ownership rights at the end of a cohabitation (Sverdrup 2009). Other researchers have interpreted the exceptions found in the principle of property law as ‘mimicking’ the Norwegian Marriage Act, and to be steps in Norwegian jurisdiction towards juxtaposing cohabitations and marriages (Noack 2010:169).

All in all, the Norwegian government has been rather eager to alter family policy and law regulation in pace with the growth in cohabitation.⁷² Social researchers such as Hatland (2001) have concluded that policy response to family change in the Scandinavian countries has been pragmatic, following a pattern of piece-meal reforms to the social security system, something which could be expected in states grounded in universalist social security programmes, where the state has taken a relatively large economic responsibility for family support (Hatland 2001). This pragmatic adaptation has continued throughout the 2000s where cohabitation has been even further integrated into child law, for instance, by introducing automatic joint parental responsibility for cohabiting parents, (limited) inheritance rights for cohabiting couples, and an option for cohabiting couples to take the other persons’ surname if the couple share children (Noack 2010:204:ff).

3.3.2 Regulation of cohabitation in Britain

Cohabitation has not had the same influence on British legislation as in Norway. In fact, many cohabiting couples falsely believe that they have the same legal rights as married couples, something which is not the case (Barlow 2008). This is the so-called ‘common law marriage myth’ that cohabitation will, after a while, count as a real marriage. The practice of regarding someone as a common law wife or husband has historically been important in Britain, but common law marriages were actually

⁷² However, marriage law issues such as division of assets on relationship breakdown and support duties during the relationship have seen less development.

abolished in the Marriage Act of 1753.⁷³ Cohabitation was never made illegal in Britain but was rather an aspect of family life ignored by law. This meant that a woman and man who lived together outside marriage were not prosecuted under the law, but they were also not protected by it (Bradley 2001).

The supremacy of marriage as the preferred family form has been strong amongst Labour and Conservative politicians alike in Britain. Hence moral arguments against making legal provision for cohabitation, has restrained developments for fear of destroying the significance of marriage (Glennerster 2007). It has been argued that when cohabitants prefer to live as an unmarried couple, and therefore, unconsciously or not, are less likely to pool monetary resources, lawmakers should refrain from intervening with statutory regulations (Sverdrup 2009). The preferred policy stance in England has been to limit state intervention into family life (Bradley 2001; Lewis 2001a; Skevik 2001a). Generally, the British stance has been to treat cohabiting couples as married couples only when it is in their disfavour, mainly by limiting the access to welfare benefits for cohabiting lone mothers (Hatland 2001:133).

In terms of providing benefits to lone mothers, cohabiting mothers have not been eligible. Widows were the one group singled out as in need of special economic provision in Britain. In a scheme introduced in 1925, and revised in 1946, the state supported the loss of a male breadwinner with a widow's benefit. All other categories of lone mothers, including cohabiting mothers, were provided for under the means-tested National Assistance scheme (later renamed to National Insurance scheme) However, the widows' benefit was paid at a low rate and many widows had to claim National Assistance in addition to the widows' benefit (Skevik 2001a:136). There were strict controls against cohabitation, and benefits were subject to a family means

⁷³ In earlier times the validity of a marriage depended on the consent of the two parties and that this was publicly announced, often also symbolically acknowledged by the exchange of rings. The memory of the events and their witness is what gave the marriage legitimacy. This is called a common law marriage. Later, the Church and state became involved in marriages. Although the practices of common law marriages was abolished in 1753, the phrase of calling someone one's 'common law wife or husband' meaning a cohabiting partner remains in the English language to date.

test, where payments was only legitimate in the absence of income from a male breadwinner (Skevik 2001a:140).⁷⁴

To date there is very little regulation in Britain towards cohabiting couples. The only exception is some aspects of property law, which may have implications for division of property, and financial assets, in cases where cohabitation ends. The most important principle is that if a couple has shared children, and the relationship ends, then an ex-partner can obtain a court order to stay on the property if it is considered to be in the interest of the child. Cohabiting couples have fewer legal rights than married couples. The resistance amongst British politicians of making legal adjustments facilitating the growth in cohabitation abides. The legal system is instead based on couples themselves making private arrangements or seeking mediation, in cases where the relationship ends (Bradley 2001).

Hatland (2001) has characterised Britain's policy response to cohabitations as conservative, basically only negatively recognising, or ignoring, cohabitation and instead emphasising policy changes with a focus on encouraging marriage as the preferred family form. After the changes issued in Norway in the 1990s, regulation for access to benefits in both Norway and Britain has been developed so that it is *de facto* and not civil relationship status, that counts as benefit criteria. The countries have therefore become more similar on this issue. It has been questioned whether this could be seen as reinstating the male breadwinner, as it is assumed that the boundary between lone motherhood and cohabitation is drawn with the presence of a man in the household. Hence, it could be argued that the underlying assumption about family provision is that any new boyfriend will be ready to be a provider for a lone mother and her children. On the other hand, denying cohabiting single mothers access to benefits can equally be regarded as a flexible system that finds a reasonable balance, not discouraging lone mothers from forming new relationships, as well as avoiding resentment among married couples with children (Glennerster 2007; Lewis 2001a;

⁷⁴ The strict enforcement of the cohabitation clause in the National Assistance scheme was very unpopular and may have prevented lone mothers in need from applying for NA. However, the clause was never removed although controls became less intrusive throughout the 1980s (Skevik 2001a:140).

Skevik 2006:256). Furthermore, strong enforcement of benefit criteria (in this case, based on cohabitation) could also be interpreted as a trend for the state to withdraw from supporting the family economically to an assumption that both men and women, including lone mothers, will be in the labour market. This could therefore be seen as an erosion of the male breadwinner model and a shift towards the “adult worker” policy model. This, in turn, creates other challenges in particular for lone mothers, assuming that they will be in the same position as other adult persons to participate in paid work. This is a tendency which can be said to be particularly strong in Britain (Haux 2010).

Although it is clear that the state holds power through statutory regulations influencing the economic outcome of divorce and ending cohabiting relations, in a cross-national and comparative context, it is difficult to determine exactly what type of state influence this is. As shown above, regulations differ between Norway and Britain, but the exact economic impact of these differences remains under-researched. It is very difficult to obtain comparative information on how divorce legislation is actually applied in specific court cases, and it is therefore problematic to estimate the economic impacts of these regulations in a gender income perspective. Household surveys that can be compared cross-nationally, like the ones applied in this thesis, do not hold any information on whether ex-wives, or ex-husbands, actually make claims for maintenance payments, and if such payments are granted, and how regularly and completely they are paid or how property and assets are divided after partnership dissolution (Andreß et al. 2006; Andreß 2003). It is therefore not possible to make any firm conclusion as to how existing differences in Norwegian and British divorce jurisdictions impacts the economic outcome of partnership dissolution. One certain factor, however, is that in both countries alimony payments, typically paid from an ex-husband to an ex-wife, have become rare. The general societal trend where more women are in paid work has impacted on the economic settlements made between men and women after partnership dissolution. This is reflected in a greater focus on work participation, or activation, in policy development which is addressed in the next section.

3.3.3 Discussion

As demonstrated above, the state influences households' access to money after partnership dissolution in many different ways. Marriage law regulates how property and assets are divided between the ex-partners after the break. This law's primary concern seems to be to regulate the actual break, where less emphasis is placed on regulating the future outcome of the break. One example of this is how it has become increasingly rare to pay alimony to an ex-partner after divorce, a trend closely correlated with women's increased participation in the labour market. Another development in marriage legislation is that ex-partners are increasingly seen as separate economic units, with individual economic interests in need of legal protection. This is opposed to the view of regarding marriage or cohabitation as a common relationship where resources have been pooled and spent as a one consumption unit. Marriage (and cohabitation) has in this sense become more individualised. Signs of this trend are found in developments in marriage law that now positively recognises inequality as the legitimate outcome of partnership dissolution. The "unequal distribution rule" in Norwegian jurisdiction and the "clean break order" in the British jurisdiction both allow for divorce settlements where one party is left worse off than the other at the end of the relationship. It could be argued that is a reasonable legal position, since divorce legislation needs to balance the principle of providing fairness in each individual case against the principle of not burdening individuals economically for a lifetime with a decision to end a relationship. Therefore, it may be regarded as fair that the individual with the most resources at the beginning of a relationship should also have most resources at the end of the relationship, in particular if the marriage or cohabitation has been a short one. From a gender equality perspective, if the likelihood that women more often than men are left worse off after divorce, this particular development is not necessarily a step in a positive direction.

Another aspect of this is that as long as the law allows for unequal division, the risk increases that one of the ex-partners is left in an economically vulnerable position after the break. This has societal implications. The welfare states in both Norway and

Britain guarantee to meet individuals ‘in need’ with economic provisions. If more women find themselves in economic difficulties after separating from an ex-partner, this is also a gendered problem. Depending on the generosity of the welfare state arrangements, partnership dissolution may therefore directly increase welfare state pay-outs, which means that, in the end, the general taxpayer, including couples who do not divorce, end up paying the costs for other people’s partnership dissolutions. Gender income inequality as a consequence of partnership dissolution therefore becomes a *social* problem with ramifications beyond the private agreement made between two individuals to end their relationship. This also means that partnership dissolution is a highly relevant topic for discussions on policy development and welfare cuts.

3.4 Policies to support family income and ‘activation’ policies after partnership dissolution

Whereas family law seeks solutions at the level of the individual, gender differences in the economic outcome after divorce are also connected to the fundamental societal problem of the reconciliation of paid work and care for children. How this underlying issue for gender inequality has been addressed by family policy is the topic for this section, focussing in particular on family policy measures directed at lone parents.

3.4.1 Benefits for lone parents in Norway

A central policy aim in the Scandinavian countries has been to achieve gender equality by means of work/family policy (Leira 2002). However, Norway has historically differed from the other Scandinavian countries in that it has placed a greater emphasis on traditional family values, and especially the role of motherhood (Duncan and Strell 2004; Ellingsæter 1998; Knudsen and Wærness 2001; Leira 1993). This particular aspect of Norwegian family policy is evident in the special benefits Norway introduced for lone mothers in 1964. These comprise of transitional allowances, educational benefits and child care benefits. In addition, lone parents are entitled to an increased level of the universal child benefit at the rate of one additional child. In 1971, these rights were extended to divorced and separated mothers, not excluding cohabiting mothers. In 1980, this right was extended to include lone fathers (Syltevik 1999). The aim of these benefits were to lift lone mothers out of means tested social

assistance, and provide benefits for them that guaranteed a minimum income. This may be interpreted as a state support for lone mothers, allowing them to be primarily mothers and carers, and secondarily, wage earners (Skevik 2001b:92; Syltevik 1999).

However, it has been argued that this rather unique Norwegian policy with out-of-work benefits for lone parents has recently shifted towards a stronger emphasis on 'activation' and employment (Skevik 2001b; Syltevik 1999). First, there has been a tightening of the eligibility criteria where, as commented above, cohabitation now limits benefit access since the 1990s. An eligibility criterion has also been introduced where lone parents with children over three years old can now receive a transitional allowance only if they are working at least fifty percent of the time or they are going to school. Second, the benefit period has been shortened. Previously, the transitional allowance could be paid for a period of up to ten years, but is now paid for a maximum of three years. After 1998, lone parents with children over the age of three are required to either work, actively be seeking work, or getting an education (Skevik 2001b; Skevik 2006). Family policy measures for lone mothers has thus been transformed from a strategy guaranteeing a minimum income for single mothers not in paid work, into a policy providing a time-limited wage-supplement to single parents who work. Despite this development, it should be stressed that compared with Britain, wage compensation for lone parents with children under the age of three in Norway is generous. For parents with children older than three years however, the transitional allowance faces relatively strict work requirements and functions as an in-work benefit rather than a benefit remunerating care work (Skevik 2006).

Despite this renewed attention on lone mothers and paid work, it should be stressed that activation has always been part of the family policy directed at lone mothers in Norway (Skevik 2006). The educational support introduced as early as 1964 can be interpreted as a signal from the state that support is given with the aim of making the lone mother self-sufficient by increasing her human capital. In addition, the childcare benefit has been paid as an allowance to lone parents in need of child-care, and this also facilitates participation in paid work for lone mothers. And although Norway has

been a laggard in comparison with the other Scandinavian countries in offering day-care institutions for under school-age children, lone parents were prioritised for the places that were available (Vollset 2011:54). Also, the cost of child care has been, and still is, heavily state subsidised for lone parents, currently at a rate covering just under 70 percent of the expenses for lone parents, provided that the parents' incomes fall below a (high) ceiling (Skevik 2001b:96).

Another important part of family policy securing access to money after partnership dissolution in Norway is the child maintenance system. Established by the Children's Law of 1957, non-custodial parents, in most instances fathers, must pay maintenance, in accordance with ability to pay.⁷⁵ In cases where a father has been unable or unwilling to pay, the state has guaranteed a minimum payment. In addition, the state has made economic payments to lone mothers in the often long waiting period before the size of the payment has been agreed between the ex-spouses.⁷⁶ Any outstanding debts from non-custodial parents, again mostly fathers, have been the responsibility of the state to collect, relieving the mother of this task. Although Norwegian non-custodial parents are highly compliant, there are many who do not pay, mounting to a substantial debt covered by the state on behalf of fathers (Vollset 2011).⁷⁷ Initially, the size of child maintenance payments was largely based on discretion, however, since 1989, a system of a minimum fixed percentage of the non-custodial parent's income was set at 11 percent for one child, 18 percent for two children, 21 percent for three children and 28 percent for four or more children. For the non-custodial parent, the payments made were tax deductible, and for the custodial parent, the payments were taxable (Lyngstad 2008:9).⁷⁸ Although it was possible to pay more than this in

⁷⁵ Before 1964 the payment of child maintenance and alimony after divorce was the only economical support offered to lone mothers in Norway.

⁷⁶ The minimum guaranteed payment from the state was in 2009 1350 NOK per month (approx.. 170 EUR).

⁷⁷ In 2009 the monthly minimum guaranteed amount paid in child maintenance by the state was 1350 NOK per month. In 2001 the Norwegian state paid 1.6 billion NOK in child maintenance (Trygdestatistisk årbok 2002, table 12.2). Some of this has later been recovered from non-custodial parents, however according to Aftenposten the accumulated debt of non-custodial parents was in 2009 about 2.6 billion Norwegian kroner (approximately 2.5 million EUR) (article Aftenposten published 26.01.09, downloaded 28.03.2011 <http://www.aftenposten.no/nyheter/iriks/article2887639.ece>). In comparison, about 2 billion NOK was paid in transitional allowance in 2001 (Trygdestatistisk årbok 2002, table 12.2).

⁷⁸ The Norwegian Level of Living survey data analysed in this thesis are from the time period 1997-2002, hence the child maintenance system in place was this fixed-rate system.

maintenance, these were the rates actually paid in 90 percent of the cases (Bratberg and Tjøtta 2008).

In 2003, the child maintenance system was revised and the fixed-percentage system was abandoned. The previous system had been criticised for not taking the wage of the custodial parent into account when deciding the size of child maintenance payment, an argument that became important with more lone mothers working. It was also criticised for taking the approach that non-custodial parents were mainly considered economic supporters to their children and not regarded as caregivers to the same extent as the custodial parent. For instance, the fixed-rate system did not take additional costs in relation to visits into account, a critique that can be related to the debate around the role of fathers as carers (Lyngstad 2008).

With the new system, attempts were made to meet this critique by taking into account the earning capacities of both parents when calculating the size of the child maintenance payment.⁷⁹ Child maintenance was also made non-taxable.⁸⁰ In addition, the new regulations emphasise that both parents have an equal caring and maintenance responsibility toward the child. Hence, the new regulation is meant to encourage a caring role for both parents as well as to encourage private agreements between the parents (Lyngstad 2008:9).

3.4.2 Benefits and economic support to lone parents in Britain

Whereas Norway developed special out-of-work benefits for all types of lone mothers, including unmarried mothers relatively early, Britain only gave special benefit rights to women who had lost their husbands (Skevik 2001a:135). Issued as early as 1925, the widows' pension demonstrated a strong manifestation of the male breadwinner

⁷⁹ The size of the child maintenance benefit has now shifted to a standard budget calculation based on the actual cost associated with bringing up a child, developed by the National Institute for Consumer Research (Statens institutt for forbruksforskning). The costs are stratified according to the age of the child and shared proportionally between the parents according to income and personal agreements on visiting arrangements.

⁸⁰ A methodological artefact of these changes of making child maintenance non-taxable and at the same time encouraging parents to make private agreements on payments means that it is now challenging to find reliable statistics on the size of child maintenance payments made as they no longer appear in the end of year tax returns and private arrangements are not registered by the authorities. Hence, Statistics Norway has estimated that in about 1/3 of the cases the amount paid in child maintenance is not registered (Lyngstad 2008). The data analysed in this thesis are however from before this change was made.

assumption in Britain, where the loss of a male income by the death of a spouse was considered the only social risk worthy of special state support, a position that has endured (Lewis 1992). Other lone mothers (never married, separated and divorced) were supported through the means-tested National Insurance scheme (Skevik 2001b).⁸¹ The strong assumption of a male breadwinner was also visible, in that Britain, during the forming years of the welfare state, never developed a child maintenance or child support system. This can be traced back to the underlying assumption made by policy makers, also clear in the clean-break divorce legislation, that people who lost or divorced a partner would re-marry. For men and fathers, the economic responsibility was focussed on supporting the “new family”, wife and potential step-children, whereas it was assumed that biological children would in due course be provided for by a new step-father (Smart 2000). To ease the income situation of lone mothers, the state would step in and provide National Insurance in cases where lone mothers were in need. However, with growing divorce rates and without the expectation being fulfilled that women would remarry after divorce, the number of lone mothers on means-tested National Insurance grew. At the same time, few fathers paid child support, seriously constraining lone mothers’ access to money in Britain (Finch 2003; Smart 2000).

Throughout the 1980s, this became a great concern for the government. The question for policy makers became how to “tie fathers into families” (Finch 2003:6). Policies started catering to this by both strengthening the rights and obligations of fathers toward their children, and by establishing a child support system. Rolling out new policies in several stages, a first step was taken in 1989 with the new Children’s Act. The Act redefined and strengthened parental responsibility for both parents, stating that both parents had rights in terms of decisions concerning their natural child’s education, health and welfare. These rights are always given to a mother, regardless of her marital status, but were only given to married fathers. So, although the Act was

⁸¹ However the widows’ pension was never particularly generous and many widows had to top up their incomes by applying for National Assistance (Skevik 2001a:136). In addition, most people with children under 16 years (or a young person under 20 still in full-time education up to A levels) can claim the child benefit. There are two payments rates – a higher rate for the oldest child, and a reduced rate for all other children. It is possible to claim child benefit also for persons not working. The benefit is non-taxable.

keen on stating parental responsibilities, it failed to give parental rights to cohabiting fathers and fathers who had never resided with the mother. Instead, these fathers could only get parental rights, and hence the right to a say in their child's welfare, by a written paternity declaration, which needed the mother's consent. If the mother refused consent, paternity rights were subject to a Court decision. The way in which the 1989 Children's Act was issued, it served to undermine the caring role of unmarried, separated, divorced and never-residing fathers towards their own children, and only emphasised their role as economic providers, since fathers without parental rights were also required, since 1991, to be *economically* responsible for their natural children (Finch 2003). Since 2003, an addition was made so that unmarried fathers who are named on the birth certificate of the child would now automatically gain parental responsibilities.⁸²

The economic responsibilities of divorced, separated and never-residing fathers was emphasised with the introduction of a child support system in 1991. The aim was to transfer the economic burden of supporting lone mothers from the state (Income Support) to the biological fathers. This was a radical shift in family policy in Britain. Previously, policy makers had taken a 'hands off' position in terms of regulating internal family affairs, but with the child support system there came clear maintenance requirements on non-residing parents, mainly fathers, who were now for the first time legally bound to provide financial support regardless of whether they had parental responsibility or not (Finch 2003). To enforce this new legislation the Child Support Agency (CSA) was established in 1993, which also transferred child support from a juridical to an administrative setting.⁸³

⁸² This is one of the few examples of legislation in Britain that actively grants certain rights to cohabiting parents, rights previously only admitted to married parents.

⁸³ *Child Support* in UK can be arranged in three ways, either through the CSA (Child Support Agency), through a private agreement or through a court order. To arrange child support through a court order involves the parents first agreeing on how much is going to be paid and how often. The courts can then turn this agreement into a consent order and if the non-resident parent does not pay the right amount at the right time the court can take action. However, it is expensive to set up a court order and this is not normally done unless a divorcing couple is going to court for other reasons such as dividing property and assets after a divorce. If child support is arranged by the CSA then the amount paid is worked out according to one of four different rates of the non-residing parent's 'net weekly income'. The four rates are: basic rate (for incomes of £200 or more per week), reduced rate (for incomes is more than £100 but less than £200 per week), flat rate (if incomes are £5 to £100 per week), and nil rate (if incomes is less than £5 per week). For basic rate payment is: 15 percent if there is one child, 20

The role of the CSA was to increase child support payments among non-residing parents. But the CSA failed badly (Glennerster 2007; Lewis 2001a; Sigle-Rushton 2009). In 1999, several years into its existence, still only around 67 percent of non-resident parents were fully compliant in terms of paying child support. In 2003, the CSA was reformed again and simpler rules for calculating payments were introduced, along with a new IT system. However, this new attempt to make fathers pay also failed. The IT system became hugely expensive and did not work as anticipated and a large number of cases got stuck in the system or were never processed. In 2006, the CSA was given the status by the National Audit Office as one of the largest public administration disasters in recent UK history.⁸⁴ In 2009, a new system for child support was introduced called the Child Maintenance and Enforcement Commission (C-MEC) with much stronger means to recover unpaid child support.⁸⁵

Despite the long and troublesome affair of introducing child maintenance payments in Britain, social researchers have questioned whether the economic situation, especially of low-income mothers, would have been improved if CSA had been more effective (Finch 2003; Glennerster 2007; Sigle-Rushton 2009). In cases where a father started to pay child maintenance, other state benefits were withdrawn or shortened for the lone mother. The net effect of this was to lower the economic well-being of non-resident fathers but without improving the economic well-being of the low-income lone mothers (Sigle-Rushton 2009). This has lead researchers to question whether the real motive for the child maintenance system really was for the state to save money by

percent if there are two children and 25 percent if there are three or more children. Rebates are then calculated for the other rates. Child support is adjusted in accordance with the number of children living with non-resident parent, the number of children the non-resident parent needs to pay child maintenance for and whether the child stays with the non-resident parent at least one night each week.

⁸⁴ Source: National Audit Office Report (2006) Department for Work and Pensions Child Support Agency. Implementation of the Child Support Reforms.

⁸⁵ C-MEC will have access to all the tools and techniques for obtaining unpaid child maintenance already available to CSA (deduction from earnings orders, liability orders, bailiffs, third party debt orders, charges on property, orders for sales of property, driving licence disqualification and imprisonment). It will also have access to additional powers (removal of the need to apply to the court for a Liability Order, direct deduction from bank accounts without going to the courts, applying to the court from disqualification from holding or obtaining passport, applying for a curfew, recovery from a deceased persons' estate).

making it primarily the families and in particular fathers, and not the state's, responsibility to secure economic welfare after partnership dissolution (Lewis 2002).

Apart from structuring lone mothers' access to money by stronger enforcement of child maintenance, another important policy strategy in Britain has been to improve incomes and reduce child poverty by encouraging lone mother's labour market participation (Marsh 2001). Britain has a long history of providing wage supplementation to low income families (Marsh 2006). Both the Family Income Supplement (FIS) (introduced in 1971) and Family Credits (FC) (introduced in 1988) were designed to encourage employment amongst low income parents by adding money to their wages. The idea was to leave these households better off in work than out of work (Marsh 2001; 2006). Family Credit for instance gave direct wage subsidies to low income couples and lone parents alike who worked at least 16 hours per week, typically facilitating lone mothers in part-time jobs.

However, the Family Credits system attracted criticism. Although aiming to facilitate at least part-time work, many lone mothers remained out of work, relying on Income Support. In addition, large groups on Family Credits also received Housing Benefit and Council Tax Benefit, together creating an extensive system of 'in-work benefits' meaning that many people in work did not actually manage to earn incomes of a size sufficient to pay normal living costs without considerable state support. Another problem with Family Credits was that wage supplements were reduced at quite a high rate as soon as incomes grew. This created an in-work poverty trap and a non-incentive to increase working hours. Hence, the system was criticised for trapping people in poverty and for means-testing persons who actually were working. Critics claimed that a dependency on Income Support⁸⁶ had been replaced by a dependency on

⁸⁶ *Income support* (IS) is an income-based benefit available to people on low incomes. To be eligible recipients must not work more than 16 hours per week. The amount received includes a personal allowance which varies by age and household composition. In addition income support included a child premia until 2003, after this it was transferred to the Child Tax Credit (CTC). When Working Families Tax Credits was introduced in 1999, IS to children were increased (Stafford and Roberts 2009). Additional benefit support can be received to household on income support or household with very low incomes to send children to school. Extra benefits can be provided through local council for free school meal, school milk, rebate for school uniforms. In addition, a government-led program gives out vouchers for milk, fresh fruit, vegetables and infant milk formula.

in-work benefits. In addition, better-off families had received relative tax reductions, also causing disgruntlement (Marsh 2001; 2006).

With New Labour in government since 1997, their aim was not only to address the economic role of fathers but also to introduce new ‘welfare-to-work’ policies. Important targets had been set by this government in terms of reducing child poverty by minimising the share of parents out of work. This also applied to lone parents. The main policy instrument introduced was tax credits, but also the introduction of a national minimum wage⁸⁷ and ‘New Deal’ activation programmes have been important (Sigle-Rushton 2009). Tax credits emerged first as Working Families’ Tax Credits (WFTC), introduced in 1999, and later in 2003 revised into Working Tax Credit (WTC) and Child Tax Credit (CTC).⁸⁸ The tax credit system designed to enhance work incentives and improve the economic position of low-income parents by giving them a larger tax deduction, which is reimbursed in the form of a check or direct payment to the eligible person. The WFTC and Family Credits were similar in that they were not designed particularly for lone parents but for all families with children, however, larger deductions are given for lone parent households. In order to be eligible, a family or a single person has to have at least one dependent child, at least one person in the household working 16 hours or more per week and a low or medium income. Incomes below a threshold receive the maximum credit which is gradually withdrawn (the taper) as incomes rise up to the level at which eligibility ceases. Where the new system differs from the old is that WFTC was more generous than Family Credits due to an increased credit for children up to 11 years; a higher income threshold; a lower

⁸⁷ In 2007, the national minimum wage was £5.52 per hour.

⁸⁸ In April 2003, the tax credit system was changed again. WFTC, and the associated Disabled Persons’s Tax Credit and Children’s Tax Credit were replaced by Working Tax Credit (WTC) and Child Tax Credit (CTC). WTC is also payable to singles and couples without dependent children, for families with children however WTC essentially replicates the non-child element of WFTC. This means that with the introduction of WTC in 2003 for example persons who do not have dependent children but finds themselves in a difficult economic situation after partnership dissolution could be eligible for tax credits. However, this applies only if this person is in paid work. The WTC and the CTC comprises a number of elements that are added together to calculate the total tax deduction made: basic element, a lone parent/couple element, a childcare element⁸⁸, as well as additional elements for working 30 or more hours per week, having an impairment, or being aged 50 years or over.⁸⁸ WTC and CTC are separate programs but are subject to the same means-test, which is annual income for single persons or joint income if a couples (married or cohabiting).

withdrawal rate (the taper); by not excluding child maintenance from its definition of income; and by having a more generous childcare credit (Marsh 2001; Stafford and Roberts 2009:14). Hence, tax credits function both as a work incentive as well as redistribution policy, and has been an important policy for reducing child poverty (Marsh 2001; Stafford and Roberts 2009).

Research has documented that child poverty and deprivation has indeed improved since New Labour came to power in 1997, a development likely to have been caused by policy measures introduced, such as improving economic assistance to lone parents and low-income couples with children through new tax credits (Hills 2004:234; Marsh 2006). Improving the number of fathers paying child support, and also changing the tax credit system so that the full value of the payment is kept before credits are estimated are other examples of policies that have recently improved the incomes of lone mothers in Britain (Marsh 2006).

3.5 Recent changes in family policy developments – the adult worker model

As this chapter has demonstrated, family policies have shifted over time. In order to assess what this means for the economy of separating couples it is useful to try and synthesise these policy changes. Feminist social researchers have suggested that recent policy trends can be understood in terms of an ‘adult worker model’, where an ever-greater emphasis is being placed on income from paid work as opposed to income from state transfers (Daly 2011).⁸⁹ This shift can be dated back to the mid-1990s and indicates a stronger focus on ‘activation’ and ‘employment’. One example of this is how policy makers have argued in favour of reshaping or withdrawing benefits for lone parents, in an attempt to shift them from benefits into paid work (Millar and Rowlingson 2001). This naturally has implications for the economy of divorcing couples but also for gender equality in general.

⁸⁹ The ‘adult worker model’ is said to describe policy development in Europe in general. In Scandinavian research it is however more common to discuss policy changes in terms of a ‘dual earner/dual carer’ model (Ellingsæter 1999; Ellingsæter and Leira 2006a), which more strongly emphasises policy initiatives directed at enhancing the caring role of fathers. There is however no clear cut distinction between the two models and the discussion here is concentrated on the adult worker model.

For policies around gender and work, the ‘adult worker’ focus represents a clear shift away from the sex specialisation model, where mothers were expected to stay home full time as carers, and towards an understanding of women (mothers) as paid workers (Lewis 2001b; Mätzke and Ostner 2010). This means that family policy is now being promoted as improving women’s economic autonomy and reducing their risk of poverty, through self-sufficiency in the labour market. This includes single mothers; a group for whom benefit reductions have been implemented in both Norway and Britain. So although the adult worker model is expressed in gender-neutral language, policies have a gendered pretext of pushing women into paid (full-time) work (Daly 2011; Orloff 2006). The other gendered aspect of this is the increased focus on men, and their role as carers (Ellingsæter 2006; Mätzke and Ostner 2010; Orloff 2006). This has been particularly emphasised in a Norwegian or Scandinavian context, where it is also common to refer to a ‘dual-earner/dual-carer’ policy model (Ellingsæter and Leira 2006a). In Norway, there have been vigorous debates regarding the equal sharing of children after divorce, which aim to strengthen the role of fathers as economically and socially responsible towards own children after divorce (Skevik 2006). But policies aimed at fathers as carers are also present in the British context for instance in initiatives for making fathers pay child support (Lewis 2002).

In the continuation of ‘activation’ a stronger state interest in children’s development and caring needs has followed. This is not limited to a mere facilitation of mothers’ work participation by taking child care ‘out of’ the family and into day-care institutions, but extends to an ‘investment in children’ welfare strategy (Lister 2006). In Britain for instance, debates have been framed in terms of increasingly conceiving children in socio-economic terms as a *profitable* resource for the future of society and where this profit is best reaped when a solid investment is made via state intervention in children’s skills early in the life course (Lister 2006). The positive side of this strategy is that welfare states try to enhance the value of children by turning them into

well-functioning future citizens (Esping-Andersen 2009; Lister 2006).⁹⁰ But this has also been criticised for representing a relative neglect of children who are not considered to be such a good investment (Lister 2006). An important subtext here, albeit perhaps mainly on a rhetorical level, is that a focus on investment in children also shifts away from policies issued to improve gender imbalances towards policies issued in the best interest of children.⁹¹

This point can be extended to another point, namely that the adult worker model has been thought of as a ‘farewell to maternalism’. This does not mean that ‘motherhood’ has lost cultural support and importance, but that to make claims on state resources on the basis of motherhood or care is more difficult in the current political context (Orloff 2006:232). This point is particularly interesting since this is where Norway has been said to differ from the rest of Scandinavia. Norway has traditionally issued policies supporting lone mothers as workers, as well as carers, through generous out-of-work benefits (Ellingsæter 2003:421; Melby et al. 2008:10; Skevik 2006; Syltevik 1999). But also within Norway, policies have shifted in this respect, and the access to transitional allowance, for instance, has been reduced (Skevik 2006; Syltevik 1999). Recent policy debates have also suggested cutting the out-of-work benefits (transitional allowance) completely, something which could be interpreted as an even stronger demand on lone mothers towards activation.⁹²

Another facet of the adult worker policy model is the interest policy makers have had in the close association between high birth rates and women in employment, a trend especially prominent in the Nordic countries.⁹³ In an attempt to both increase women’s fertility rates and their labour market participation rates the ‘Scandinavian style family

⁹⁰ Similar arguments have been used in Norway in particular in terms of emphasising the educational and integrating effect child care institutions have on the children of immigrants.

⁹¹ One illustration of this point is the famous pledge made by Tony Blair in 1999 who was Prime Minister in Britain at the time, to eradicate *child* poverty. This, rhetorically at least, disentangles the child’s economic situation from that of the mother and father. It also underplays the gendered context of child poverty, as children of lone mothers are more frequently poor than other children.

⁹² See for instance the report of the so-called Brochmann panel (NOU 2011:7:19), which suggests to phase out transitional allowance under the argument that it may act as restrain labour market participation amongst immigrant lone mothers in Norway.

⁹³ It should be noted that neither Norway nor Britain has low fertility rates in a European context.

policy' has been promoted as the answer. This may be seen as a form of pro-natalism to stop the trend of dropping fertility rates in Europe (Mätzke and Ostner 2010). The increase of birth rates has however never been an explicit aim of Norwegian family policy (Vollset 2011). It is therefore perhaps more correct to interpret high levels of female work participation and high birth rates in Scandinavia as successful gender equality policies—a larger package than a single focus on fertility.

On a more general level, the adult worker model represents a shift from policies supporting the family *sui generis*, towards a *catch-all strategy* for governments (Mätzke and Ostner 2010:388). Whereas family policy previously was conceived of as a relatively closed sectorial policy area, it is now increasingly being promoted as the answer to a whole range of societal and economic ends. This includes: improving gender equality by enhancing women's economic independence, reducing poverty, improving the future of society by investing in children, strengthening the significance of fathers as carers and economically responsible for own children after divorce, and as a means to increase population growth (Mätzke and Ostner 2010). Hence, the needs of families seems to be increasingly subordinated to other economic, demographic and social goals for welfare states (Mätzke and Ostner 2010). This has much in common with the de-institutionalisation of the life course thesis, which also presents the idea that the agenda for family policy is driven by exogenous logics. Existing cash benefits and services are being re-designed to meet societal ends, rather than the idiosyncratic ends of the family unit (see also chapter one). Hence, there is a tendency to equate the needs of families with the (economic) needs of society at large. This leaves less room for the support of family sectorial interests, such as those of mothers or lone mothers (Mätzke and Ostner 2010).

The adult worker assumption has also left a bit of a 'functionalist' imprint on family policy development, where "*intervention is being streamlined as functional for employment, skill formation and poverty reduction*" (Mätzke and Ostner 2010:388 authors' emphasis). But the adult worker model, with the activation of women and the push on fathers into care, can also be understood as a strategy for the welfare state to

save money. From the backdrop of economic recession and fiscal constraints, governments seem to prefer policies that can reduce welfare expenses. The money-saving aspect is therefore also an important element of activation policies (Orloff 2006). There is no doubt that the rationale behind the tax credit system in Britain, for instance, fits neatly into this theory. But the idea of providing incentives to push individuals into paid work is not new in British policy. Where the policy shift lies is therefore in the even stronger emphasis on increasing the work participation rates of *lone mothers*. This is a reoccurring trend in British policies, and is evident in the new changes since 2009 where stronger activation criteria for lone mothers on Income Support were introduced (Haux 2010). Now those lone parents whose youngest child is seven years or older will be transferred from the Income Support scheme to Jobseeker's Allowance, limiting the eligibility of means-tested Income Support for lone parents. This strategy has been criticised for not paying sufficient attention to the multiple disadvantages of lone parent families with older children relying on Income Support and being too optimistic in assuming that the age of the child will determine the work ability of the parent (Haux 2010; Lister 2006). The economic recession in the late 2000s has only strengthened the discussions on welfare cuts in Britain (Taylor-Gooby and Stoker 2011).

Although the impact of the recession on welfare budgets has been less pronounced in the more stable oil-based Norwegian economy, cutting welfare costs is nevertheless an important topic in Norwegian policy debate. For example, it has been suggested that the transitional allowance be removed. On the other hand, it is also fair to say that family policymaking in Norway over the last decade has been characterised by large investments, as Norway has increased the for day-care system for pre-school children to full coverage. However, this development also fits neatly into the adult worker assumption and the 'activation' of mothers.

3.6 Overview

There are strong and important arguments in favour of characterising policy development in Europe as a trend pushing all adult persons into paid work. But in the context of this thesis, the adult worker model has limited analytical application.

Describing a general European trend, the adult worker model is less attuned to cross-national variation. It therefore needs to be underlined that what this chapter has first and foremost pointed out are the large *differences* found in family policy contexts in Norway and Britain. Having explored the three policy dimensions as pointed out by Millar (2008), differences are found in terms of divorce and cohabitation legislation, in benefits and allowances directed as single parents, and in policies promoting labour market participation for lone mothers. In sum total, Norway has a more supportive welfare system, particularly for single parents, compared with Britain.

However, there is one factor where Norway and Britain do *not* differ: both countries have the same, high, divorce rates. Given large policy variations, one plausible argument is therefore that individual's decisions to divorce or to end a cohabitation arrangement is not directly informed by existing family policies. Different family policy has *not* resulted in different divorce rates, which are even higher in Britain with the less generous welfare system.⁹⁴ Hence, no clear link can be identified between policy variation and the *willingness* to divorce – but – policy variation may have large implications for the *outcome* of a decision to divorce. Policy differences are therefore vital when interpreting any cross-national differences in the economic *outcomes* of divorce. This is something that will be addressed further over the next three chapters when this thesis turns to estimate gender and cross-national consequences of partnership dissolution.

⁹⁴ This may also suggest that the British policy strategy of favouring marriage by avoiding the regulation of cohabitation has not really had any great effect on divorce rates. This might also indicate that conservative policy has a limited ability to influence or reshape family behaviour.

4 Partnership dissolution and poverty risks ⁹⁵

4.1 Introduction

Over the next three chapters, the empirical findings from the analysis of the longitudinal survey data will be presented. These contribute in different ways to analyse gender income inequality as a consequence of partnership dissolution.

The concern in this chapter is to map out the extent to which households risk falling into poverty as a consequence of not having two wage incomes. Applying a longitudinal research design, the chapter will achieve this by analysing different life course changes – events – that prevent a household from having two wage incomes (that is, where they deviate from the ‘dual-earner norm’). These life course events can be seen as poverty risks. Two sets of poverty risks are analysed, namely, labour market-related events and family-related events. Family events with the potential of increasing a household’s poverty risk are related to changes in household composition. The event in focus in this analysis is partnership dissolution, which is assumed to increase poverty risks by reducing the number of earners in the household, whereas adding children to the household can raise a household’s poverty risks by increasing its spending needs, as well as limiting women’s employment opportunities. Labour market events that may lead to increased poverty risks are related to shifts in employment status such as unemployment and reduction in labour market connection through part-time work, or simply being ‘inactive’, that is, being outside work for other reasons.

The conceptualisation of poverty risk applied in this chapter links to the dynamic life course perspective on the personal biography, where family and labour market changes may be conceptualised as ‘life course events’ (as opposed to life course transitions) (Dewilde 2003; Dewilde 2006), ‘poverty trigger events’ (Dale and Snell 1988; DiPrete and McManus 2000; Vandecasteele 2010) or ‘biographical breaks’ (Vandecasteele

⁹⁵ An earlier draft of this chapter has been presented at the ‘Eight meeting of the European Network for the Sociological and Demographic Study of Divorce’ 14-16 October 2010, València, Spain, ‘Trygdeforskningsseminaret’ 29-30 November 2010, Bergen, Norway, and NOVA seminar 27 April 2011.

2010). These concepts all underscore an understanding of poverty as arising out of a ‘sudden’ change within a central life domain, and where life course dynamics is seen in relation to the onset of poverty. This perspective fits in with a longitudinal research strategy, where the income situation before and after a risk event is examined.

The overarching aim of the chapter is to get a better understanding of how gender relations – that is, relations of inequality between women and men – are underpinning poverty risks. This chapter therefore steers attention towards two theoretical arguments outlined in chapter one. First, a large share of the progress in gender income equality achieved over the last decades has been because of women’s changed economic activity. Women shifting their roles from being mainly carers to becoming earners, alongside men, have led to a massive increase in the number of dual-earner households in the population. Having two incomes secures the household economically. But it also means that falling *outside* the dual-earner norm may increase a household’s poverty risk. Welfare states have developed institutional arrangements to protect citizens against poverty risks. Welfare policies offering protection against so-called ‘old social risk’, typically related to the inability to participate in paid work because of unemployment, illness or old age, have largely been successful in combating poverty, especially in Scandinavia (Taylor-Gooby 2004). However, a great deal less is known about the extent to which welfare states have been, or are being, successful in protecting citizens against income loss caused by ‘new social risks’ where partnership dissolution or divorce constitutes a particularly important risk factor (Taylor-Gooby 2004). This thesis will therefore contribute empirical knowledge on how welfare states deal with the ‘new social risk’ partnership dissolution in Norway and Britain.

The second aspect this chapter brings to the fore is that the way in which welfare states are successful or unsuccessful in protecting against income loss in relation with ‘new social risks’, cannot be seen isolated from how the welfare state exists in women’s and men’s lives (Daly and Rake 2003). The gendered arrangements between care and employment are complex and the welfare state may function both as an opportunity

structure, protecting women's incomes after separation, or a constraining structure, not counterbalancing the risk of income loss experienced as an outcome of separation.

The structure of this chapter is as follows: in order to place this analysis more firmly into existing research evidence, the chapter first gives an overview of previous empirical studies on poverty risks and income changes associated with partnership dissolution (section 4.2). On the basis of the discussion of previous studies, a number of research hypotheses are formulated regarding the likely impact of poverty following the particular life course events designated as partnership dissolution and labour market changes, in Norway and Britain (section 4.3). Thereafter follows a description of the empirical longitudinal analysis strategy applied in this chapter (section 4.4) and a description of sample and variables (section 4.5). Next, the chapter turns to the results section (4.6), where first descriptive statistics of poverty rates by labour market and family related events are presented. Thereafter, the results from the multivariate analysis are presented (section 4.7). The chapter ends with an overview section stating the key findings (4.8)

4.2 Previous empirical studies into the economic consequences of partnership dissolution

The impact of biographical breaks on the household income situation comparing countries with different institutional welfare state contexts has been the topic of a couple of interesting studies. In a study comparing Britain and Belgium, Dewilde (2006) estimated pooled logit models of income poverty risks and found a higher risk of poverty entry in Britain for both labour market and family-related life course events compared with Belgium. Partnership dissolution stood out as a more gendered event, involving greater poverty risks for women in both country contexts. DiPrete and McManus (2000) compared the impact on changes in household income of family and employment changes in the United States and Germany. Estimating fixed-effect regressions, a statistical model more robust for measuring change than the pooled logit model, they found substantial household income decline for men exiting employment in both the US and Germany, and significant but smaller income reductions were also

found for women. This study also made comparisons of pre-tax/transfer and post-tax/transfer income measures, and concluded that tax and welfare policies were especially efficient in offsetting negative consequences of labour market events, and more so in Germany than in the US. Therefore, the event of partnership dissolution in the short term was the most consequential for negative income changes, especially for women. However, it was found that in the longer term, both job changes and partner loss had durable negative effects, for men as well (DiPrete and McManus 2000).

Since this thesis is primarily interested in the event of partnership dissolution, a theme that will also be followed up in the next two chapters, it is relevant to consider empirical studies which focus on the economic outcome of experiencing the single life course event of partnership dissolution. A larger number of empirical studies evolving around the so-called 'divorce literature' has developed in tandem with greater access to data from large-scale household panel studies. A range of single-country studies have investigated the economic consequences of partnership dissolution and concluded that women in the short-term suffer larger economic losses than men: see Jarvis and Jenkins (1999) for Britain; Poortman (2000) for the Netherlands; Finnie (1993) for Canada; Gähler (1998) for Sweden; Hussain and Kangas (2009) for Denmark; Holden and Smock (1991), Peterson (1996), Smock (1994), and Sørensen (1992) for the United States. A limitation of these studies when they draw conclusions on gender inequality is that the effect of the welfare state and its role in influencing gender income differences is undervalued or at least only implicitly addressed in these studies.

Studies that have compared the economic consequences of partnership dissolution in several countries have provided more nuanced conclusions. What the cross-national divorce literature has highlighted is that women are the economic losers of divorce compared with men, but that considerable cross-national variation in income consequences exists (Aassve et al. 2007; Andreß et al. 2006; Burkhauser et al. 1991; Dewilde 2002; DiPrete and McManus 2000; Uunk 2004).⁹⁶ Ranking severity of

⁹⁶ Dewilde (2002) and Uunk (2004) include only women in their study and compare the economic situation of women experiencing partnership dissolution with women in couple relationships in various European countries.

income loss after divorce by welfare state regime, Aassve et al. (2007) found the lowest post-split income poverty risks in Social Democratic countries, followed in ascending order by the Conservative countries, the Mediterranean countries and finally the Liberal countries. Regarding gender differences, the largest post-divorce income differences between women and men were found in the Liberal regimes and the smallest is in the Social Democratic regimes (Aassve et al. 2007). Similar findings have also been presented by Andreß et al. (2006). Their study compared five European countries grouped as representing different models of family support (market-, extended family-, male breadwinner-, and the dual-earner model). They found that post-divorce incomes were negatively affected for both sexes, but more so for women. The largest income decline was found in Italy, and the smallest in Sweden. This study also focused on the longer-term effects of partnership dissolution, and concluded that there were considerable cross-national variations in how quickly individuals recovered financially after divorce. British and German women recovered relatively quickly. In Sweden, representing the dual-earner family support model, both women and men dealt with long-lasting financial consequences after separation, something that did not seem to appear to the same extent in the other countries included in the study. None of the cross-national studies referred to above included Norway.

The economic consequences of partnership dissolution for men have also been studied. For instance, in a cross-national study applying non-monetary deprivation measures or housing measures, Aassve et al. (2007) found substantial negative effects of partnership dissolution for men. In a study from the United States on separation and divorce for men, it was found that a majority of men lose income in relation with partnership dissolution as they are not able to fully compensate for the loss of their partner's income and also because of an increase in child support payments (McManus and DiPrete 2001).

4.2.1 Previous studies into the economic consequences of partnership dissolution in Britain and Norway

There are also empirical studies conducted from the two countries of particular interest in this thesis: Britain and Norway. The number of studies from Britain is quite

extensive, since BHPS data have been included in numerous cross-national European studies, where Britain serves the role as the modal example of the Liberal or the market model (Aassve et al. 2007; Andreß et al. 2006; Dewilde 2002; Uunk 2004). But there are also single-country studies of Britain. Jarvis and Jenkins (1999) found that marital splits were, on average, associated with substantial income declines for women and children, whereas separating husbands' incomes changed much less. This study applied BHPS data from the early 1990s. In a later follow-up study by Jenkins (2008), a longer time-series of 14 years of BHPS data from 1991-2004 is used, and the short- as well as the long-term economic consequences of marital splits in Britain are studied. This study showed larger short-term income declines for women than for men, but also pointed out some improvement over the time period in that declines, in particular for lone mothers, were smaller in the latter part of the time-period studied. Looking at longer-term consequences (the income situation five years after dissolution), this study demonstrated that although incomes for ex-wives recovered on average over time, they did not reach their pre-split levels. After partnership dissolution, the women without a job and women who did not re-partner fared the worst economically. Women with paid work and women who found a new partner fared better financially after a partnership dissolution (Jenkins 2008).

Norway is not included as a country in any of the cross-national studies referred to above and has therefore not been part of the growing number of comparative studies on the economic consequences of partnership dissolution. Whereas the international research has largely been concerned with exploiting the growing access to longitudinal databases with individual level information, the Norwegian research has first and foremost been contributing to a national policy debate on the system for child maintenance payments. The research has therefore been limited to exploring the financial situation of families with minor children in general and the payment of child maintenance in particular. Also, the economic situation has not been analysed as a direct change following the dissolution but rather has been explored in general terms by studying the financial situation of divorced women and men as a group, regardless of when the partnership break took place.

Based on this approach, there have been diverging findings for the situation in Norway. Melby (1997) argued that receivers of child maintenance, mainly mothers, have the poorest economy, whereas Bratberg and Tjøtta (1999; 2008) found that contributors of child maintenance, mainly the fathers, have the most disadvantaged economic situation after partnership dissolution. Kirkeberg and Pedersen (2000) explored these diverging findings and concluded that differences in unit of analysis (person or household as the unit of analysis), and differences in income definitions explain the opposite outcomes. Furthermore, they pointed out that the use of administrative register data as applied by Bratberg and Tjøtta (1999) is particularly problematic in this type of research. Since the register income data do not capture cohabiting couples, all married couples who divorce will be registered as single, unless they re-marry straight away (Kirkeberg and Pedersen 2000).

The survey data applied by Melby (1997) and Kirkeberg and Pedersen (2000) have information about household composition, and can better control for post-divorce household size, but since they use cross-sectional data without information of when union dissolution took place, they cannot analyse the income implications as a direct consequence of partnership dissolution. Bratberg and Tjøtta (1999) have information about the year of divorce, but they do not use this information in their study. The end result is the same – these studies included in the group of ‘divorced’ both the financial situation of those who newly broke out of a relationship and those who separated many years ago. Since the Norwegian research conducted on this topic so far has not factored in ‘time since divorce’, studying the effect of partnership dissolution as a direct consequence of a biographical break/poverty trigger event has not been done for Norway.

A more recent study by Kitterød and Lyngstad (2009) used data from a survey of parents comprising resident mothers and non-resident fathers of the same child. They found fewer pronounced gender differences as a consequence of partnership dissolution, and they conclude that mothers are just as likely to have the highest

income after partnership dissolution as the lowest income, compared with the father. This Norwegian study concluded that the mother had the highest income in four out of ten couples and the lowest income in the same proportion of couples. This study did not have access to longitudinal data and therefore also did not directly factor 'time since divorce' into the analysis.

The general lack of longitudinal data applied and the lack of control for time since divorce make it difficult to distinguish between the long- and short-term effects of partnership dissolution in the findings from Norway. Hence, direct comparison with the international literature referred to above is difficult but there can seem to be a tendency to have fewer clear-cut gender differences in the economic consequences of partnership dissolution in Norway.

4.3 Hypotheses – gender relations and welfare state effects

On the basis of the review of the previous studies, two key hypotheses can be formulated, which will be studied in this and the next two chapters. The hypotheses may be backed up by different arguments, which differ in how they view gender relations and how they view the welfare state.

Turning first to the research findings from Britain they uniformly predict that:

HYPOTHESIS 1: Economic consequences of partnership dissolution are more severe for women than for men in Britain.

According to research findings from Norway, the evidence is more mixed, but they seem to point in the direction of *gender equality* in the income situation following partnership dissolution. The next hypothesis may therefore be:

HYPOTHESIS 2: The economic impact of partnership dissolution will be the same for women and men in Norway.

There are a number of arguments that can be used to support or explain this expected difference in outcome between Britain and Norway. Looking at the first hypothesis predicting *gender inequality* in Britain, this may be related to gendered caring and earning practices within the private household. In other words, the hypothesis rests on the presumption that income inequality *after* dissolution is the outcome of an incomplete fulfilment of the dual-earner norm *prior* to dissolution. Women's weaker positions in paid work and their heavier caring burden puts women's economic situations at risk following dissolution because women then lose access to a male (higher) income at the same time as they see their caring needs increase relative to men. This argument is, in other words, conditioned upon an inequality in gender relations, and that this gender inequality is 'revived', 'activated' or 'made visible' by the partnership dissolution event. Not expecting much in terms of British welfare state interference to alter this situation, it can be anticipated that this gender inequality will remain unaltered.

For Norway, there is evidence supporting the assumption that gender equality as a more likely outcome following dissolution. This can be backed up by two arguments with different assumptions on gender relations and the welfare state. First, it is possible to argue that gender equality in outcome after partnership dissolution is the result of a genuine *shift in gender relations*. If employment (and caring) practices have changed in such a way that the dual-earner (and carer) norm has been fulfilled, then it can also be anticipated that *if* a relationship ends, the economic impact of this event will be the same for women and men. What this entails is that the central condition generating gender inequality, namely gendered earning and caring practices, has been broken.

Oppenheimer (1997) has commented on this situation, claiming that with the dual-earner norm being largely fulfilled in a society, then a situation of mutual interdependence between women and men inside a household is generated. The partners start to rely on each other's incomes for securing the household's welfare. It can therefore be argued that the likely outcome of a fulfilment of the dual-earner norm

is that gender becomes obliterated as a social marker of inequality. Instead, a new demarcation of inequality is being drawn between (intact) dual-earner households and (separated) one-earner households. Hence, the inequality related to partnership dissolution is no longer directly linked to *gender* but to the number of *earners* in the household. Any household that relies on only one earner become economically vulnerable. Therefore, single parents, and other one-earner households alike, risk poverty. In terms of partnership dissolution, this would entail a *sharing* of the economic risks associated with partnership dissolution between women and men (Sørensen 2001).

However, the economic loss of one earner can be compensated by welfare state transfers. An alternative explanation, also supporting gender equality in outcome for Norway, rests on a *welfare state explanation*. The lack of gender differences in income following dissolution does not necessarily entail a genuine shift in gender relations. On the contrary, gender inequality in employment and caring practices may still prevail, but these may be ‘glossed over’ by the welfare state. If the state economically compensates women for their lower labour market incomes and greater caring responsibilities, the welfare state will act as a ‘buffer’, protecting women against income loss. Underpinning this hypothesis is therefore a situation of gender inequality in Norway, as also was the case for Britain. The difference between the two countries consists in degree of welfare state generosity.

These different assumptions on the role of the welfare state, equality/inequality in gender relations and the economic outcome of partnership dissolution will be further examined in this as well as the next two chapters.

In this chapter, however, a second event that may jeopardise the fulfilment of the dual-earner norm is also examined. Falling outside the labour market, for one reason or another, may reduce household income, and thus increase poverty risks. The interest here is not in analysing the links between shifting labour market associations and the welfare state per se. That is a large undertaking, and one which falls outside the scope

of this thesis, where the primary aim is to analyse partnership dissolution. What is suggested is that it may be useful to examine the impact of labour market events as a ‘contrast case’ to underpin the arguments on inequality in gender relations, as outlined in the hypotheses above. To be better equipped to understand whether and to what extent gender relations have shifted to greater equality in earning patterns, it may be useful to compare the poverty risk associated with partnership dissolution, with another event that also may also disqualify a household from fulfilling the dual-earner norm, namely ‘negative’ changes in labour market affiliation.

Following the same argumentation as above, if women and men tend to differ in their earning practices, households tend to rely more on a male income. If this gender inequality prevails, it can then be anticipated that the impact on the household income would be more negative if a man lost his job than if a woman lost hers. Hence, if the gender inequality hypothesis has any substance, then the *reversed* gender inequality outcome should follow from downgrading labour market association, leading to the following hypothesis:

HYPOTHESIS 3: The gender gap in the impact of changes in labour market connection will be in the disfavour of men in Britain.

For Norway, an alternative scenario was outlined that there had been a genuine shift in gender relation towards greater gender earnings equality. If this is the case, then women and men should become similar in their poverty risks profiles, including their labour market connections, leading to the following hypothesis:

HYPOTHESIS 4: In Norway, labour market events represent the same poverty risk to the household regardless of whether experienced by a woman or a man.

But it was also indicated above that gender relations had not necessarily shifted in Norway but were made less significant in their consequences due to welfare state support. Which of the two hypotheses are best fitted for Norway will be discussed in

the results section below; if the strongest support is found for hypothesis 4, than this can be used to back up hypothesis 2 above. If, however, hypothesis 4 is rejected, then this can be taken in favour of the welfare state explanation rather than the genuine shift in gender relations for Norway.

The complicating factor is what to expect in terms of welfare state buffering and how this will impact gender inequality and cross-national variation in poverty risks related to labour market changes. On a general basis, it is to be expected that the Norwegian Social Democratic regime provides better income protection against job loss than the Liberal regime. In addition, it may also be expected that there would be a difference in poverty risks related to what caused the labour market event. It may be that becoming unemployed or suffering a long-term illness evokes a more generous welfare state response than being without paid work for a reason not supported by a welfare benefit. Therefore, it may be that poverty risks are higher for these groups.

4.4 Empirical strategy for the multivariate analysis: pooled and fixed-effects models

Following up the theme presented in chapter two, this chapter makes use of two different statistical models for analysing panel data, a methodological approach fitting a longitudinal research strategy. Since the dependent variable is dichotomous, poor or not poor, a logistic regression is used. Model 1 is a pooled logistic regression (pooled cross sectional) model, and model 2 is a fixed-effects regression. Both models are estimated in Stata using the *logit* (model 1), and *xtreg* with the *fe* option commands (model 2).

A logistic model displays coefficient estimates in terms of changes in logged odds, rather than the often more intuitive changes in probabilities. However, the logged odds coefficients can be transformed and interpreted in terms of changes in odds. Further information on transformation and interpretation of logged odds are found in annex A.

The two models, pooled and fixed-effects, hold different properties that can be exploited in the analysis. The most important in this instance is that the models can

substantively be related to two different research questions, reflecting different aspects of poverty risk (c.f. Petersen 2004).⁹⁷

A pooled model (model 1) holds the property that it studies poverty risks *between different groups* in the population, which shares the same observed characteristics. This means that the first model can be used to answer the research question of whether (the group of) separated people have higher poverty risks compared with those in (intact) couple relationships. Similarly, for labour market events, the model queries whether full-time earners have lower poverty risks compared with people having other more marginal labour market connections. The pooled model is similar to an ordinary cross-sectional regression model. The only difference being that it pools variables from several waves of data and thereby increases sample sizes compared to an ordinary cross-sectional survey. But in essence it answers the same research question as a cross-sectional regression model.

To better make use of the longitudinal and dynamic aspect of the panel data, the fixed-effects model is estimated. The fixed-effects model analyses *within-person changes* on poverty risk. This gives rise to a more dynamic research question: When a person is experiencing life course events such as partnership dissolution, or a ‘downgrading’ in labour market status, does this affect this person’s poverty risks? The fixed-effects model thus analyses within-person change and supports the conceptualisation of poverty risks outlined at the beginning of this chapter, as a ‘poverty trigger’ (DiPrete and McManus 2000; Vandecasteele 2010).

The important difference to note between the two models is that the pooled cross-sectional model compares poverty risks *between* groups of persons sharing the same observed characteristics. In the fixed-effects model, it is taken into account that the same individual may be observed in different statuses during the observation period.

⁹⁷ Choice of panel estimator may be decided based on statistical testing or based or more pragmatically be linked to which estimator holds the qualities most suited to analyse the research question (Petersen 2004:334). Here a decision on model has been made on pragmatic grounds in that the fixed effects estimator is superior in terms of analysing within-person change.

The comparison is therefore *not* that between two groups, i.e. couple households versus single households. Instead, the model focuses on *individuals when they change*, i.e. the poverty risk of an individual who first was in a couple then became single (Allison 2009; Petersen 2004). Put differently, while the counterfactual in the pooled model is couples (or full-time workers), the counterfactual in the fixed-effect model is *the same individual* when he or she changes relationship status (or labour market status). For further model specification of the fixed-effects logistic regression model, see annex B.

The special property of the fixed-effects model of providing estimates for within-person changes is of particular use here since the primary aim is precisely that—to calculate the poverty risk associated with one person’s changing family or labour market status. The fixed-effect model is superior in that, compared with other panel data estimators (such as the pooled estimator in model 1), it provides a very precise answer in terms of the effect on the dependent variable when individuals change values on independent variables (Petersen 2004:334). The fixed-effects model therefore corresponds better to a longitudinal or ‘dynamic’ approach to analysing women’s and men’s income risks following partnership dissolution.

Apart from substantively supporting the research question of interest, there is a further favourable property to the fixed-effects model. It provides a statistically more ‘robust’ estimator than the cross-sectional (total) estimator, by controlling for unobserved heterogeneity (Petersen 2004). The fixed-effects model acknowledges the panel structure of the data and thereby provides controls for both time-varying and time-constant observed characteristics, as well as time constant individual *unobserved* characteristics, such as social competence, cognitive ability, loyalty, devotion or beauty (Allison 2009; Petersen 2004).⁹⁸ If family and work characteristics are observed and measured without error, then the estimates of the pooled model will be

⁹⁸ Although panel data contains a time component, it has been argued that the greatest benefit of panel data models, such as the fixed effects (and random effects specifications) is that it model this period’s state of the dependent variable (1 or 0) as a function of explanatory variables and an individual unobserved time-invariant effect, α_i . The great advantage over cross-sectional estimations is thus the inclusion of unmeasured variables in the fixed effect model (Petersen 2004)

unbiased. Standard pooled regression models are potentially biased by a correlation between the independent variables in the model (here: family and work statuses) and the unmeasured individual specific effects. For example, a person who already has a weak economic position might be more likely to separate from his or her partner than a person with a stronger economic position. Likewise, a person with stronger career motivation might be more likely to work full-time than part-time. A standard pooled logistic regression model would erroneously count such effects as consequences of separation or of part-time work. By controlling for unobserved heterogeneity, the fixed-effects model can better handle the fact that the association between pre-dissolution income situation and post-dissolution income situations may be a spurious relationship caused by an unobserved factor that is not included in the model (Dougherty 2007:408-21; Elliot 2002:234; Wooldridge 2002:668-76). The fixed-effect model provides a better control for this bias caused by unobserved time-constant and individual specific personal ‘traits’.⁹⁹

The fixed-effect model also has some drawbacks. The model only provides estimates for independent variables that change during the observation period. This means that respondents who do not experience any observed changes during the observation period are not contributing to the regression coefficients (Petersen 2004). In this context, this can be seen as an advantage as coefficients then solely reflect within person change, which is of primary interest. But this also means that the fixed-effects model does not provide any coefficient estimates for (observed) time-invariant variables. This is a problem since the primary variable in this study is the time-constant variable *gender*. In order to integrate gender into the analysis, separate models are run for women and men and the regression outputs are compared.¹⁰⁰

⁹⁹ It may be that previous income position in cohabitation or marriage is endogenous to the process of partnership dissolution. In other words, an association between previous economic status inside the relationship is likely to be a spurious relationship, so that both previous and current economic status are the result of a separate factor which is not included in the model (Elliot 2002). Access to panel data and the application of a statistical model with include an individual-specific error term (such as fixed effects model) and thereby controls for unobserved heterogeneity represents an approach that can avoid some of this problem.

¹⁰⁰ A random effects model would have provided an alternative analysis method as it also controls for unobserved heterogeneity and in addition provides a coefficient estimate for time-constant variables such as gender. However, the random effects model does not capture within-person change in the same way as the fixed effects model does. Another alternative to get coefficient estimates for time-constant variables in the fixed

Another drawback of the fixed-effects model is that by only taking into account those individuals who change on one or several time-varying observed variables, the fixed-effects estimator omits from the model individuals where no changes are observed over time. The fixed-effects estimator therefore uses the data more inefficiently. The price to pay for this is (considerably) lower sample size, and increased standard errors (Allison 2009).

4.5 Sample and variables

The primary aim in this chapter is to analyse differences in poverty risks for households that have been disqualified from having two earners in the household. To this effect, the sample therefore comprises all couple households (potential dual-earners) and single person (one-earner) household. The latter includes those couples who during the observation period experiences partnership dissolution. Both households with and without children are included in the sample.

The sample is restricted to people of working age.¹⁰¹ In the British sample, working age population was defined in accordance with the pre-defined BHPS variable denoting whether a respondent is of working age, i.e. 16-59 years for women and 16-64 for men respectively, reflecting the different age limits for old age pensions for men and women in Britain. For Norway, working age was set at being between 18 and 60 years for both men and women in the first wave (1997) of data. This ensured that everyone in the sample was below the official retirement age of 67 years in the last wave (2002).

effects model is to run interaction variables, e.g. between gender and number of children. However, since the model includes a range of independent variables this enlarge the number of interaction effects. Therefore separate analyses are instead run between women and men, this gives an expression of interaction effects between women/men and the independent variables, but the differences between women and men cannot be significant tested.

¹⁰¹ People living in 'mixed' households where for example adult persons share a dwelling with own parents, grandparents, siblings or friends are not included in the sample. A crucial assumption made in this study is that persons living in the same household pool economic resources and share the same level of living, an assumption more reasonable made on couples and single parent households than for persons sharing a dwelling with a friend.

Students have been included in the sample. This is a group often omitted from poverty studies. The reason to include students here is that in Norway one of several criteria for receiving additional transitional allowance is to enrol in an educational programme. To pick up on this factor, students have been included in the analysis. In addition, including students increases the sample size.

4.5.1 Dependent variable

To provide a measure of economic loss in relation with a life course event, income poverty is used a dependent variable. This is a dichotomous variable checking whether a household falls below an income threshold set at 60 percent of the median equalised household income in association with a life course event.¹⁰² Income equalising is carried out according to the modified OECD scale, see section 5.2.1 for further information.

A poverty line as an indicator of loss in welfare is useful for several reasons. First, it is highly likely that incomes would change to some extent following partnership dissolution. The poverty line can be used to distinguish between smaller income shifts and more severe income loss, following an event. Second, poverty is intrinsically linked to inequality. Therefore it can also be argued that if certain life course events increase poverty risks for women but not for men, then it can also more convincingly be argued that gender income *equality*, at the very least, has not been achieved.

Third, a poverty line approach is commonly applied in the research literature, and thus facilitates the possibility of comparing this study with other studies. The findings from the analyses carried out in this chapter are therefore comparable to a wide range of studies into poverty, divorce and the links between family events and labour market events (c.f. Andreß et al. 2006; Bourreau-Dubois et al. 2003; Dewilde 2002; 2006; Fritzell and Henz 2001; Uunk 2004; Vandecasteele 2010).

¹⁰² The basis for this income measure is total household income, including labour market incomes (both own and partner's where one is present), welfare state transfers, private transfers, and minus tax. Household income is measured before expenses, such as housing costs.

Fourth, where Norwegian politicians generally have been more committed to issue policies with an explicit aim of achieving gender equality, it is less clear how committed British politicians have been to this issue. However, there seems to be a shared and much stronger normative imperative to issue policies to tackle poverty in both national contexts. Hence, identifying poverty threatening life course events should make for a relevant approach for informing policymakers in both national contexts. Linking poverty risks to family and labour market dynamics may therefore meaningfully contribute to the debate on gender inequality at large in both country contexts. By analysing the poverty risks associated with women's and men's shifting family and employment circumstances, this chapter therefore seeks to contribute to the larger discussion on economic vulnerability for households falling outside the dual-earner norm and to the discussion of gender income inequality at large.

4.5.2 Independent variables

The independent variables are divided into two groups: family related variables and labour market related variables.

4.5.3 Family related variables

Relationship status – including partnership dissolution

In the model, three different relationship statuses are distinguished: 'couple', 'separating' (i.e. partnership dissolution) and 'single'. In the multivariate analysis, the effect of relationship status is analysed as a dummy variable with couple as reference category.

Couple includes all married and cohabiting couples in the sample.

Single comprises all persons observed as being single (with or without children) during the observation period, but excluding 'separating'.¹⁰³

¹⁰³ Left censoring combined with a relatively short observation period also makes it problematic to determine whether a person identified as single in fact rather recently separated, but that the separation took place (just) before the study observation commenced. The BHPS provides better opportunities to create full overview of people's changes in family and work situations, both because more waves of data are available (in total 18 waves) and also because (since wave 8) respondents have also been asked about previous marriage and cohabitation experiences. Information about previous marriage and cohabitation experiences is not available in

Separating is identified when partnership dissolution takes place during the observation period. That is, when a person is first observed in a relationship in wave t and then observed as a single-person household (with or without dependent children) in wave $t+1$ (see also chapter two). This is the main variable in the model.¹⁰⁴

The ‘separating’ (i.e. partnership dissolution) category is generated by lagging the ‘single’ variable one wave and checking whether the single person was in a relationship in the previous wave. This is the only way to determine whether someone in the sample has experienced partnership dissolution (see chapter two for details). An advantage to applying this lagging approach is that it is possible to determine the ‘direction of change’ in the model when analysing the ‘separating’ variable, taking this into account in the regression model.¹⁰⁵ Hence, the interpretation of the fixed-effects estimator for ‘separating’ therefore more strongly supports a conclusion related to the order in which events took place (causality order of events). The disadvantage is that lagging variables always reduce the sample size available for analysis, since the first wave of observations is lost due to coding purposes.¹⁰⁶

Child variables

An important argument in this thesis is related to the potentially negative income effect of having caring responsibilities. This effect is controlled for in the analysis by adding two variables, measuring different aspects of caring for children. The first

LKU. According to Statistics Norway this information should be available for the years 2000 and 2001, but the data only contains 14 observations of previously married, so the LKU data file available for analysis was unfortunately incomplete for this question. Since this information was not available in the Norwegian data set, no effort has been made in order to distinguish between people who were single before entering a couple, and people who continued to stay single after partnership dissolution.

¹⁰⁴ The analysis thus operates with two different ‘single’ categories on the relationship status variable.

‘Separating’ holds a special interest in this study as it specifies the actual transition between the couple and the single relationship status. All other single statuses, including ‘never in a relationship’ and ‘recently experienced separation’ are included in the single category. It is only possible to be in the ‘separating’ category for one consecutive wave. If a person is experiencing partnership dissolution she or he is coded first as separating. If the persons do not find a new partner the person is for consecutive waves coded as single.

¹⁰⁵ It has however been argued that although panel data contains a time component and can facilitate the analysis of causal relationships through this lagging approach its prime concern is not to estimate what could be labelled ‘duration dependence’, namely how the length of time already spent in poverty affect this year’s probability of exiting poverty.

¹⁰⁶ The other relationship statuses ‘couple’ and ‘single’ do not make use of the lagged approach and therefore do not to the same extent support a causal explanation in terms of order of events.

variable, the birth of child, indicates whether a baby is born into the household (or a foster baby aged less than one year enters the household). In the multivariate analysis, this variable estimates the immediate impact on poverty risks of the birth of a child.

The second child variable controls for number of children in the household under the age of 18. The effect of this variable may be interpreted differently between the pooled and the fixed-effects model. In the former model, it is pertinent to pick up the effect of having more children in the household and thereby a larger family size, and in the latter model it can be interpreted as the effect of adding additional children to the household as well as the effect of (adult) children leaving the household. In terms of anticipated effects, larger family sizes may be associated with higher poverty risks because it increases a household's size and therefore its spending needs.

4.5.4 Labour market related variables

The second group of explanatory variables is related to labour market status. A distinction is made between one's own labour market status and one's partner's (where present) labour market status. Labour market status and working hours are self-reported. Since men and women are analysed separately, one's own labour market changes refer to men in the analysis of men, and partner's labour market changes to that of a female partner, and vice versa in the analysis of women.

Own labour market status

The variable estimating the effect of one's own labour market status has four categories: 'full-time work', 'part-time work', 'forced inactive' and 'inactive'.

Full-time work is classified as working 30 hours or more per week. This corresponds to a short full-time week. This is done in order to take into account that the number of hours constituting a normal week may vary by national context and occupational category. Operating with a short full-time week reduces the risk of drawing conclusions on changes in work status between full- and part-time work based on what could be classified as variations of a full-time working schedule (McGinnity and

McManus 2007). *Part-time work* designates people working less than 30 hours per week.

'*Forced inactive*' refers to persons who are not working but have sought work or are in a life situation where, given the opportunity to work, could have done so (for a similar approach see Dewilde 2006). This does not refer to a subjective preference of work-status. For Britain, 'forced inactive' includes the following self-reported categories of current economic activity: long-term illness, unemployed, participating in a government training scheme and maternity leave.¹⁰⁷ For Norway, 'forced inactive' refers to self-reported unemployment and long-term illness.¹⁰⁸

'*Inactive*' labour market status refers to those who are not working. For Britain, this includes family care, being a student or another reason for not participating in paid work. For Norway, this is defined as 'not normally unemployed' and not receiving long-term illness benefit.

Partner's labour market status

The coding of the partner's labour market status is the same as for one's own labour market status, except that the categories of inactive and forced inactive labour market status have been merged into one category. This is done due to a relatively large amount of missing information in terms of working hours. This variable should therefore be interpreted with some caution in the analysis. Women and men are analysed separately, hence in the multivariate analyses for women, changes in a partner's labour market status always refer to a man and vice versa for men.¹⁰⁹

¹⁰⁷ Maternity leave is included in 'forced inactive' category for Britain but included in full/part-time work for Norway. The reason for this is that a near full wage compensation is made for a year in Norway whereas maternity leave does not imply the same wage compensation in Britain. This means that maternity leave is economically juxtaposed with being in work, something that is less the case in Britain.

¹⁰⁸ For Norway forced inactive contains unemployed and long-term sick. Unemployment status is self-reported, tried to find work but is not currently employed. Long-term sick is defined as receiving sick pension or disability pension. This information is taken from registers. People normally working but who are on maternity or paternity leave are in Norway recorded as in work, otherwise as inactive labour market status.

¹⁰⁹ This thesis does not include any same-sex couples.

Other control variables

In addition to controlling for family and labour market status, the models also control for educational level and age. Level of education is divided into three categories: higher education, upper secondary and lower secondary school, where higher education is used as baseline.

The model also controls for age, which is included in the model as a continuous variable.

4.6 Descriptive results

In table 4.1, descriptive statistics is presented by country and gender.

Family characteristics

Table 4.1 shows that the most common relationship status is couple. More than 70 percent of the sample respondents live with a partner (married or cohabiting). In Norway, 72 percent of women and 70 percent of men live in couple relationships. The corresponding numbers for Britain are 78 percent women and 85 percent men, respectively.

There are more single persons in the Norwegian sample than the British sample. In Norway, there are 30 percent single men and 25 percent single women in the sample and for Britain, 14 percent single men and 21 percent single women. The lower share of British single men is highly likely to be caused by higher sample attrition for this group.¹¹⁰

Relatively more separations are observed in Norway in comparison with Britain. This should indicate a higher probability of partnership dissolution in Norway than Britain. Based on other available statistics (see chapter one), it is however no reason to anticipate large differences in divorce and separation rates between these two

¹¹⁰ In the BHPS there is a proportionally higher dropout rate amongst people with the following characteristics: young, never married, unemployed, no qualifications, in the bottom 40% of income distribution, not active in any organizations, local authority or housing association tenant or resident in Inner London, West Midlands or Merseyside (Lynn 2006:76)

countries. Another likely explanation is therefore that the difference is due to higher attrition in the British sample among separating persons.¹¹¹

In terms of number of children, there is not a great deal of cross-national variation. It is most common to have either one or two children, with about 20 percent of the sample being in either of these two groups. Less than five percent experience birth of a child in their household during the observation period, the numbers being somewhat higher in Britain than in Norway. In reality there is little difference in birth rates between Norway and Britain¹¹², so the slightly higher number of births registered in the British sample could be caused by the two year longer observation period. Alternatively, the explanation is that families with children are overrepresented in the British sample.

In sum, table 4.1 demonstrates a great deal of similarity in family characteristics between Norway and Britain. This makes for a good starting point for making a comparison, as differences in poverty risks are then more likely driven by other factors.

¹¹¹ Since partnership dissolution is defined as an event, measured as the change in marital status between two consecutive waves, i.e. it is possible to be recorded as 'partnership dissolution' for one wave only. Hence the numbers for partnership dissolution appear low when calculated as a relative share of the pooled sample and compared with the 'stable' relationship statuses of 'couple' and 'single' respectively.

¹¹² Total fertility rate (average number of children per woman) has in the period 1997-2007 varied between 1.63-1.90 in UK and 1.75-1.90 in Norway (Eurostat 2010: table 2.14).

Table 4.1 Descriptive statistics of dependent and independent variables by gender and country in percent across all waves (unweighted)[†]

	Norway		Britain	
	Men	Women	Men	Women
Family characteristics				
Couple	68.8	72.2	85.0	78.0
Separating	2.3	2.5	1.1	1.2
Single	29.0	25.3	13.9	21.0
Birth of child	3.4	2.4	4.9	4.7
No. of children				
1 child	17.7	18.2	17.4	19.6
2 children	19.2	18.7	18.4	19.3
3 children	7.6	9.0	6.0	5.8
4 or more children	1.8	1.5	1.2	1.2
Labour market characteristics				
Full-time work	83.7	52.4	80.4	41.9
Part-time work	5.3	26.3	2.9	26.8
'Forced' inactive	5.4	8.3	9.8	8.1
Inactive	5.7	12.9	2.1	18.6
Spouse (where present) FT	47.1 (n=1093)	75.1 (n=1025)	39.2 (n=1397)	65.8 (n=2349)
Spouse (where present) PT	21.7 (n=1093)	1.8 (n=1025)	26.6 (n=1397)	2.3 (n=2349)
Spouse (where present) inactive	4.2 (n=1093)	2.2 (n=1025)	11.3 (n=1397)	24.5 (n=2349)
Other variables				
Higher education	29.3	29.4	50.4	44.4
Upper secondary education	60.2	60.4	35.7	41.5
Lower secondary education	10.5	10.2	13.0	12.8
Age	39.6 (mean)	40.1 (mean)	41.4 (mean)	39.3 (mean)
Dependent variable				
Poor	7.9	10.1	11.4	14.8
Number of person years	5803	5534	18097	18577
N	1652	1538	3492	3605

[†] For Norway: 1997-2002, for Britain 1997-2004.

Labour market characteristics

Table 4.1 also displays variations in labour market status. Among men in both countries it is most common to be in full-time work. Nearly 84 percent of Norwegian men and just over 80 percent of British men in the sample work full-time. Full-time work is less widespread among women, about half of all Norwegian women work full-time (52 percent), and in Britain, less than half of women are full-time workers (42 percent). It should be noted that full-time work is measured as working 30 hours or more per week, which means, for instance, that women who are working a long part-time week have been classified as full-time workers. Despite this 'generous' full-time definition, there are clear gender differences. In fact, gender differences are much more pronounced than cross-national differences.

Looking more carefully at the other labour market categories, part-time work has a high prevalence among women in both countries, just over 26 percent of women working part-time. Part-time work among men is rare, only three percent of British men and five percent of Norwegian men are part-time workers.

More women are inactive in the labour market than men. If the two 'inactive' categories are analysed jointly, the results show that over a fourth of British and about one fifth of Norwegian women are not in ordinary paid work. The corresponding figures for men in both countries are just over 10 percent. If the two inactive work statuses are analysed separately, it can be seen that it is more common for women to be 'inactive' than 'forced inactive', that is, being out of work for another reason than suffering a long-term illness or being unemployed.

The household data analysed here also has information on the work status of other persons in the same household. Table 4.1 therefore also show the labour market status of the spouse where one is present in the household. This confirms a gendered pattern in terms of labour market status. It can be useful to cross-reference spouses' labour market status with the labour market status of the opposite sex in the same country, as it is a likely assumption that these should be similar. For example, the working

patterns of the (male) spouses of British women can be compared with the working patterns of British men. When doing this comparison, spouses' working status shows lower numbers for being in (full-time or part-time) work for all the groups. Furthermore, in Norway the share of the population with an inactive spouse is low, whereas in Britain it is rather high. Particularly the sample numbers for inactive male spouses of British women at 25 percent seems to be higher than expected. It is difficult to say exactly why this is the case, but again this could be due to sample attrition or non-unit response on this particular question. Since the working patterns of spouses deviates from the main respondent's, it is necessary to treat partner's working status with some caution in the analyses that follows below.¹¹³

Summed up, in terms of labour market status, the descriptive statistics indicates large gender differences in both countries. Men tend to work full-time or otherwise be 'forced inactive' (that is either on sick leave or unemployed), which shows that they would have been in paid work given the chance. Women show more diverse associations with the labour market. A majority is in paid work, either on a full-time or part-time basis. There is also a substantial share of women outside the labour market, as 'inactive', and who consequently are not drawing a wage income. With a higher share of Norwegian women in full-time employment, it could be argued that Norway is closer to a realisation of the dual-earner norm than Britain. However, with the diverse employment affiliations found among women in both countries, it is at the same time evident that the 'dual-earner, full-time working couple' is not practiced by a majority of households in any of the countries.

Other independent variables

In addition to family and labour market status, the multivariate analyses follow controls for education level and age. Table 4.1 shows a higher educational level in the British sample than the Norwegian sample. Since there is little reason to suspect large variations in education level between these two countries this may, as also indicated

¹¹³ In table 4.1 it can be seen that the categories for spouse's work status do not add to 100 percent. This is because information about spouse's work status is missing in 27 percent of the cases for Norwegian men, 21 percent for Norwegian women, 23 percent for British men and 7 percent for British women.

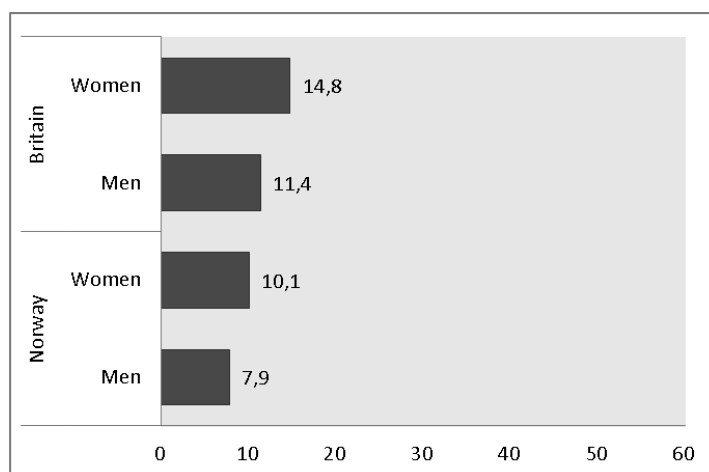
above, be caused by higher attrition rates among those with no qualifications in the British sample (Lynn 2006). In terms of age variation, few differences are found between the groups. The average sample age is around 40 years for all groups.

Poverty rates by family and work characteristics

In this section, descriptive statistics of poverty rates between different population groups are presented. It shows differences in poverty rates between so-called ‘new social risk’ and ‘old social risk’ population groups. The bar charts below use the same scales so the length of the bars can be meaningfully compared between figures 4.1 – 4.5.¹¹⁴

Figure 4.1 shows the overall poverty rates for women and men in the two countries. As could be expected, poverty rates are lower in Norway than Britain. In descending order, the highest poverty rates are found among British women (15 percent), British men (11 percent), Norwegian women (10 percent), and Norwegian men (8 percent).

Figure 4.1 Poverty rates in percent by country and gender



¹¹⁴ See table 4.2 for more details.

Next, poverty rates for different family statuses are presented ('new social risk' group). Figure 4.2 shows that poverty rates are considerably higher than the overall poverty rates in figure 4.1, and they are higher for those separating (partnership dissolution) than for couples. This applies across all four groups. However, for British men there is little difference in poverty rate between separating men and men in couple relationship.

Figure 4.3 shows poverty rates for women and men with different labour market statuses ('old social risk' group) in Norway and Britain. For households where at least one person is working full-time, poverty rates are lower than overall sample poverty rates (see figure 4.1). Part-time work displays higher poverty rates for men than for women. Nearly 22 percent of British and 24 percent of Norwegian part-time working men are poor. However, it must be taken into account that very few men in the sample work part-time (see table 4.1), but for those who do, poverty seems prevalent.

The working status associated with the highest poverty rates is found amongst individuals who do not work. Poverty rates are highest for those in the 'inactive' category, that is, people not employed for a reason other than being unemployed or receiving illness benefits. Over half of all British men in this category are poor. The lowest poverty rates for 'inactive' are found for Norwegian women at 21 percent, which is still quite high.

For 'forced inactive', which is the out-of-work category most presumably associated with some welfare state reimbursement, poverty rates are much lower in Norway than in Britain, which indicates that out-of-work economic compensation is higher in Norway. Nevertheless, poverty rates are also considerable for this group in Norway.

The most pronounced cross-national variation is found in relation to the birth of a child. Whereas 20 percent of women and 16 percent of men in a household who have a new baby fall below the poverty line in Britain, poverty rates associated with child birth are 5.5 percent for women and 3 percent for men in Norway (figure 4.4)

Figure 4.2 Poverty rates by relationship status, gender and country

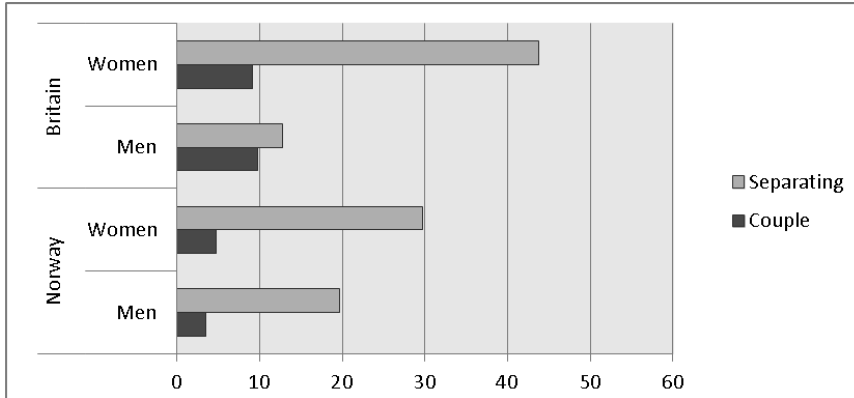


Figure 4.3 Poverty rates by selected labour market statuses, by gender and country

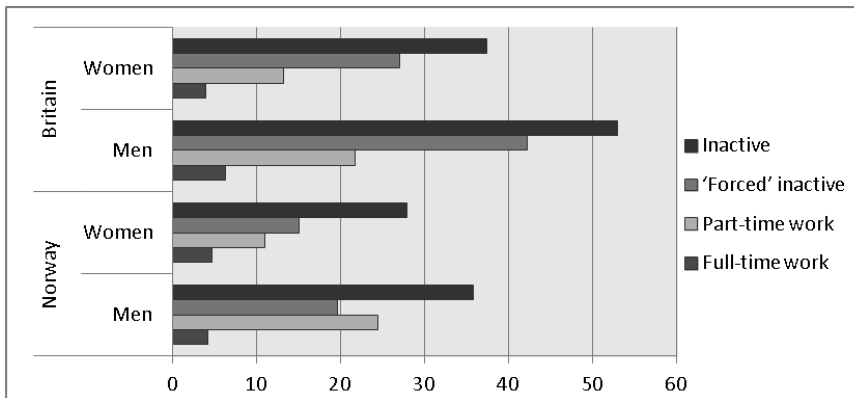


Figure 4.4 Poverty rates for birth of child, by gender and country

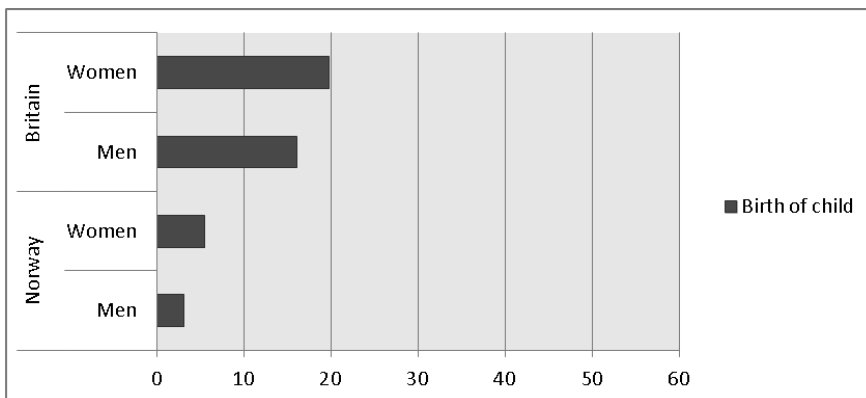


Table 4.2 Percentage poor by selected independent variables, by country and gender (unweighted)

	Norway		Britain	
	Men	Women	Men	Women
Couple	3.5	4.7	9.7	9.1
Separating	19.7	29.7	12.8	43.8
Single	17.6	23.7	21.6	34.5
Birth of child	3.1	5.5	16.1	19.8
Full-time work	4.2	4.6	6.2	3.9
Part-time work	24.4	10.9	21.7	13.2
'Forced' inactive	19.6	15.0	42.2	27.0
Inactive	35.8	27.8	52.9	37.3
Total	7.9	10.1	11.4	14.8
Number of person years	5803	5534	18097	18577
N	1652	1538	3492	3605

4.7 Results from the multivariate analyses

In this section follows the results from the multivariate regression models. Separate models are run for Norwegian men and women and British men and women. Findings from the pooled model (model 1) are presented before the findings from the fixed-effects model (model 2).

Results from the pooled model (model 1)

The pooled model 1 in table 4.3 shows the effect of independent variables on the risk of experiencing income poverty between different groups in Britain and Norway respectively. Commenting first on poverty risk among groups with different relationship statuses; a significant and positive estimator for the single and separating categories indicates that one-earner households have significantly higher poverty risks than couples, controlled for other variables. The same trend is found for both women and men and in both countries.

Table 4.3 Coefficients from pooled and fixed-effects logistic regressions on poverty risks, by country and sex. BHPS 1997-2004 and LKU 1997-2002

	Norway				Britain			
	Men (1) Pooled	Men (2) FE	Women (1) Pooled	Women (2) FE	Men (1) Pooled	Men (2) FE	Women (1) Pooled	Women (2) FE
Family Status								
Separating ^a	1.5618*** (0.268)	1.4028** (0.558)	2.2254*** (0.235)	2.9305*** (0.708)	2.6378** (0.256)	0.1638 (0.341)	2.4180*** (0.171)	2.8836*** (0.284)
Single ^a	0.9784*** (0.146)	1.7759*** (0.562)	1.3748*** (0.146)	2.4919*** (0.874)	1.1021*** (0.086)	0.7704*** (0.247)	2.0293*** (0.074)	1.9586*** (0.213)
Birth of child	-0.3471 (0.425)	-0.8129 (0.647)	-0.4084 (0.400)	0.7647 (0.672)	0.0758 (0.110)	0.0796 (0.154)	-0.2693*** (0.100)	0.0417 (0.156)
No. of children	-0.0462 (0.080)	-0.2289 (0.173)	-0.0613 (0.066)	-1.2628*** (0.239)	0.5737*** (0.026)	0.4808*** (0.078)	0.3225*** (0.025)	0.2116*** (0.077)
Part-time work ^b	1.4132*** (0.168)	0.5643* (0.309)	0.9726*** (0.139)	0.1633 (0.249)	1.4590*** (0.133)	0.8228*** (0.213)	1.0543*** (0.076)	0.6660*** (0.130)
Work Status	1.5078*** (0.172)	1.1498** (0.487)	1.6206*** (0.175)	0.6392 (0.420)	2.3538*** (0.120)	1.3468*** (0.234)	1.9171*** (0.099)	0.7981*** (0.193)
Forced 'inactive' ^b	1.8960*** (0.156)	0.7382** (0.311)	1.9347*** (0.142)	0.4438 (0.274)	2.4424*** (0.132)	1.4558*** (0.279)	2.3364*** (0.094)	1.0242*** (0.175)
'Inactive' ^b	-0.2144 (0.237)	0.3367 (0.528)	-0.2816 (0.751)	-0.9701 (1.155)	-0.0482 (0.116)	-0.0287 (0.199)	1.3704*** (0.202)	1.3565*** (0.375)
Partner part-time ^c	0.3747 (0.374)	-0.0261 (0.584)	0.8938** (0.362)	2.5329*** (0.853)	-0.0945 (0.135)	-0.4682* (0.250)	-0.0566 (0.107)	0.4319** (0.193)
Partner 'inactive' ^c	-0.1796 (0.123)	-0.2543 (0.606)	-0.1099 (0.113)	0.3479 (0.619)	0.5475*** (0.059)	0.5612** (0.258)	0.5332*** (0.055)	0.1363 (0.199)
Upper secondary ^d	0.2231 (0.184)	-13.2568 (1.714)	0.2308 (0.181)	-3.3986** (1.676)	1.0419*** (0.080)	0.6103 (0.463)	1.1039*** (0.076)	-0.0709 (0.434)
Lower secondary ^d	-0.0236*** (0.006)	0.0941 (0.059)	-0.0408*** (0.005)	0.0733 (0.055)	-0.0294*** (0.003)	-0.0509*** (0.017)	-0.0309*** (0.003)	-0.1139*** (0.016)
Age								
Constant	-2.4563*** (0.309)		-2.1139*** (0.307)		-2.5749*** (0.128)		-3.1477*** (0.124)	
Observations	5,803	728	5,534	925	18,097	4,273	18,577	5,141
Number of ident		191		226		716		869

Note: Robust standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1
Reference categories: ^a Couple, ^b Full-time work, ^c Partner full-time work, ^d Higher education

Figure 4.4 displays the *odds ratio* for the ‘separating’ category (i.e. partnership dissolution) on the risk of poverty, which is the variable of most interest to this thesis.¹¹⁵ The pooled model (figure 4.4) shows that the highest risk of income poverty is found among the group of British women, with an odds ratio of 11.22.¹¹⁶ This means that British women who separate have 11 times higher odds of being poor compared with women in a couple relationship. The odds for British separating men are much lower, where the odds for being poor for separating persons are 1.8 times higher than for couples.

For Norwegian women as well, the odds for separating is high. The odds of poverty for Norwegian separating women are nine times as high compared with women in couples. For Norwegian men experiencing partnership dissolution, the odds of poverty are 4.8 times as high as for those men in a couple.

To a large extent, these findings confirm hypothesis 1 of a large gender gap in poverty risk for Britain, where separating women are more often poor than women in a couple relationship. The gender gap is also found in Norway where separating women display high odds of poverty. Hence, hypothesis 2 is not fully confirmed for Norway. It needs to be stressed that poverty risks are clearly high for men who separate when compared with poverty rates amongst men in couples. However, the evidence from the pooled model for separating, exploring *between group* poverty risks, points in direction of the gender inequality hypothesis for both countries.

¹¹⁵ See annex A on how to transform logged odds into odds ratio.

¹¹⁶ Exponentiating the logged odds expresses the coefficients in odds (or odds ratio). The difference of a coefficient expressed as odds from 1 exhibits the increase or decrease in the odds for a unit change in the independent variable. Taking the odds coefficient minus 1 and times 100 gives the percentage increase (if above 1) or decrease (if below 1) due to one-unit change in the independent variable (Pampel 2000:23).

Figure 4.4 Odds ratio of poverty for 'separating' (i.e. partnership dissolution) (Reference category = couple)

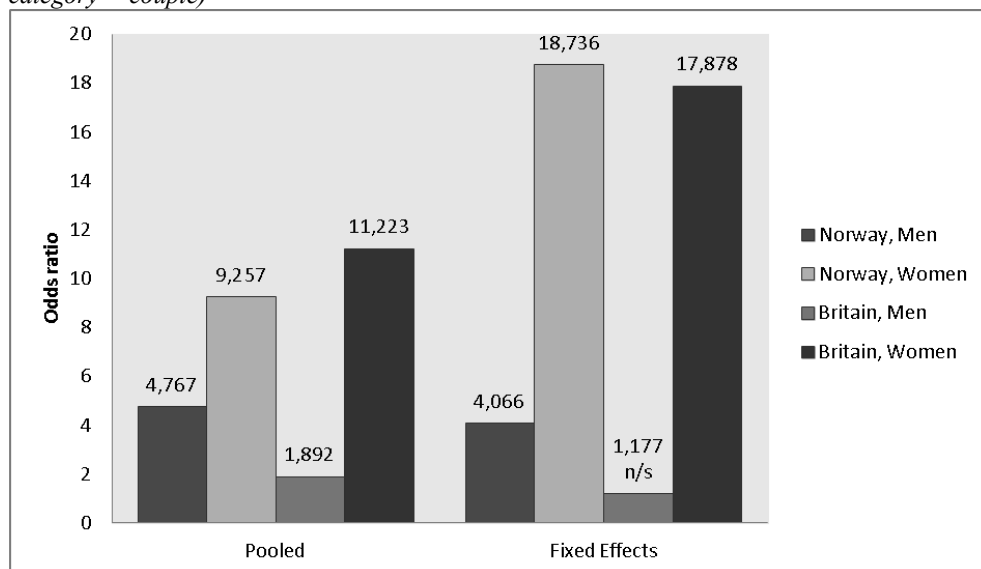
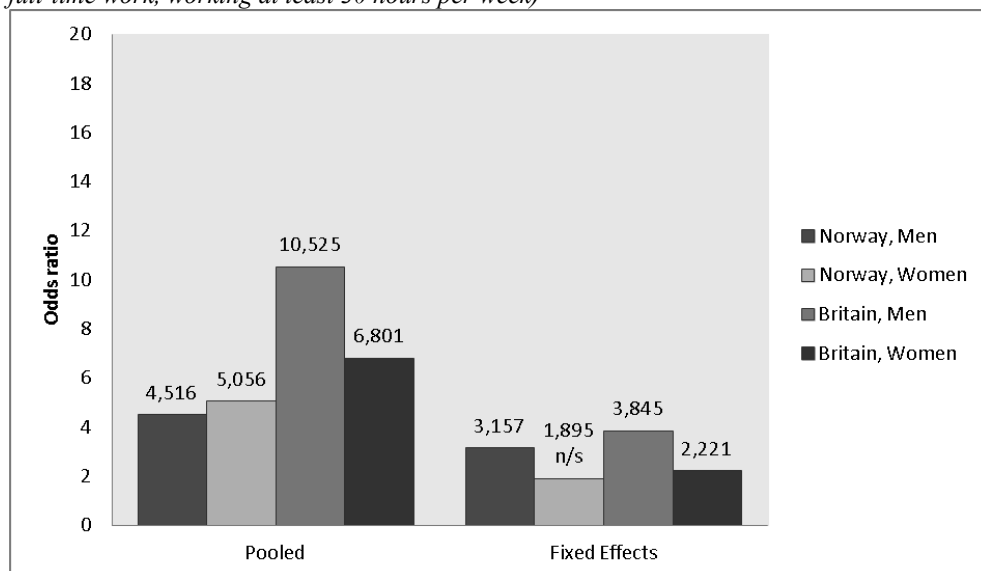


Figure 4.5 Odds ratio of poverty for 'forced' inactive labour status (Reference category = full-time work, working at least 30 hours per week)



The next question is whether the findings from the labour market estimator support the gender inequality hypothesis, and what is to be looked for is 'reversed' gender inequality effects (in the disfavour of men) associated with downgrading in labour

market status. Staying with the pooled model (model 1), table 4.3 shows positive and significant coefficients for all labour market statuses, which implies that poverty risks are higher for persons outside full-time work, net of other differences (family status, child birth, number of children, education and age). This effect applies to women and men in both countries alike.¹¹⁷

Looking more carefully at the findings from the ‘forced inactive’ group (mainly ill and unemployed), exponentiating the estimator provides the coefficient in odds ratio, plotted in figure 4.5. The pooled model shows that in Britain the effect of being forced inactive is larger for men than women. Forced inactive British men have an odds of poverty that are 10.5 times as large as for full-time working men. The odds are also considerable for British women, where forced inactive have an odds of poverty that are 5.8 times as large than for full-time working women. This gives some support to hypothesis 3 of a ‘reversed’ gender income inequality effect, pertaining to British unemployed and long-term ill men. But the high odds for both women and men are also an indication that the British welfare state is not particularly successful in protecting against income loss in relation with so-called ‘old social risks’.

For Norway the ‘reversed gender’ effect is not found in the pooled model (figure 4.5). Rather being ‘forced inactive’ reveals the highest effect for women, but gender differences are not very large. Figure 4.5 shows that the odds of poverty are 4 times as large for ‘forced inactive’ women and 3.5 times as large for ‘forced inactive’ men, compared with those in full-time work.¹¹⁸ This lends some support to hypothesis 4, that labour market events represent the same poverty risk to both women and men, i.e. a possible indication of a shift towards the dual-earner norm in Norway.

¹¹⁷ It is hardly surprising that people working part-time or who are inactive in the labour market have lower incomes than full-time workers. The model is not estimating downward income shifts per se but poverty risks. It is therefore interesting to note that any work status outside full-time work is associated with significantly higher poverty risks for all groups in the sample, in Norway as well.

¹¹⁸ What is perhaps more surprising are the relatively high poverty risks associated with being ‘forced inactive’ in Norway. It could perhaps been expected that the Norwegian welfare system would offer better poverty protection against ‘old social risks’ related to being unemployed and long term ill.

Whether gender relations have shifted towards more equality in respect of earnings can also be studied further by analysing the coefficient for partner's work status in the model. Moreover if a household relies more on a man's income, then women's poverty risks will be greater following a negative shift in partner's labour market connection, than her own (DiPrete and McManus 2000). This seems to be the case as British women whose partner work part-time has a much higher poverty risk than British women whose partner work full-time. Having a part-time working partner does not raise men's poverty risks. Similarly for Norway, it is found that women with an 'inactive' partner have higher poverty risks compared with women who have a full-time working partner. This coefficient is not significant for men. Analysing partner's labour market status therefore points in the direction of hypothesis 3 in both countries, which is based on the gender inequality in work and caring practices.

Hence, the conclusion for Britain in terms of gender inequality in working relations is quite clear, whereas evidence is somewhat more mixed in Norway based on the pooled model.

In connection with the pooled model, the effect of the children variables should also be briefly commented upon. Although having children is not directly linked to the research question related to poverty risks associated with deviations from the dual-earner norm, caring responsibilities can impact women's ability to work and it also increases household size and spending needs, which again may raise poverty risks. For Norway there are no significant effects for any of the child variables (birth of child and number of children in the household) (table 4.3, model 1). This means that households with children do not have any increased poverty risks compared to households without children, net of all the control variables in the model.

For Britain there is a different story, where the coefficient for the total estimator (model 1) shows a significant and positive effect. This indicates that adding more children to the household, and thereby increasing family size, is associated with a higher poverty risk, for both women and men. There is therefore no gender difference

in the effect of having children in the household, which is perhaps unsurprising, given the pooled income measure which is used.

The other child variable, giving birth to a child, is not significant for British men but is found to have a significant, but negative effect for women. This means a reduced poverty risk among the group of British women who give birth. However, rather than interpreting child birth as a poverty protector this result could be the outcome of a selection effect. It could be that only those households who can afford to have a baby actually plan to have one. An alternative explanation is that any poverty risk associated with having children may take time to manifest itself at the individual level. Therefore to identify the effect on the household economy of having a baby would require a longer time frame, say two or three years, in order to assess its real impact.

4.7.1 Results from the fixed-effects model (model 2)

Analysing the pooled cross-sectional model associates poverty with variations in group characteristics. However, the longitudinal approach and the life course perspective see poverty more as the outcome of changes in life circumstances and occurring as an outcome of life course events. Therefore, the next part is to examine the empirical findings from the fixed-effects model, which analyses the second substantive research question related to within-person poverty risks: Do individuals have a higher risk of poverty the year they separate (or experience another ‘event’) compared to the years they were in a couple relationship (when they did not experience the ‘event’)?

Of primary interest are the findings from the ‘separating’ coefficients for the fixed-effects model (model 2) in table 4.3. This is also plotted as odds ratio in figure 4.4. Given the specific coding of the partnership dissolution, this coefficient also expresses change in a particular direction (from being in a couple to experiencing partnership dissolution). The estimator can therefore be interpreted as a *poverty trigger*, supporting a causal explanation that partnership dissolution is the intervening event that triggers a change in the household economy resulting in income poverty.

Looking again at the odds ratio of experiencing poverty for ‘separating’ in figure 4.4, but this time interpreting the fixed-effects model, reveals some interesting results regarding gender inequality. Turning first to Britain, it was predicted in hypothesis 1 that gender income inequality would be the outcome of partnership dissolution. This is indeed confirmed. The results show that the odds for a British woman to experience poverty in relation with partnership dissolution is nearly 18 times as large than when that same woman was in a relationship. Interestingly, for British men the estimator is not significant, meaning that partnership does not act as a poverty trigger for British men. A British man who separates does not have higher odds of poverty following this event than prior to separation.

Looking next at Norway, the odds of poverty for a man experiencing partnership dissolution is about 4 times higher the year he experiences partnership dissolution compared to when that same man was in a couple. For a Norwegian woman, the odds are nearly 19 times higher of experiencing poverty the year she experiences partnership dissolution, compared to when she was still in a couple. Partnership dissolution acts therefore as a poverty trigger for both women and men in Norway, but the effect is much stronger for women. This evidence does not back up the gender equality in outcome hypothesis for Norway. Indeed the outcome of partnership dissolution is negative for both women and men, but the effect is strongest for women, which points in the direction of a gender inequality in earning hypothesis (hypothesis 1), for Norway as well.

The second issue raised here was whether this explanation can be supported by the findings from the labour market variables, i.e. the ‘reversed gender inequality’ effect. The odds ratio bar charts for poverty risks for ‘forced inactive’ in figure 4.5 indeed support this hypothesis, for both countries. Again the interpretation is in terms of poverty risks related to when an individual was in the ‘forced inactive’ status compared to when that same individual was in a full-time work status. For men in both countries the effect is very similar: for a man, the odds of poverty are 3.8 (Britain) and

3.1 (Norway) times as large when ‘forced inactive’ compared with when the same man was in full-time work. For British women, the effect is lower at 2.2 times higher odds for poverty, whereas for Norwegian women there is no significant difference of poverty for the same woman when she is ‘forced inactive’ compared to when she was in full-time work. This could mean that Norwegian women are less dependent on their own work incomes for supporting themselves and that other income sources are more important for keeping women out of poverty. This could be income sources such as a male partner’s income or income from the state in the form of benefits, or a combination of the two (a question to be further examined in chapter five).

The first explanation is the one which is best ‘tested’ in the regression model in table 4.3, and there is some empirical evidence to support it. Both in models 1 and 2 for Norwegian women the variable ‘partner’s employment status being inactive’ is strongly significant in the model. It therefore seems that poverty is triggered as a consequence of male rather than female changes in work relations in Norway. This could suggest a more gendered model of family provision, or that both men and women in Norway rely on men’s incomes to avoid poverty.

To sum up, based on the findings from the fixed-effects model measuring within-person changes, there seems to be a great deal of support for the gender inequality hypothesis which predicts that the poverty risk will be greater for women in relation with partnership dissolution and greater for men in relation with negative labour market changes. This tendency is particularly pronounced in Britain, but is also found in Norway for ‘forced inactive’ (i.e. unemployed/long-term ill). Partnership dissolution acts as the greatest poverty trigger for women, but is also a substantial poverty triggering factor for men.

4.8 Conclusion

The aim of this chapter has been to explore gender differences in income poverty risks associated with events that disqualify a household from fulfilling the dual-earner norm.

At the beginning of this chapter, it was discussed whether gender differences in income poverty risks could be subscribed to a difference in earning and caring practices between women and men, and it was further anticipated that this scenario would be found in Britain. It was also argued that gender relations in Norway had possibly changed to create a gender equality scenario where women and men have started to be more equal in their earning practices (a fulfilment of the dual-earner norm) and therefore also more similar in their poverty risk profiles (Oppenheimer 1997; Sørensen 2001).

It was found that the most important ‘disqualifier’ for women was partnership dissolution, which was associated with high poverty risk for women in both Norway and Britain. For men the findings were more mixed. British men did not display high poverty risks when experiencing partnership dissolution but rather their poverty risk was associated with falling outside the labour market. For Norwegian men both partnership dissolution and being ‘forced inactive’ (that is being out of work due to unemployment or long-term sick leave) represented poverty risks.

Although the evidence of gender differences in poverty risks was less clear cut in the findings from Norway, there were some gender differences in the effect of the poverty risk. Women were more badly affected by the experience of partnership dissolution than men. Hence, no clear evidence was found to support the hypothesis that women and men had developed a similar poverty risk profile.

The use of fixed-effects models revealed that the poverty *triggering* effect was much larger for women losing a male partner than for men losing a female partner, in both Norway and Britain. This finding therefore underscored the importance of the second aim of this chapter, namely to demonstrate the benefit of applying appropriate panel data analysis techniques (such as the fixed-effects model) for exploring gender inequality. It also revealed that much greater gender differences in poverty risk were associated with ‘new social risk’ (partnership dissolution) than the ‘old social risk’ of falling outside the labour market, in both countries.

5 The role of welfare state redistribution on post-dissolution household economics. A basis for gender and cross-national variation?

5.1 Introduction

In the previous chapter, it was established that partnership dissolution is a gendered poverty risk, and thus a potentially major life course event in terms of increasing gender inequality in society. In this chapter, what economic role the welfare state plays on steering the outcome of partnership dissolution in the direction of equality or inequality between women and men will be analysed. In this chapter, the focus is not just on the individuals with the lowest incomes (i.e. those who experience poverty as an outcome of partnership dissolution), rather the examination of which income *sources* women and men rely on following partnership dissolution will be emphasised. The issue of gender inequality may also be examined not just by looking at income level (i.e. the poverty line approach) but also by studying whether the fact that women and men rely on different income sources following dissolution can inform the empirical investigation of gender income inequality (Daly and Rake 2003; Ruspini and Dale 2002:264). Exploring whether individuals obtain economic resources in their own right (from the labour market), whether resources are obtained from the welfare state (as benefit claimants) or are obtained as a consequence of family status (such as lone motherhood), is important for enhancing our understanding of the gender differences in economic dependencies.

An income decomposition analysis may therefore give important insights into how the welfare state provides different opportunities and constraints on women's and men's post-dissolution incomes. Again, a longitudinal design is favoured, where income shifts are explored by comparing household income before and after dissolution, for different income measures. The types of research questions that are asked in this chapter are: What role does the welfare state play in limiting gender income inequality following partnership dissolution? Why do both women and men end up as economic losers after dissolution in Norway, when women alone seem to bear the economic burden in Britain? How is this related to women's participation in paid work and how

is it related to welfare state redistribution? To what degree do welfare states support the household economy after dissolution and what consequences does this have for gender income inequality?

This chapter follows the same line of argument as presented in the previous chapter, namely that researching the relationship between partnership dissolution and income changes is crucial for discussing two claims related to women's earnings and gender equality. The first claim is that more equality in earnings before partnership dissolution means more equal sharing of the economic risks associated with partnership dissolution (Oppenheimer 1997; Sørensen 2001:99). The second claim is related to a general debate on women and the welfare state and stipulates that the welfare state is more crucial for women's than for men's incomes, and therefore that a 'women friendly' welfare state is pivotal in achieving gender earnings equality (Daly and Rake 2003; Hernes 1987). Relating this to the first claim, it can therefore be assumed that behind a more gender-equal sharing of income risks as a consequence of partnership dissolution lies a welfare state with stronger gender redistribution effects.

In the next section is an outline of the analytical strategy for this chapter consisting of the three measures used in the income decomposition analysis (section 5.2). Next follows a short presentation of the sample (section 5.3). Thereafter follows the results section presenting the empirical investigation into economic resources available to a household before and after dissolution (section 5.4). This analysis demonstrates the extent to which the welfare state acts as a protective "buffer" against gender income inequality. Last, the chapter is rounded off with a summary of the main findings that constitute an important backdrop when the next chapter turns to an analysis of gender differences in individual level characteristics as important factors for gender income differences in post-dissolution household economies (section 5.5).

5.2 Analytical strategy – measuring income changes

In order to examine the welfare state redistributive effect on the post-dissolution income situation, this chapter will apply the method that has become a tool for revealing income redistribution (DiPrete and McManus 2000; Poortman 2000; Smock

1994). Decomposing net household income into its separated income sources, that is into which shares of the income that comes from employment, transfers and taxation respectively, makes it possible to determine whether there are gender differences in income dependencies after dissolution. In this way, for example, the extent to which women depend on economic transfers more than men, and the extent to which welfare state redistribution 'buffers' the incomes of women can be illustrated.

The income decomposition analysis splits household income into three separate parts: disposable net household income, labour market income and gross income. The incomes measures applied are summarised in figure 5.1.

Disposable (net) income reflects the economic resources a household has available to spend or save. Loss of disposable income over time indicates a loss in welfare for a particular household, since this means that this household has less resources to spend or save than previously. Disposable income consists of labour market income or income from self-employment, capital, welfare and private transfers but minus taxes (post-tax, post-transfer income).

In order to address the importance of market and welfare state on household income, two additional measures are estimated.

Labour market income displays the share of a household's income which comes from employment. This is an income measure reflecting economic situation prior to welfare state influence (pre-tax and pre-transfer).

The *gross income* measure shows household income after transfers has been added but before taxation (post-transfer, pre-tax). This is a measure of the economic impact of welfare (and private) transfers on the household economy.

By subtracting taxes from the gross measure, one derives at the disposable income measure. Comparing income changes between market and gross income show the

impact of benefits and transfers on the household economy. A comparison between gross and disposable income shows the effect of taxation on the household economy.

Figure 5.1 Household income measures used in income decomposition analysis

Labour market income^a	Gross income^b	Disposable (net) income^c
Pre-tax, pre-transfers	Pre-tax, post-transfers	Post-tax, post-transfers
Market income	+ State benefits	- Tax

^a Labour market income includes: income from work (wages, net income from self-employment), capital income, dividend income other market income and occupational pension.

^b Gross income includes: Labour market income plus non-taxable state benefits and pensions (e.g. child benefit, housing benefit, tax credit for dependent children, study scholarship, social assistance and social loans, basic and attendance benefit in case of disablement, supplementary benefit, cash benefit, child birth lump sum benefit, non-taxable childcare benefit, other non-taxable payments) but is prior to taxes

^c Disposable (net) income includes: labour market income, plus non-taxable state transfers, plus taxable state transfers (e.g. state benefits and pensions, unemployment benefits, child maintenance payments and other benefits), less taxes.

As opposed to the previous chapter which analysed incomes changes in terms of poverty risks, this chapter makes use of *change in median household* income for studying the economic consequences of partnership dissolution. Median household income in many ways constitutes a better starting point for assessing the income shifts related to partnership dissolution since it includes the incomes shifts for the whole population of separating couples, rather than focussing uniquely on those households that fall below a fixed poverty line. Median income is used instead of mean income as the median is not influenced by outliers in the sample.

Changes in median income cannot in the same way as income poverty said to be used to measure economic inequality. To address the issue of inequality in the analysis a *gender income gap* is estimated as the relative difference in post-dissolution median income between women's and men's incomes (e.g. figure 5.3). A large gender income gap signifies gender inequality. Decomposing household income into its different sources and estimating gender income gaps are analytical strategies for illustrating the extent to which the welfare state acts as a "buffer" for the household economy after separation. The significance of the welfare state on reducing or reinforcing gender inequality is also examined in a cross-national comparison. Comparing differences in

post-dissolution incomes between Norway and Britain provides an empirical basis for discussing the gender equalizing effect of nation-specific policy frameworks on the household economy after dissolution.

However, there are limitations to this income de-composition approach for understanding the impact of the welfare state on the household economy. First, it should be stressed that these measures do not fully capture the “total” welfare state impact on household income. The welfare state, as pointed out in chapters one and three, is a complex agent and much of its economic influence will be indirect and consequently not measurable by analysing household income alone. Such an analysis does not reflect the extent to which the welfare state, via its policies, influences the market-based (or pre-transfers, pre-tax) distribution of income (Esping-Andersen and Myles 2009). For instance, ‘de-familialisation’ policies and the active support of a work-life balance may raise women’s labour market participation rates, which again may impact positively on their post-dissolution incomes. (Daly and Rake 2003). Second, income decomposition also does not take into account the fact that individuals might have changed their behaviours and worked more in the absence of government intervention (Burkhauser *et al.* 1990, Jarvis and Jenkins 1999).

5.2.1 Income adjustment

In all analyses based on household income, there is an issue in making the measures comparable between households that differ in size and age composition. In addition, since this is a longitudinal study that measures incomes at different points in time, this needs to be considered when comparing income changes.

These factors are taken into account by making two adjustments to the household income: first weighting them to equalise (‘normalise’) incomes to meaningfully compare incomes of households differing in size and age composition, and second to adjust household incomes for inflation.

First, to cope with the impact of inflation and to be able to compare household income changes over time, all incomes have been indexed to 2001 price levels. For LEVAPN

Statistics Norway's consumer price index has been applied, and for BHPS the "Before Housing Costs index" has been used.¹¹⁹

Second, it is common to adjust household income for differences in size and age composition. Unadjusted income measures show the *exact* monetary value a particular household disposes of, before the researcher has made any income adjustments. However, because unadjusted income measures do not take into account differences in household size and spending needs, it is common to adjust incomes before comparing them. If, for instance, women have larger caring responsibilities for children after partnership dissolution, they will typically have larger household sizes and greater spending needs than men. This is not reflected in unadjusted household income measure. To take account of this, incomes have been adjusted using the 'modified OECD equivalence scale' also called the 'EU scale', which applies the following weights: first adult of the household weighted 1, all other adult household members weighted 0.5 and all children weighted 0.3.¹²⁰ All household members are thus presumed to receive the same equivalent income, which means that all household members share the same level of welfare.

Income changes after partnership dissolution may vary considerable based on whether incomes have been adjusted for changes in household size or not (Jarvis and Jenkins 1999). To get a feel for how much equalising incomes impact on 'real' incomes, both unadjusted and adjusted income measures are presented in the results section below.

There may be a separate reason for presenting the unadjusted measures, as well. For instance, in the data there is no information on how people feel about their own

¹¹⁹ The BHC index is based on monthly price indices provided by the Information Directorate of the Department for Work and Pensions (Levy et al 2006, appendix 7).

¹²⁰ There is no universally accepted equivalence scale, and different scales exist. In the research literature, two commonly applied scales are the modified OECD scale and the square root scale, which return almost the same outcome. Using household size as the determinant, equivalence scales can be expressed through an "equivalence elasticity", i.e. the power by which economic needs change with household size. The equivalence elasticity can range from 0 (when unadjusted household disposable income is taken as the income measure) to 1 (when per capita household income is used). The smaller the value for this elasticity, the higher the economies of scale in consumption. The elasticity of the OECD modified scale is 0.53, and of the square root scale 0.50 (*OECD Project on Income Distribution and Poverty*, via www.oecd.org/els/social/inequality)

economic situations after partnership dissolution. It could nevertheless be argued that when most people assess their own personal economy, it is likely to be in terms of an *unadjusted* rather than an *adjusted* income measure. Hence, any subjective assessment of one's own income development after partnership dissolution is likely to be closer to the unadjusted measure. For instance, a separated man may assess his own income development as negative after partnership dissolution and feel that the ex-partner has profited better than he has. Such a subjective assessment may be based on the fact that many men pay child support to their ex-partner after separation, and thereby feel their incomes are reduced. Such a feeling may not be unjustified. Partnership dissolution, which involves dividing a household into two parts, means that it is highly likely that both ex-partners will experience an income loss compared to the situation before the dissolution. Both ex-partners will lose the other partner's income and therefore see their incomes reduced as a consequence of partnership dissolution. This fact may also contribute to strengthening a general feeling amongst people having experienced partnership dissolution of having had a negative income development after the break. This means that there are sound reasons for including the unadjusted income measure in the analysis.

What the unadjusted measure cannot, answer is whether this negative income development represents a *real loss in welfare*. In order to address this question, it is necessary to draw on the adjusted measure that makes it possible to compare the income development of households of different size and age composition. The adjusted measure takes differences in caring responsibilities into account by adjusting for household size and consequently constitutes the better scientific basis on which to draw conclusions regarding gender differences in income inequality as a consequence of partnership dissolution.

5.3 Sample

The sample analysed in this chapter is of women and men who were either *married or cohabiting* in the period between 1997 and 2002 for Norway and between 1997 and 2004 for Britain. The data sets applied were described in chapter two. The household income situation before partnership dissolution is compared with the household

income situation the year after dissolution. Partnership dissolution is defined as making a transition from being in a couple-relationship at time t to be living alone (with or without children) at time $t + 1$. The time interval applied is years.¹²¹

Table 5.1 shows sample numbers for partnership dissolution. The sample sizes are fairly small. This is a common problem in European divorce research based on panel data (Burkhauser et al. 1991; Dewilde 2002; Jarvis and Jenkins 1999; Poortman 2000).

In order to examine the income situation both *before* and *after* the split, the sample sizes are further reduced due to left censoring of income data.¹²² The sample numbers for the total number of partnership dissolutions, with and without valid income, is displayed in table 5.1

Table 5.1 Sample numbers and income information for persons experiencing a partnership dissolution. Norway (1997-2002) and Great Britain (1997-2004).

	Norway		Great Britain	
	Men	Women	Men	Women
With valid pre-dissolution income	118	130	244	305
With valid pre- and post-dissolution income	89	89	203	255

More women than men are identified as experiencing partnership dissolution, a trend more pronounced in the British data. This is likely caused by a higher attrition rate for separating men than for separating women in the BHPS, as previously documented by Jarvis and Jenkins (1999:242) (see also chapter two).¹²³

¹²¹ In the event that someone experiences multiple separations within the time-period observed, only the first observed event of partnership dissolution is included in the sample.

¹²² Complete income information was not available for the partnership dissolutions taking place between the first and second waves and between the second last and the last waves.

¹²³ This is not to say that the BHPS sample of splitters consists only of “pairs”. There is not a perfect correlation in the sample of individuals who were once partners and now are single persons, but there will be some correlation here.

5.4 Results

In this section, first the pre- and post-dissolution net (disposable) household incomes for women and men will be examined before the net measure is compared with the labour market and gross income measures in the income decomposition analysis.

5.4.1 Net income change after partnership dissolution

Tables 5.2 present median net incomes in Norwegian kroner before and after partnership dissolution and table 5.3 presents median net income in British pounds. Before partnership dissolution, disposable (net) household incomes are approximately the same for women and men. This is expected since a pooled household income measure is used, reflecting the economic situation of a couple. The small income discrepancy between women and men can be subscribed to the fact that the analysed subsamples do not completely consist of couple-pairs.

Table 5.2 Median unadjusted and adjusted net income before and after partnership dissolution in Norwegian kroner, and median percentage change. Men and women, Norway.

	Median income pre dissolution		Median income post dissolution		Median percentage change		Percentage with income decrease	
	Men	Women	Men	Women	Men	Women	Men	Women
Unadjusted	276584	267174	138121	178052	-50	-33	50	50
Adjusted	119302	121214	90799	98652	-24	-19		
Base n	118	130	89	89				

Table 5.3 Median unadjusted and adjusted net income before and after partnership dissolution, in British pounds and median percentage change. Men and women, Britain.

	Median income pre dissolution		Median income post dissolution		Median percentage change		Percentage with income decrease	
	Men	Women	Men	Women	Men	Women	Men	Women
Unadjusted	20222	19268	16094	11586	-20	-40	41	56
Adjusted	10292	10067	13816	8027	34	-21		
Base n	244	305	203	255				

Disposable post-dissolution income gives a better insight into gender income differences. Looking first at the unadjusted measure, it shows that all groups experience a net income *loss* after dissolution. This is unsurprising, since dividing the household income between two households does not increase the income for anyone unless welfare state transfers exceed the ex-partner's income, which is a highly unlikely scenario.

Although the unadjusted measure does not correct for differences in household size, it shows nevertheless what people have available to save or spend after separation. It is interesting to compare the size of income loss for women and men. The unadjusted measure for Britain shows a greater income loss for women than for men. Women lose forty percent of their incomes and men twenty percent. In Norway, women's incomes drop by 33 percent, whereas men stand out as the economic losers, having their incomes halved in absolute terms. These income reductions give good reasons for all

groups to feel that their incomes have deteriorated as a consequence of partnership dissolution. The unadjusted measure may correspond well with how people feel about their own household incomes after having separated from a partner. The question is whether all groups have experienced the same loss of welfare. In order to answer that question, it is necessary to look at the adjusted measures, which takes into account that a comparison is made between households of different size and age composition.

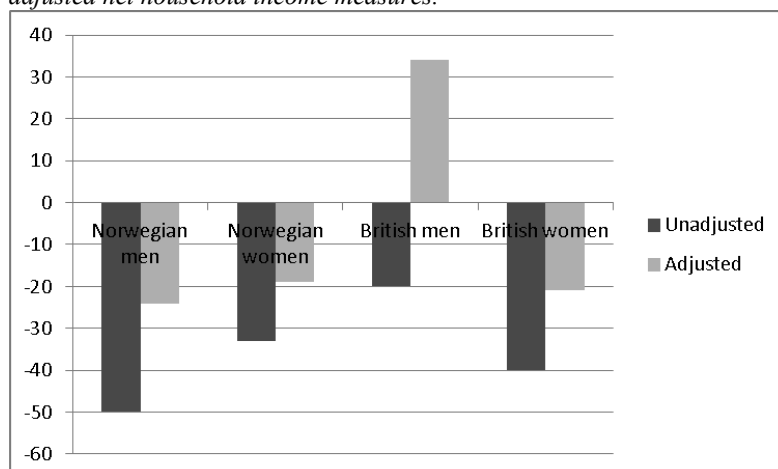
Figure 5.2 shows the differences in income change after partnership dissolution for Norwegian women and men and British women and men according to the unadjusted and adjusted net household income measures. This shows that the household income improves for all groups, comparing the unadjusted with the adjusted measure (see figure 5.2). This is unsurprising as all households in the sample will have a smaller household size after dissolution than before, and this had been corrected for.

The results for Norway show that the gender differences initially observed in the disfavour of men have been evened out, and women and men end up with approximately the same *negative* income development after partnership dissolution. Both experience an income loss of about 20 percent (table 5.2 and figure 5.2). This means that both women and men experience a negative welfare development after dissolution, equivalent to disposing over 20 percent fewer resources in relative terms. In one way, this could be interpreted as a form of ‘gender equality’, in that the relative income loss is the same for both women and men, hence the economic disadvantage of partnership dissolution is being equally shared between separating women and men in Norway. This could be interpreted as a sign of having achieved gender equality in the economic consequences of partnership dissolution, i.e. strengthens hypothesis 2 for Norway, in the previous chapter.

For Britain, a different picture emerges. Adjusting for household size and composition *strengthens* gender income differences. Interestingly, for British men, an income loss is turned into an income *gain*. This can be interpreted as British men seeing their economic welfare improved as a consequence of partnership dissolution. Instead of an

income loss of 20 percent, the adjusted measure shows an income gain of 34 percent compared with pre-dissolution income. British women, as in line with Norwegian women and men, continue to have a negative household income development and their incomes shift down by about 20 percent on the adjusted measure (see table 5.3 and figure 5.2), i.e. evidence to support hypothesis 1 for Britain.

Figure 5.2 Post-dissolution income change in percent by country and sex. Unadjusted and adjusted net household income measures.

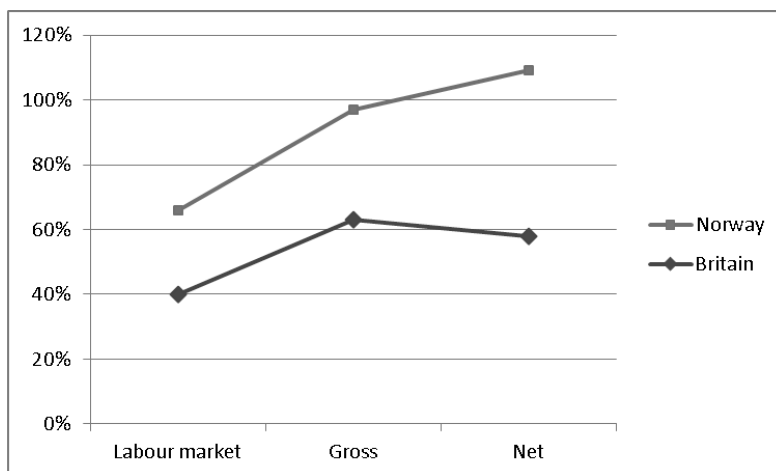


Change in *median* household income is a statistical measure for central tendency. This means that behind the median income measure there will be households that experience both income gain and income loss. In order to get a better feel for dispersion in the sample, the share of separating persons who experience a negative income change is calculated (see tables 5.2 and 5.3). In Norway, half of all persons experiencing partnership dissolution, women and men, experience an income loss (table 5.2). In Britain, a majority of women, 56 percent, experience an income loss after partnership dissolution, whereas less than half of British men (41 percent) see their income reduced after separation (table 5.3). This again gives an indication of stronger gender income inequality in Britain than in Norway. What cannot be determined based on the net income measure is what drives these income developments. To get a better idea of market and state influences on household income, the analysis turns next to the other two income measures, and carries out an income decomposition analysis.

5.4.2 Income decomposition analysis – analysing the gender income gap

Decomposing the household income into market and gross income makes it possible to analyse gender differences in state-market dependencies. In table 5.4 for Norway and table 5.5 for Britain, the full results for unadjusted and adjusted median income changes for all three different income measures are presented. On the basis of this information, it is possible to estimate a gender income gap, which is plotted in figure 5.3. The gender income gap is calculated as women's incomes relative to men's for all three income measures. That is, the graphs in figure 5.3 represent women's incomes in Norway and Britain respectively, whereas the 100 percent line represents men's incomes. The distance between the graphs and the 100 percent line is the gender income gap.

Figure 5.3 Gender income gap by different income measures. The incomes of women after partnership dissolution relative to the incomes of men after partnership dissolution, three different income measures.



The 100 percent income level indicates men's incomes.

Figure 5.3 shows a large gender income gap in both countries for the labour market income measure. In Britain, after dissolution women command incomes over sixty percent lower than men's, and the corresponding number for Norwegian women is 34

percent. This finding is particularly interesting for Norway as what was shown above based on the net income measure was a situation of an equal income loss for both women and men. What figure 5.3 shows is that by taking away all welfare state “buffering”, a *large gender inequality* is revealed amongst separated women and men in Norway. This points in direction of hypothesis 1 in the previous chapter, predicting gender income inequality as the outcome of partnership dissolution.

Looking next at the gross income measure, which adds welfare transfers (including child benefit payments from non-residing parents), this raises women’s incomes relative to men’s in both countries, but more in Norway than in Britain. The gross measure for Britain shows a gender income gap where women’s incomes are 37 percent lower than men’s. In Norway, the gender gap is almost closed, showing a discrepancy of only three percent between women and men. Next, subtracting taxes bring incomes to the net income measure. In Britain, this ‘takes away’ some the positive effect of welfare transfers and increases the gender income gap, so that women end up with a disposable income that is 42 percent lower than men’s. In Norway, women experience a positive income shift relative to men after taxation. Not only is the gender income gap closed, in fact, women’s median disposable incomes *exceeds* men’s by nine percent after separation.

Looking at the gross income measure separately for each country (see tables 5.4 and 5.5), it is also interesting to notice that for Norway, although the income level on average is improved from the original to the gross income measure, there is still downward income mobility for both genders post-dissolution. In Britain, we again find gender differences. Adjusted gross median income is higher after separation for men and lower for women. One explanation for this finding could be that state benefits in Norway tend to be universal and that all households, particularly those with children, will be recipients. This means that the welfare state does not intervene on the basis of the partnership dissolution as such but rather contributes on a general and universalistic basis, before partnership dissolution, as well. The findings for Britain could indicate that state transfers are particularistic and limited to periods where

households are particularly 'in need'. These situations of need can arise as a consequence of specific life events such partnership dissolution. Examples of such British policies are the child tax credit that 'favours' single parents in particular, who tend to be female.

5.5 Overview

What this analysis shows is that by carrying out an income decomposition analysis and by calculating a gender income gap, it is revealed that women command a much smaller share of market income compared to men after partnership dissolution. This indicates that women in both Norway and Britain are to a large extent *similar* in that they do not in any way obtain household incomes on par with men from the labour market. This also reveals very different economic dependencies for women and men. Women depend more on the welfare state and men rely more on the labour market for their economic welfare after separation. Although this gender difference is greatest in Britain, it is also considerable in Norway.

Where their economic situations after partnership dissolution differ is in terms of welfare state redistribution. The welfare state has a substantial impact on raising women's incomes, relative to men's, in Norway. After separation, women in Norway only draw about three-fifths of their incomes from the market but exceed men's disposable incomes. The story for British women is different. Although welfare state transfers benefit women relatively more than men in Britain, the "buffer" effect is much weaker and large gender income differences continue to prevail as little income redistribution takes place.

Economic autonomy for Norwegian women after partnership dissolution therefore rests on a strong alliance with the welfare state. The state, including the administration of child maintenance payments, secures the economic foundation for separated women. If this disappears, and no other change takes place, there will be little economic autonomy left for Norwegian women after partnership dissolution. It is not unlikely that they will end up with a pattern more similar to the one observed for British women where the economic foundation of separated women is less based on

welfare state interference, and where it was illustrated in the previous chapter that they to a large extent risk poverty following partnership dissolution. This also to a large extent rejects the scenario outlined in chapter four that gender equality in outcome in Norway can be subscribed to a genuine shift in gender relations. Rather, it seems as though gender differences are pronounced in Norway but that women's incomes, on average, are better protected by the welfare state. This also strengthens the argument that *if* the welfare state retracts, a gender income gap in the disfavour of women will also emerge in Norway.

Seen from the perspective of the welfare state, the initial lower labour market participation rate of British women also means that the British welfare state has a relatively larger gender income gap to close. This means that part of the cross-national difference observed may stem from the fact that individuals separating in Britain have fewer resources before they separate, compared to Norwegian couples. There may be some truth in this, as it was also pointed in chapter two (table 2.1), more separating couples are in the lowest income group in Britain than in Norway before they separate.

Table 5.4 Pre- and post-marital split median incomes, and mean incomes (standard deviation) for men and women in Norway. Different income measures (LKU (1997-2002). Deflated to 2001 price levels. Norwegian kroner (NOK) per year.

	Labour market income		Gross income		Net income	
	Men	Women	Men	Women	Men	Women
<i>Unadjusted incomes</i>						
Pre-split median income	311,847	304,174	368,390	355,960	276,584	267,174
Post-split median income	186,889	130,278	210,108	217,659	138,121	178,052
Pre-split mean income	329,705 (180,603)	342,432 (264,439)	382,706 (190,422)	397,604 (260,926)	286,944 (129,711)	292,969 (161,482)
Post-split mean income	190,752 (158,505)	161,409 (141,059)	214,531 (163,419)	223,864 (135,983)	149,893 (106,155)	178,611 (101,857)
Percentage with income decrease	51	49	50	50	51	48
<i>Adjusted incomes (EU scale)</i>						
Pre-split median income	140,289	133,641	160,199	163,677	119,302	121,214
Post-split median income	122,164	80,227	124,937	121,519	90,799	98,652
Pre-split mean income	144,270 (76,436)	148,648 (115,612)	166,467 (78,427)	172,620 (113,216)	124,513 (51,346)	127,274 (70,071)
Post-split mean income	117,084 (96,471)	86,522 (74,746)	131,024 (96,831)	117,563 (67,012)	91,499 (62,575)	93,413 (48,924)
Percentage with income decrease	47	53	45	54	50	50
Base N	Pre=118 post=89	Pre=130 Post=89	Pre=118 Post=89	Pre=130 Post=89	Pre=118 Post=89	Pre=130 Post=89

Labour market income is pre- tax pre-transfer income, gross income is pre-tax post-transfer income, and net income is post-tax post-benefit income.

Table 5.5 Pre- and post-marital split median incomes, and mean incomes (standard deviation) for men and women in Britain. Different income measures (BHPS (1997-2004). Deflated to 2001 price levels. Pound sterling (GBP) per year

	Labour market income		Gross income		Net income	
	Men	Women	Men	Women	Men	Women
<i>Unadjusted incomes</i>						
Pre-split median income	22,290	21,049	27,495	26,877	20,222	19,268
Post-split median income	19,339	9,986	23,219	17,190	16,094	11,586
Pre-split mean income	25,261 (21,267)	24,534 (21,809)	31,366 (21,455)	31,139 (22,621)	22,348 (13,721)	22,001 (14,538)
Post-split mean income	21,609 (17,560)	14,616 (17,367)	26,553 (17,487)	22,037 (17,228)	18,694 (11,686)	15,026 (11,967)
Percentage with income decrease	40	60	41	59	41	56
<i>Adjusted incomes (EU scale)</i>						
Pre-split median income	11,201	11,156	14,588	13,687	10,292	10,067
Post-split median income	16,781	6,730	18,843	11,861	13,816	8,027
Pre-split mean income	13,882 (11,816)	13,425 (12,790)	17,030 (11,856)	16,630 (12,736)	12,165 (7,687)	11,801 (8,279)
Post-split mean income	17,860 (14,917)	9,742 (10,905)	21,456 (14,207)	14,218 (9,911)	15,115 (9,162)	9,751 (6,972)
Percentage with income decrease	35	65	38	62	35	65
Base N						
	Pre=244 post=203	Pre=305 post=255	Pre=244 post=203	Pre=305 post=255	Pre=244 post=203	Pre=305 post=255

Labour market income is pre-tax pre-transfer income, gross income is pre-tax post-transfer income, and net income is post-tax post-benefit income

6 Gender differences in individual characteristics – What role do caring and employment play for the post-dissolution household economy?

6.1 Introduction

This chapter continues the exploration of gender inequality in post-dissolution income situations in Norway and Britain. In this chapter, the focus is turned to the *sources* underpinning gender inequality, namely differences between women and men in their *caring responsibilities* and *employment* orientations. The explanatory power of these two sources is tested in a multivariate analysis using income as a dependent variable. The chapter therefore continues the exploration of hypotheses 1 and 2 as outlined in chapter four (section 4.3) on gender inequality and gender equality following partnership dissolution.

The descriptive analyses presented in the previous chapter demonstrated a large gender income gap in post-dissolution incomes in Britain but also revealed that for Norway this gap was closed by welfare state redistribution. These previous analyses can however be biased by differences in key family and employment characteristics between separated individuals, which may contribute to either reducing or exacerbating the size of any observed gender income gap. The multivariate analyses in this chapter control for differences in individual characteristics and therefore better handle any such biases.

As opposed to the previous chapter, which relied on descriptive measurements, this chapter makes use of a multivariate framework, which holds some specific advantages. Descriptive findings may be biased by differences in personal characteristics between groups. For instance, if a separating woman in Britain has lower labour market participation rates and consequently a weaker connection to work before dissolution compared to British separating men, this may reduce her chances in the labour market after separation and consequently increase the gender income gap. This gender income gap difference may be much smaller in Norway where the welfare state more actively supports the combination of paid work and unpaid care work for women and men.

Hence, the group of separated women in Britain may represent an initially more disadvantaged group than the separated women in Norway, leaving the British welfare state with a more gender unequal group to deal with. This may explain the cross-national difference in gender income gap as British women are assumed to be a more economically vulnerable group before separating. The use of a cross-national comparison seeks to take these welfare state effects into account.

The chapter follows the same multivariate and longitudinal research strategy as previously applied by Poortman (2000) for the Netherlands and Smock (1994) for the United States. Enquiring into the bases of gender inequality, it is asked: to what degree do women have an economic disadvantage following partnership dissolution which can be subscribed to children's living arrangements *after* separation (i.e. caring responsibilities) and/or differences in women's and men's investments in employment and education (i.e. 'human capital') *prior* to separation? This moves the analyses closer to a 'life course' perspective on partnership dissolution, and improves on cross-sectional designs, as economic outcomes are understood in light of both past and present individual circumstances. Hence, the analysis contributes to further the gender-sensitive research approach by means of longitudinal data analysis by investigating the impact of a particular life course event on women's and men's economic vulnerabilities.

By linking the explanations for gender differences to the employment sphere as well as the family sphere, the chapter explicitly takes into account the argument frequently made by feminists, that gender inequality in household earnings must be seen as the outcome of how paid work and care work is distributed between women and men. This is tied in with gendered social processes that occur within the family (Daly and Rake 2003:118; Stang Dahl 1994; Wærness 1984).

The analysis presented here extends the studies by Poortman (2000) and Smock (1994) by also adding a cross-national dimension. Comparing Norway and Britain which differ in their family support contexts, the chapter also asks: what impact do

differences in welfare context have on economic vulnerability following separation? Moreover, will a highly redistributive welfare state (such as Norway) offset gender income inequality compared with a less redistributive welfare state (such as Britain)? Exploring how gender income differences intersect with cross-national variation in policy context can enhance the understanding of how the private decision to separate is embedded in, and influenced by, the wider societal context. This more firmly establishes in the empirical analyses the links between micro and macro social explanation. The cross-national dimension further examines the issues which were raised in chapter four (section 4.3) of whether gender relations in Norway have shifted so that gendered earning and caring practices hold little explanatory power in terms of post-dissolution economic outcomes in Norway.

The outline of the chapter is as follows. It starts with a presentation of the caring and employment hypotheses and how they are likely to vary between women and men in Norway and Britain (section 6.2). Next follows a short methodology section (section 6.3) before the analytical strategy and the different income measures and variables are presented in section 6.4. Thereafter, the results from the two OLS models are presented in section 6.5. The chapter ends with a short discussion and outline of key findings (section 6.6).

6.2 The employment and caring hypotheses

So far in this thesis, evidence has been found to support the ‘gender inequality’ hypothesis (hypothesis 1), namely that women are more negatively affected economically by partnership dissolution. This lends support to the inequality in gender relations scenario, previously outlined in chapter four, arguing that gender differences in caring and employment will induce income differences between women and men, which will prevail unless the welfare state intervenes with income supplements. In this chapter, it is further studied which of these two explanations, if any – caring or employment – can explain income gender differences.

In terms of employment, women in both Norway and Britain have relatively high labour market participation rates, but they are somewhat higher in Norway than in Britain (see figure 1.2 in chapter one). But in both countries, more women than men work part-time. This means that women have an initial disadvantage with regard to partnership dissolution, as they contribute a smaller share to the household economy during the relationship and at the same time lose the male (higher) income after the relationship. A low investment in the labour market before dissolution may depreciate women's positions in the labour market over time. The employment hypothesis may therefore read:

HYPOTHESIS 5: Women's incomes are more negatively influenced by partnership dissolution because of women's weaker labour market connection prior to dissolution.

Several factors may explain women's and men's differing labour market earnings. These may include different job markets for women and men, where women to a greater extent tend to be involved in (lower paid) caring and teaching professions. This again may pertain to gender differences in educational and occupational choices. Differences in network, socio-economic segmentation and discrimination have also been suggested as important factors.

The point made here is that when someone has worked part-time for a longer period of time during a relationship, many women may find their chances of finding full-time work after separation to be limited, and even if a woman did manage to increase her working hours after separation, her wages would still be lower than her male partner's, and the best opportunities to capture the better paid jobs may have passed her by. Part-time work may therefore be economically disadvantageous for women not just in the short, but also in the longer run. Gender differences in employment involvement prior to dissolution may further reinforce gender income disparities after dissolution (DiPrete and McManus 2000; Poortman 2000; Smock 1994).

The other factor that may contribute to explaining women's relatively poor economic situation is that it is mostly mothers who get custody over children after partnership dissolution. The caring hypothesis posits that women are not only primarily responsible for children during the relationship, which reduces their ability to work full-time, but continue as primary careers after the relationship has ended. The presence of children in the household is therefore likely to have several constraining effects on women's incomes, which may be stronger after, rather than during a relationship. The caring hypothesis therefore states that:

HYPOTHESIS 6: Women's incomes are more negatively influenced by partnership dissolution due to women's greater caring responsibilities after dissolution.

First, children cause time restrictions on women's working hours. Not only is it necessary to have access to affordable day care, but it is also necessary to have a flexible employer and/or access to additional help from relatives or friends as single parents are alone with the responsibility of both bringing and picking up children from day care. This may reduce women's opportunities to take up full-time work as single parents. But whereas flexible employment may help women in reconciling caring and paid work, it can also become a route into poverty because these forms of employment often are low-paid and insecure. This may be the case for working women in the UK in particular (Ruspini 2002:17). Partnership dissolution may therefore lower single mother's market incomes and increase their economic vulnerability.

Second, children also increase a household's spending needs. For women, this means that after partnership dissolution they not only lose access to a male income, but they also experience constraints on their own working capabilities. Consequently, women have their household spending needs increased and their incomes decreased after partnership dissolution.

Third, working hours may, in complicated ways, interact with welfare support payments. The general gist of 'adult worker polices' is to make full-time work pay.

This may drive policy measures in the direction of making part-time work economically undesirable by reducing or cutting welfare payments. Such policy developments may therefore harm women more than men, given women's higher caring burdens and their prevalence to work part-time. The constant development in family policies means that how women's incomes are affected by welfare state intervention will vary both within one country over time and between different countries (Andresß et al. 2006; DiPrete and McManus 2000; Uunk 2004). This was also extensively discussed in chapter three. Care for children and participation in employment interact during women's life courses and may position them in a more economically vulnerable position than men. This vulnerability becomes particularly acute during partnership dissolution.

However, one factor may counteract this development. A highly redistributive welfare framework which channels economic resources towards single mother households, in combination with policies supporting women's employment, can protect women's incomes after dissolution. Based on chapter three outlining cross-national differences in family support policies and the findings in chapter five, it is likely that Norwegian women will experience greater economic compensation for having children, both before, and after, partnership dissolution, compared with their British counterparts. This could in turn be the source of substantial cross-national differences between Norwegian and British women in how they experience the outcome after dissolution. Comparing the two countries will reveal the extent to which this is the case.

6.3 Data and sample

The same data and sample are analysed in this chapter as in chapter five. The data are from BHPS and LKU and the sample consists of all women and men who are observed as either married and cohabiting in at least one wave and reports to be living alone (with or without) children in a subsequent wave. Further information on the sample is found in chapters three and five.

6.4 Analytical strategy, measures and variables

6.4.1 Income measures – dependent variables

In this chapter, two ordinary least square (OLS) regression models of post-dissolution income are estimated. The first uses post-dissolution labour market income as dependent variable and the second uses post-dissolution (net) household income as dependent variable.¹²⁴ The logarithmic transformation of these measures is used because of the skewness of the income distribution. All income amounts are adjusted for inflation and are presented in 2001 Norwegian kroner/British pounds.¹²⁵

The choice of these two measures means that this analysis sees gender differences in income after separation as the result of women's and men's different positions in the labour market and in their caring roles as parents (Smock 1994). The first dependent variable highlights how much women and men rely on *their own* economic resources for their well-being after dissolution. The second measure explains overall differences between women and men in their economic well-being after dissolution, taking all sources of income into account. In addition, the net household income measure is adjusted for differences in household size and age composition. By comparing the two measures, it is possible to explore the extent to which women's pre-dissolution incomes come from their own employment efforts and how much of the household income can be related to public and private transfers and taxation measures. This gives an insight into the gendered process between market, family and welfare dependencies for separated persons in two different national contexts.

6.4.2 Independent variables

Two sets of independent variables are used to account for individual level differences in economic well-being after separation between women and men: pre-dissolution investment in employment, and post-dissolution presence of children in the household.

¹²⁴ These are two of the same income measures as used in chapter 5. See that chapter for details on how these variables are constructed.

¹²⁵ For Norway the consumer price index used is taken from Statistics Norway <http://www.ssb.no/emner/08/02/10/kpi/kpiregn.html>. For Britain all incomes are indexed to January 2001 prices using the 'Before Housing Costs' index. The BHC index is based on monthly price indices provided by the Information Directorate of the Department for Work and Pensions '(Levy et al 2006, appendix 7). See also chapter 5.

The selection of independent variables was guided by past empirical research (Poortman 2000; Smock 1994) as well as the motivation to “test” the dominating position within feminist research which sees gender income inequality as the outcome of gender differences in employment and caring practices, with reference to the theoretical perspective outlined in chapter one (e.g. Daly and Rake 2003; Gornick and Meyers 2005; Ray et al. 2010; Stang Dahl 1994; Wærness 1984).

Pre-dissolution investment in employment ('human capital')

Two measures are used to capture investment in employment prior to dissolution. First, the total number of hours worked per week in the year *before* dissolution ($t-1$) is included. This variable is likely to have a positive effect on post-dissolution income. Those who have high involvement in paid work before the relationship ends are also likely to be better off economically afterwards, both because they are less likely to have to seek new work when the relationship ends and also because they already have more immediate work experience beforehand (Smock 1994).

In addition, an indicator of educational attainment is included. Investment in education is also used as an indicator of individual investment in labour market participation. Higher education is likely to result in higher income, hence educational level is also expected to have a positive effect on post-dissolution income (Poortman 2000). This is measured as a dummy variable of the highest achieved educational level (out of three levels) obtained in the year *before* dissolution ($t-1$). Lower secondary school is used as reference category and the other categories are higher education and upper secondary school.

Post-dissolution caring responsibility

A central argument for gender disparity in post-dissolution economic well-being is the greater caring responsibility imposed on women. This study follows the same strategy as Poortman (2000) and Smock (1994) and applies number of children present in the household *after* dissolution ($t+1$) as an indicator for care work burden. In addition, the different impact of having children in the household after dissolution for women and

men is tested by adding the interaction effect between gender and children in the household to the regression models.

However, it is not straightforward to argue *why* this variable needs adding to the regression equation. For instance, it could be said that if women's roles as primary carers leads to a higher prevalence for part-time work and a looser connection to the labour market, this effect is already likely picked up by the variable measuring working hours prior to dissolution (Smock 1994). Hence, the model would require no further controls other than the working time variable, as outlined above.

But instead of using hours worked as a proxy for caring responsibilities, what is argued here is that the critical life event, partnership dissolution, provides an opportunity for survey-based research to more directly observe gender differences in time use between care work and paid work. This is because a gendered disparity in time use between paid work and care work is made "visible" through the highly gendered patterns of children's living arrangements after dissolution.¹²⁶ Children are far more likely to continue living with mothers and not fathers after dissolution. This can be taken as a proxy for gendered norms and practices existing more generally in society. Hence the presence of children in the household following partnership dissolution can be used as proxy for differences between women and men in their parenting roles, and controlling for children in the regression model will take the effect of caring on income into account.

Children are expected to impact negatively on *net* household income because children increase household size and consequently spending needs. This is probably true for both women and men; however, given prevailing caring norms, it is likely more women than men that share a household with a child after separation. Hence, this

¹²⁶ For instance, a study from Norway has shown that only about one in ten couples with children that end their unions have a shared responsibility for the children after the relationship ended (Skjørten et al. 2007). There is little reason to believe the situation in Britain to be any different.

variable is likely to account for much of the gender differences in the economic consequences of partnership dissolution (Poortman 2000; Smock 1994).¹²⁷

However, in a cross-national comparison, especially one that includes a highly redistributive welfare state, there is a further issue to consider when adding children to the regression equation. Children evoke additional expenses, but may also lead to additional economic transfers. Economic redistribution towards single parent households is likely to benefit women's incomes more than men's after dissolution. Hence, women with children are likely to have the greatest expenses after dissolution, but they are also the ones most likely to have money added to their incomes as a result of public and private transfers related to having children. It could therefore be questioned whether the effect of having children in the household after dissolution fully captures the economic situation for men. Although many men do not live with their own children after partnership dissolution, payments of child support may nevertheless reduce men's post-dissolution net incomes.¹²⁸ To explore this effect, the two regression models, using personal labour market income and net household income, will be compared. The expected difference between these two measures for Norway, which is the most redistributive welfare context, is that the presence of children in the household after partnership dissolution is on the net household variable correlated with an income increase for women and an income decrease for men. On the labour market measure the effect is thought to be the other way around, as it is assumed that gendered caring practices inside the household before partnership dissolution will reduce women's working hours more than men's. In Britain, where fathers are less compliant in terms of child support payments, the presence of children in the household after dissolution is thought to impact negatively on women's incomes

¹²⁷ Since the sample analysed also comprises childless women who are likely to maintain strong labour market attachments while still in a relationship, a full correlation between hours worked prior to dissolution and number of children after dissolution is avoided, which otherwise would have been problematic in a OLS regression model.

¹²⁸ For a fuller discussion of compliance with alimony payment in Norway and Britain see chapter 3. [Child Support Agency in Britain: low take up rate of alimony payment, more rights to choose level of pay, few sanctions in connection with low compliance. Norway: state guaranteed minimum of alimony pay to custodial parent (in cases where non-custodial parent do not pay), high take up rate, strong sanctions against non-compliance].

and positively on men's on both the labour market and the net household income measures.

Control variables

Three other variables are included in the equation as controls. First, previous studies have found a positive effect of economic status before partnership dissolution on the economic position after dissolution (Poortman 2000; Smock 1994). It is therefore likely that pre-dissolution income is correlated with earnings, and for those not employed, with earnings potential (Smoek 1994). This effect is likely caused by homogamy tendencies in union formation where men with high incomes more often engage in relationships with women with high incomes or high earnings potential and low income men form relationships with low income women (Kalmijn 1998). To pick up the effect of heterogeneity in economic status between separating persons, pre-dissolution economic status is controlled for in the model measured as total household income at ($t-1$), in thousands of pounds Sterling and ten-thousands of Norwegian kroner.

Second, age before separation ($t-1$) is included as an indicator of both total work experience, which is assumed to have a positive effect on post-dissolution income, and relationship duration (Poortman 2000). Lastly, the analyses controls for gender, included as a dummy variable with men as the reference category.

6.5 Multivariate results

Table 6.1 displays the means and standard deviations of the dependent and independent variables for women and men, and for Norway and Britain, separately. Educational attainment differs only slightly between women and men, but shows that more women than men are in the highest educational level in both countries.

For Norway, pre-dissolution working hours show that men on average work 38.5 hours per week compared to 29 hours per week for women. The situation is reversed in Britain, where men have the shortest pre-dissolution working week at an average of

23.4 hours compared with 24.8 for women. This shows very low working hours in particular for men. This estimate has a high standard deviation indicating that there is a large dispersion in working hours between individuals.¹²⁹

The largest difference between women and men is found, as expected, for children. Women are much more likely than men to have children in their households after partnership dissolution. The average number for women in Norway is 0.92 children in contrast to 0.17 for men. A very similar situation is found in Britain where women have on average 1.0 child in the household compared with 0.16 for British men. This means that the same gendered caring practices are being observed in both countries.

Statistics for the other control variables indicate that women and men in the sample are of similar age, at around 33-34 years in both countries. Pre-dissolution incomes differ little between women and men, the numbers being on average 281,000 NOK for men and 284,000 NOK for women in Norway, and £20,700 for men and £20,400 for women in Britain. The difference occur in Norway because the sample analysed are separate for women and men separating, and not cases where the men and women were married to each other (see also chapter two on LEVPAN which used the individual as a sampling unit). The difference in BHPS, which is a true household panel, occurs because the BHPS has not managed to interview all persons in a household after dissolution, and there is not a perfect match between separating persons and previous couples. If this had been the case, pre-dissolution income would have been the same for women and men.

¹²⁹ Most likely this figure reflects a relatively large number of in particular men, with no working hours. Also previous research has indicated that the BHPS data waves 1-4 have high proportion of husbands not working prior to the marital split (Jarvis and Jenkins 1999: footnote 4), and the same effect seems to be found also in this study based on BHPS waves 8-14. This is also confirmed by the large difference found between mean and median working hours were the median are 34 hours per week for men and 36 for women.

Table 6.1 Means and standard deviations of variables by gender^a

	Norway		Britain	
	Men	Women	Men	Women
<i>Dependent variables</i>				
ln (post-sep labour market income)	11.82 (1.09)	11.56 (1.39)	9.84 (0.75)	9.24 (1.24)
ln (post-sep net adjusted hh inc)	11.16 (0.92)	11.20 (0.86)	9.47 (0.60)	8.94 (0.76)
<i>Control variables</i>				
Net hh income (unadjusted) at <i>t</i> - 1 (in 10.000 NOK/ £1.000)	28.19 (12.17)	28.41 (14.53)	20.71 (13.98)	20.44 (10.90)
Age	34.94 (9.31)	34.76 (10.70)	33.21 (9.84)	33.68 (9.76)
<i>Pre-dissolution human capital</i>				
Hrs worked per week in year <i>t</i> -1	38.50 (10.84)	29.03 (11.62)	23.39 (18.71)	24.79 (18.70)
Higher education	0.22 (0.42)	0.26 (0.44)	0.34 (0.47)	0.37 (0.48)
Upper secondary	0.64 (0.48)	0.62 (0.49)	0.40 (0.49)	0.38 (0.49)
Lower education	0.11 (0.32)	0.12 (0.33)	0.11 (0.31)	0.10 (0.30)
<i>Caring responsibility</i>				
Number of children living with respondent at <i>t</i> + 1	0.17 (0.48)	0.93 (1.05)	0.16 (0.53)	1.01 (1.10)
N	89	89	203	255

^a Sample consisting of separated men and women not remarried or cohabiting at *t*+1, the survey year after partnership dissolution. All income information is indexed to 2001 price levels using “Statistics Norway consumer price index” for LEVPAN and using “Before Housing Costs” index for BHPS. Income is adjusted to take account of variations in composition and size between households using the modified OECD (EU) equivalence scale.

6.5.1 Personal labour market income

Tables 6.2 and 6.3 show the effect of independent variables on the natural logarithm of post-dissolution labour market income for Britain and Norway respectively. First, the results from Britain will be commented upon and then the results from Norway will be presented.

Personal labour market income – Britain

Model 1 shows the regression equation with gender as the only independent variable. The negative and significant coefficient, with men being the reference category, indicates that being female leads to lower post-dissolution incomes. This is in line with the descriptive statistics presented in the previous chapter.

In model 2, a control for pre-dissolution household income is added. The effect of gender stays negative, which means that given the same pre-separation income, women have a 42 percent lower post-dissolution income from work than men (calculated as $100*[1-\exp(-0.540)]$).

In model 4, the caring hypothesis is tested by adding the child measure to the equation. When number of children is controlled for in model 4, women's post-separation income is 27 percent lower than men's income. Comparing the coefficient for gender between models 3 and 4 shows that the coefficient is 43 percent lower in model 4. This shows that 43 percent of the gender difference in work income can be explained by differences in the number of children after dissolution, having controlled for difference in pre-dissolution family income and age.

In model 5, the employment hypothesis is tested by controlling for differences in working hours and education. Educational level is not significant in the model, but the number of hours worked per week has a positive and significant coefficient. Assuming that women and men work the same number of hours and have the same level of education before dissolution, this results in women having about 44 percent lower labour market incomes than men after dissolution. Comparing the gender coefficient between models 3 and 5 shows a 6 percent lower coefficient, meaning that about 6 percent of the gender difference in post-dissolution labour market income can be subscribed to differences in employment and education. Hence, caring (43 percent) explains a great deal more than employment (6 percent) of gender differences in post-dissolution labour market incomes in Britain.

This is further confirmed in model 6 where the two explanations are studied together, and which shows about the same coefficient estimates for children and employment as in models 4 and 5 respectively.

The variable measuring pre-dissolution economic status of the household shows a positive effect on post-dissolution income from work. This means that prior household income tends to be positively correlated with earnings, or earnings potential, when a relationship dissolves. The interaction effect between gender and children in the household prior to dissolution was also tested but yielded no significant results (results not shown).

Personal labour market income – Norway

Table 6.3 displays the effects of independent variables on the natural logarithm of post-dissolution labour market income for Norway. Model 1 shows that the effect of gender is not significant, which supports the null hypothesis that there are no significant difference between women and men in post-dissolution labour market incomes. The coefficient for gender stays insignificant in all the models tested for Norway, meaning that women have no post-dissolution personal labour market income disadvantage, net of other factors. This means that in the labour market income regression model there are not found to be any significant differences between women and men, as was the case in Britain, and hence the other control variables must be interpreted as differences between groups sharing different characteristics and not as differences between women and men. As previously mentioned, the model was tested for the interaction effect between gender and number of children, but none of the interaction effects proved significant.

The caring hypothesis tested in model 4 shows a significant, strong and negative effect of children's living arrangement on post-dissolution labour market income. Hence, the presence of children in the household lowers the level of post-dissolution labour market income, compared with not having children in the household. Having one child in the household on average lowers the income by 32 percent (calculated as $100*[1-\exp(-0.378)]$) compared with not having any children in the household, after having controlled for gender, age and pre-dissolution income status.

As mentioned above, gender is not significant in the model. Pre-dissolution household income also shows to have a small positive significant effect on post-dissolution labour market income, meaning that higher household earnings, or earnings potential, prior to dissolution are positively correlated with higher post-dissolution earnings.

In model 5, the impact of previous employment on post-dissolution labour market income is tested. The positive coefficient for hours worked prior to dissolution indicates that working more before dissolution is correlated with having a higher income after dissolution. Education is not significant in the model, and gender is not significant in the model.

Model 6 displays the effects of the full set of independent variables, hence testing both for differences in caring and employment on income from paid work after dissolution. Gender is not significant in the model, meaning the women fare about as well as men, controlled for differences in caring and 'human capital'. The interaction effect testing whether having children in the household have different effect for women and men proved not to be significant

As in line with the British findings, the same two sources explaining post-dissolution labour market income are identified in Norway, namely hours worked prior to the dissolution and having children in the household after dissolution where the strongest effect is found for the latter explanation. The differences between the two countries are that gender is not significant in the model for Norway.

The question that then lingers is whether the support found for the caring and employment hypotheses can be seen disconnected from *gender* in Norway, given that gender was not found to be significant in the model? One way of approaching this question is to take a closer look at the *strength* of the regression coefficient for gender in the model. Although it is not statistically significant, which is an indicator for the precision of the estimator, it is nevertheless worth noticing what effect the coefficient

contributes with in the model as a statistical significance test does not strictly speaking test the practical significance of the research finding (Ziliak and McCloskey 2008).

Looking then at the gender coefficient, apart from not being statistically significant, it shows about the same effect as in the British analysis for the first three models, namely that women's incomes from work after separation are lower than men's (model 3).

In the model 4, testing the caring hypothesis, it shows that once children are taken into account in the model, the effect of gender diminishes and becomes close to zero. What this indicates in substantive terms is that women have an economic disadvantage in their post-dissolution labour market incomes compared with men, and that this disadvantage can be subscribed to children's living arrangements after dissolution. In reality women have more caring responsibility for children after dissolution, however in a multivariate regression assuming no differences in caring between women and men the effect of gender disappears – or put differently – women's post-dissolution labour market income disadvantage is fully explained by children's living arrangements in Norway. The same effect is documented also by Smock (1994:252) in her study from the US.

This argument is further strengthened in model 5, which tests the employment hypothesis. Here the regressor for gender again is large and negative as it was in model 3; indicating that little of the gender difference can be explained by differences in pre-dissolution working hours, hinging less explanatory support to the employment hypothesis. Women and men with similar levels of labour market attachment before separation have no significant differences in post-dissolution labour market incomes.

In model 6, however, where both the living arrangement of children and pre-dissolution working time is added, the coefficient for gender again becomes small but positive (0.013). Hence, assuming that men and women work an equivalent number of hours and have the same caring responsibilities, women suffer no disadvantage in their post-dissolution labour market incomes relative to their male counterparts, it can in

fact look as if they have a slight advantage (given the positive coefficient), but the effect is small (close to zero, and also not statistically significant).

This underscores another important point that is worth considering when interpreting the results from Norway in particular. It was argued above that the labour market income measure is used to explore gender disparities in the absence of private and public transfers, and that a comparison between the labour market and net income measures expresses the impact of transfers on the economic well-being after dissolution. One weakness is that this analytical approach is unable to pick up other, and relevant, redistributive effects related to welfare state activity on income from employment.

Family friendly policies in Norway may have left their ‘imprint’ on women’s post-dissolution labour market income leading to an overall high employment rate among Norwegian women, made possible through affordable day care and flexible employers in Norway. This *indirect* welfare state effect on women’s incomes is not possible to capture in the regression models presented here – but should not be disregarded as an explanation for the lack of significant gender differences in the model.

Table 6.2 Effects of characteristics on the natural logarithm of post-dissolution (unadjusted) personal labour market income Britain

	Britain					
	Control variables Gender + Pre-sep income + Age		(3)	(4)	(5)	(6)
Independent variables	(1)	(2)	(3)	(4)	(5)	(6)
<i>Constant</i>	9.844 (0.055)**	9.195 (0.186)**	9.135 (0.266)**	9.217 (0.257)**	9.031 (0.267)**	9.095 (0.268)**
<i>Control variables</i>						
Gender (men=0)	-0.605 (0.101)**	-0.540 (0.112)**	-0.542 (0.114)**	-0.310 (0.128)*	-0.578 (0.115)**	-0.367 (0.133)**
Hh. Income (t-1)		0.028 (0.009)**	0.027 (0.009)**	0.024 (0.008)**	0.024 (0.008)**	0.022 (0.008)**
Age			0.002 (0.006)	0.003 (0.006)	0.002 (0.006)	0.003 (0.006)
<i>Pre-sep employment</i>						
Hrs worked t-1					0.010 (0.003)**	0.008 (0.003)*
High edu (low edu=0)					0.086 (0.148)	0.107 (0.140)
Upper sec (low edu=0)					-0.183 (0.149)	-0.127 (0.148)
<i>Caring</i>						
Number children in hh t+1				-0.296 (0.080)**		-0.260 (0.085)**
R-square	0.08	0.17	0.17	0.23	0.22	0.26

Robust standard errors in parentheses
* significant at 5%; ** significant at 1%

Table 6.3 Effects of characteristics on the natural logarithm of post-dissolution (unadjusted) personal labour market income Norway

	Norway					
	Control variables Gender + Pre-sep income + Age		Caring	Employment	Caring + Employment	
Independent variables	(1)	(2)	(3)	(4)	(5)	(6)
<i>Constant</i>	11.829 (0.121)**	11.696 (0.202)**	12.213 (0.376)**	12.122 (0.378)**	12.144 (0.605)**	11.871 (0.615)**
<i>Control variables</i>						
Gender (men=0)	-0.272 (0.196)	-0.272 (0.197)	-0.285 (0.195)	-0.002 (0.177)	-0.245 (0.201)	0.013 (0.188)
Hh. Income (t-1)		0.005 (0.006)	0.008 (0.006)	0.014 (0.006)*	-0.004 (0.004)	0.001 (0.007)
Age			-0.018 (0.011)	-0.018 (0.011)	-0.023 (0.011)*	0.001 (0.007)
<i>Pre-sep employment</i>						
Hrs worked t-1					0.020 (0.008)*	0.019 (0.007)**
High edu (low edu=0)					0.304 (0.360)	0.490 (0.360)
Upper sec (low edu=0)					-0.088 (0.315)	0.082 (0.314)
<i>Caring</i>						
Number children in hh t+1				-0.378 (0.136)**		-0.367 (0.144)*
R-square	0.01	0.01	0.03	0.09	0.10	0.15

Robust standard errors in parentheses
* significant at 5%. ** significant at 1%

6.5.2 Net household income

Tables 6.4 and 6.5 show the results from the second OLS regression of the effect of independent variables on the natural logarithm of post-dissolution net household income for Britain and Norway respectively. The net household income measure is a crucial measure since it is adjusted for household size and age composition and is therefore a better measure for differences in economic well-being than the labour market income measure.

Net household income – Britain

Comparing table 6.2 and 6.4 shows that very few changes take place in the results for Britain when switching from the labour market to the net income measure. The regression coefficient estimates reduce only slightly but show the same direction and significant levels, and almost the same effects. The interaction variable between gender and number of children in the household after dissolution was also not significant in the post-dissolution net household income regression (results not shown).

What this implies is that for Britain the same picture of gender disparity in the economic disadvantage experienced after partnership dissolution remains. Directly or indirectly, mothers' responsibilities towards children after dissolution are associated with their lower economic well-being after dissolution compared with men. Although it is known from the previous chapter (see figure 5.2) that British women receive private and public transfers to a greater extent than men after dissolution, this is not enough to compensate them for the greater needs of their households due to children. The lack of difference between the labour market income and net income regressions illustrates that public and private transfers do not contribute to level out the negative effect for separated women versus separated men, which remains clearly gendered.

Net household income – Norway

Turning to the situation for Norway and comparing tables 6.3 and 6.5, a different picture emerges. Whereas the regression using post-dissolution labour market income showed that both caring and employment could explain loss in post-dissolution labour market income, these explanations do not find support in the regression model for net household income.

Since the same variables are controlled for in both OLS models, the difference between them must be subscribed to how the dependent variable differs between the two regressions. There are two differences. First, unlike labour market income, the adjusted net household income measure is directly influenced by the number of dependents in the household. Second, the net household measure includes income from sources other than the labour market. In the case of the sample analysed here any additional income is most likely subscribed to public and private transfers, and tax benefits related to having children, such as child benefits, child maintenance payments, tax rebates, transitional allowances and child day care rebates. It is already known from the descriptive statistics that women are far more likely than men to remain with their children after partnership dissolution. Consequently, most of the economic transfers related to having children will go to women. The complete lack of significant findings and the very low R-square indicates that no real difference that could indicate inequality between any group can be identified in terms of post-dissolution net household income. Hence differences for age, gender, education, working time and caring responsibility do not lead to income differences.

Summarising the findings in terms of the employment (hypothesis 5) and caring (hypothesis 6) hypotheses, empirical support is found for both in Britain. However, it is the caring hypothesis that proves to be most important, namely those women's incomes are more negatively influenced by partnership dissolution because of greater caring responsibilities after the break up. In Norway, no significant effects were found on the net income measures, suggesting a rejection of both explanations in Norway. Comparing the coefficient estimates for having children in the households after

dissolution between Norway and Britain can serve as a proxy for the direct private and public economic contributions to the household economy related to having children. The very small change in the coefficient estimate for children between the labour market and net household income regression models for Britain provides a good indicator that little income is directly “added” to women’s post-dissolution household economies. In Norway, the large reduction in the regression coefficient for children between the two models signifies a relatively large money transfer, related to having children, i.e. that the welfare state is successful in smoothing out gender income differences by compensating economically for the additional costs of having the caring responsibility for children in Norway. Without such compensation, it is highly likely that the caring effect will be applicable in a Norwegian context as well. Or put differently, the lack of gender income differences in Norway (i.e. support for hypothesis 2) is hinged on the welfare state economically replacing the extra costs of having children. Without large economic transfers, where women have to rely on their own earning powers, hypothesis 1, of gender inequality, is likely also to be observed in Norway.

Table 6.4 Effects of characteristics on the natural logarithm of post-dissolution (adjusted) net household income – Britain

	Britain					
	Control variables Gender + Pre-sep income + Age		(3)	(4)	(5)	(6)
Independent variables	(1)	(2)	(3)	(4)	(5)	(6)
<i>Constant</i>	9.466 (0.042)**	8.996 (0.123)**	9.042 (0.158)**	9.143 (0.154)**	9.001 (0.165)**	9.087 (0.163)**
<i>Control variables</i>						
Gender (men=0)	-0.529 (0.063)**	-0.491 (0.070)**	-0.489 (0.069)**	-0.297 (0.075)**	-0.502 (0.068)**	-0.326 (0.074)**
Hh. Income (t-1)		0.022 (0.006)**	0.022 (0.006)**	0.020 (0.006)**	0.019 (0.006)**	0.018 (0.006)**
Age			-0.002 (0.004)	-0.002 (0.004)	-0.001 (0.004)	-0.002 (0.004)
<i>Pre-sep employment</i>						
Hrs worked t-1					0.007 (0.002)**	0.006 (0.002)**
High edu (low edu=0)					-0.043 (0.103)	-0.034 (0.098)
Upper sec (low edu=0)					-0.097 (0.086)	-0.067 (0.082)
<i>Caring</i>						
Number children in hh t-1						-0.204 (0.049)**
R-square	0.13	0.25	0.25	0.32	0.29	0.35

Robust standard errors in parentheses
* significant at 5%, ** significant at 1%

Table 6.5 Effects of characteristics on the natural logarithm of post-dissolution (adjusted) net household income – Norway

Independent variables	Norway					
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Constant</i>	11.161 (0.099)**	11.241 (0.161)**	11.585 (0.268)**	11.567 (0.266)**	11.588 (0.571)**	11.503 (0.571)**
<i>Control variables</i>						
Gender (men=0)	0.033 (0.134)	0.034 (0.135)	0.030 (0.134)	0.150 (0.142)	0.027 (0.171)	0.142 (0.180)
Hh. Income (t-1)		-0.003 (0.005)	-0.001 (0.005)	0.002 (0.005)	-0.007 (0.008)	-0.005 (0.007)
Age			-0.011 (0.007)	-0.012 (0.007)	-0.013 (0.010)	-0.012 (0.010)
<i>Pre-sep employment</i>						
Hrs worked t-1					0.005 (0.006)	0.004 (0.006)
High edu (low edu=0)					0.240 (0.326)	0.306 (0.319)
Upper sec (low edu=0)					0.058 (0.298)	0.112 (0.297)
<i>Caring</i>						
Number children in hh t+1				-0.161 (0.085)		-0.170 (0.102)
R-square	0.00	0.00	0.02	0.04	0.04	0.06

Robust standard errors in parentheses

* significant at 5%, ** significant at 1%

6.6 Discussion and conclusion

In this chapter, it has been a key aim to determine whether the same sources can be identified as mechanisms behind gender income inequality after partnership dissolution in Norway and Britain. Two different income measures were applied, focussing on different aspects of a separated person's economic situation. Post-dissolution individual labour market income reflects the way in which women and men have positioned themselves in paid work after dissolution. The net income measure, which takes all income sources into account and is adjusted for household size and composition, was used as a measure for economic well-being. A comparison between the two measures provided an insight into differing economic dependencies for women and men on the labour market and on welfare transfers, respectively. In addition, comparing the results between Norway and Britain, provided an analytical strategy whereby individual differences in caring and employment practices could be attributed to their different national institutional contexts.

In both multivariate analyses for Britain, it was found that the main source for women's income disadvantage stemmed from responsibility towards children after dissolution. This is much in line with previous research from Britain which has concluded that partnership dissolution worsens the economic situation of women and even improves the economic situation for men (Jarvis and Jenkins 1999). In the analysis for Britain presented here, there is also a clear positive effect of both hours worked prior to dissolution as well as the household's economic status prior to dissolution. This means that those who work more hours have better economic prospects after dissolution than those who work fewer hours, but this difference in working time does not contribute to explain much of the gender differences.

Some of the same story is revealed in Norway for the labour market income analysis. Both caring responsibility and employment contribute to explain differences in income from paid work after dissolution, but do not contribute to an explanation of gender income differences.

Comparing the results from the regression models based on personal labour market income and net income respectively revealed little differences in Britain. This is an indication that the lack of impact of any redistributive effects of welfare transfers and child benefit payments in Britain. It seems as though the highly gendered caring practices turns out to be a “double disadvantage” for British women; both constraining their labour market earning capacities before dissolution *and* increasing the household living costs after dissolution. There is no evidence in the analysis carried out here that the British welfare system in any way manages to make up for this economic disadvantage of having children in the household. Consequently, British women and children are left vulnerable to welfare loss after partnership dissolution. This echoes the finding from chapter four, that partnership dissolution is a strong poverty trigger in Britain.

The multivariate analysis for Norway revealed no significant effect of gender, a finding which indicates that women are not markedly worse off than men, measured both on post-dissolution individual labour market income and post-dissolution net household income. This lack of gender disparity is perhaps not so surprising for the net household measure. As previously described in chapter three, there are a number of policies in place which redistribute economic resources to households with children after partnership dissolution, e.g. child support from a non-custodial parent, child benefit, and transitional allowance. It has also been documented by previous research from Norway, that economic transfers related to having children are of greater importance for women’s incomes after separation than they are for men, who tend to rely more on income from paid work and capital income (Kitterød and Lyngstad 2009; Lyngstad 2008:35).

It is therefore perhaps more surprising that no gender differences were documented in this study for the labour market income, which disregards these economic transfers that women depend upon. Given that women work part-time more often than men and also are more frequently in low paid occupations (NOU 2008), and also related to the descriptive statistics showing the gender income gap between women and men in

Norway based on personal labour market income (see figure 5.3), it was expected to find gender differences here, for Norway as well.

There could be a number of explanations for this. As pointed out in chapter two, to study the economic consequences of partnership dissolution based on panel survey data leaves the analysis exposed to the problem of small sample sizes. Hence, it could be that with a larger sample, the gender coefficient would have turned significant. One element which might support this explanation is that it was indeed found that the gender coefficient was impacted by the variable controlling for number of children in the analysis.

Another explanation which has frequently has been debated in the divorce literature is possible selection effects. Although not tested here, for the Nordic countries, and Norway in particular, previous research has documented a negative relationship between educational attainment and a couple's divorce risk on a couple's odds of divorce (Jalovaara 2003; Kravdal and Noack 1989). A recent study from Norway found this study to be particularly strong, estimating that a couple where both spouses have low education ran a four times higher risk of divorce compared to couples where both have higher education (Lyngstad 2004). If anything, then, a sample of separated individuals in Norway should be skewed towards the lower income spectrum. But as discussed in chapter two, the sample of separated persons analysed here does indeed show higher economic resources among those who separate compared with 'intact couples' in the LKU. This could lend support to the explanation that this is a possibly biased sample of high resource individuals. However, it would require further research to determine this selection hypothesis.

Another explanation could be related to the indirect welfare state effect on women's employment. The average number of hours in work prior to separation for Norwegian women is rather high, and although it is lower than the average working week for Norwegian men, it is longer than what is the case for British women and men. This means that Norwegian women have a strong position in paid work prior to dissolution,

and it is highly likely that this contributes to the lack of a gendered effect on post-dissolution labour market income. The high rate of women in paid work and the relatively long working hours of both women and men, not only contributes to even out gender differences but also works a direct protection for income loss after separation. This may be interpreted as an indirect effect of the welfare state, where policies supporting the combination of paid work and care work in Norway benefit the wage incomes of Norwegian women, securing women's post-dissolution incomes. This means that the welfare state, through enabling many women to have paid work, have already evened out gender income differences. When in the next instance the welfare state ensures compensation for the added economic burden of having children in the household, all group differences in post-dissolution incomes are eradicated in the model (see table 6.5). In addition, Norway has a relatively compressed wage structure, where incomes are relatively similar between different occupations and industries, and where relative gain to income of increasing the number of hours worked is smaller. However, it needs to be underscored that what have been examined here are the short-term economic consequences of partnership dissolution. Some welfare state transfers are only paid out for a certain period of time, such as the Norwegian transitional allowance. This means that gender income differences may be larger some three of four years after dissolution than directly after dissolution.

7 Summary and conclusion

7.1 Introduction

This thesis has examined the income differences that arise between women and men as a consequence of partnership dissolution. Two national contexts, the Norwegian and the British, have been analysed and compared. The study has rested on two central assumptions. First, that the impact of partnership dissolution on women's and men's economic situations is best studied by a longitudinal ('dynamic') approach. Second, that the national configuration of state, family and market institutions influences the consequences of partnership dissolution and generates different economic outcomes in different countries. Therefore, it is vital to have a thorough understanding of the specific national context in which the dissolution takes place in order to understand its consequences.

In this concluding chapter, the main results from the empirical analyses are summarised before the chapter ends with a few reflections regarding the two main assumptions. The first issue points out some of the limitations that apply to the methodological strategy deployed in this study. The second issue is more related to policy, and puts forward a few points regarding the likely future impact of recent policy shifts on the economic outcome of partnership dissolution for women and men.

7.2 Summary of key findings

In this thesis, the economic situation of households after partnership dissolution in Norway and Britain has been examined and compared by means of longitudinal panel survey data. The study has been anchored in feminist literature on care, the comparative welfare state literature, and the life course perspective. Partnership dissolution has been analysed as a dynamic event, where the outcome of the event is seen as a function of both past and present life circumstances.

In the international 'divorce' literature, there has been a general finding that women experience a drop in economic status following partnership dissolution, i.e. the commonly held 'gender inequality' hypotheses. However, previous national studies

have suggested that the situation might be different in Norway, and that the economic consequences would be more evenly distributed in this national context. An alternative ‘gender equality’ hypothesis was therefore suggested, stating that partnership dissolution represents the same economic risk factor to both women and men in Norway.

For Britain, this study largely confirmed what previous research has pointed out, namely, that pronounced gender income differences appear after partnership dissolution. Analyses of net adjusted household income revealed a large gender income gap. The incomes of British women dropped by about 20 percent, whereas men saw their incomes increase by more than 30 percent (figure 5.2). For Norway, the results revealed less of a gender difference. Both women and men experienced an income decline after partnership dissolution of about 20 percent (figure 5.2). The analysis of net income changes before and after dissolution could be taken as evidence supporting the gender inequality hypothesis in Britain, namely, that women and men experience very different economic welfare after this event. In Norway, women and men lost income in equal proportions after dissolution, which is evidence pointing towards a more ‘gender equal’ outcome of partnership dissolution in Norway.

In chapter four, it was examined whether inequality in gender relations served to generate different poverty risks for women and men. The income situation of a household may shift after dissolution, without this necessarily involving ‘inequality’. Determining poverty risk as a consequence of partnership dissolution is thus a more direct way of identifying economic vulnerability. Two sets of poverty trigger events – labour market changes and family changes – were compared. The household economy was analysed before and after a trigger event and the dependent variable determined whether the intervening life course event shifted the economic situation of the household below a fixed poverty line. The analysis demonstrated that, in both countries, women were more likely than men to enter poverty as a direct consequence of partnership dissolution, (see figure 4.4, fixed effects model). Partnership dissolution also triggered poverty for Norwegian men, but not to the same extent as for Norwegian

women. However, partnership dissolution did not act as poverty trigger for British men. Losing access to paid work was a greater poverty trigger for men than partnership dissolution, and more so in Britain than in Norway. Loss of paid work was a smaller poverty trigger for British women, but not a significant poverty trigger for Norwegian women. The analysis thus confirmed gendered poverty risk patterns – women being more affected by family changes and men by labour market changes. The analysis therefore provided evidence to support the gender inequality hypothesis in both countries.

The income decomposition analysis (see figure 5.3) explored the extent to which women and men differed in their market and welfare state dependencies following dissolution. The results showed that, in both Norway and Britain, men relied heavily on employment as their main source of income after dissolution. Norwegian women relied in almost equal measure on labour market earnings and on (public and private) transfers. Hence, Norwegian women were found to be highly dependent upon economic support in order to achieve the same economic outcome after dissolution as men. British women were left in a difficult economic situation after partnership dissolution; drawing relatively low incomes from wage work and receiving little in terms of transfers. It was thus demonstrated how the Norwegian welfare state acted as an effective buffer, compensating for the income loss experienced by women after a breakup. The welfare state mattered greatly in terms of ‘altering’ unequal gender relations by strengthening the economic position of women vis-à-vis men. The British welfare state proved to have less ‘buffering’ power and did little in terms of improving the post-dissolution economic situation of women, leaving a large, unclosed gender income gap. Hence, the analysis revealed gender differences in economic dependencies – women being more dependent upon state transfers for securing the post-dissolution household economy, and men on their wage incomes.

In chapter six, the study sought to discover which factors that could explain differences in post-dissolution incomes between women and men. Two factors were examined, namely, the employment situation prior to dissolution and the caring

responsibilities after dissolution. In Britain, the most important factor for generating post-dissolution income inequality was women's greater responsibility for children after dissolution (table 6.4, net household income as dependent variable). In Norway, there were no significant gender differences in post-dissolution incomes (table 6.5, net household income as dependent variable). It was then asked what the driver behind a lack of gender income inequality in Norway was – could it be subscribed to welfare state support related to having children (i.e. the same 'buffering effect' as documented in chapter five), or had women and men started to take on the same pre-dissolution earning patterns (a 'genuine' shift in gender relations) so that women's and men's personal labour market incomes did not differ significantly? This question was addressed through an analysis of labour market income (table 6.3), controlling for employment and caring variables. The results from Norway supported the caring explanation, suggesting that having children in the household after dissolution had the strongest negative effect on post-dissolution labour market income. From this it was concluded that without welfare state transfers, there would be a significant and high risk of income loss for households with children following partnership dissolution in Norway as well. Gender was not significant in the model, indicating that any household with children after dissolution would experience this negative impact. However, more women than men have children in the household following partnership dissolution in Norway, hence it was suggested that caring responsibilities more frequently reduce women's personal labour market incomes, but that this income loss is generally replaced by welfare transfers. Thus, this analysis again confirmed the important role of the Norwegian welfare state in 'eliminating' the economic risk factor of having children at partnership dissolution.

Although there are many findings in this thesis, as demonstrated in this summary, there is perhaps one that needs special attention. In a cross-national context, what this thesis finds for Norway is exceptional, namely, that there is no gender income gap following partnership dissolution (see figure 5.3). Other studies from Scandinavia reveal a smaller or larger income gap between women and men after partnership dissolution (Andreß et al. 2006). Previous studies from Denmark (Hussain and Kangas

2009) and Sweden (Gähler 1998) have concluded that the post-dissolution situation is worse for women than for men. This thesis also confirms that women's economic vulnerability is greater in Britain. The explanation for why Norway differs, this thesis suggests, is linked to the welfare state. Norway has a number of policy measures directly compensating lone parents for the additional expenses of having children in the household (e.g. child care rebates, additional child allowances and transitional allowance). The publicly funded child care system also supports women's employment activity. In addition, there is an efficient system of child maintenance payments. The latter contributes to the redistribution of income between women and men, but this is in part an outcome generated by 'lowering' men's incomes through child maintenance payments. It should therefore be noted that when this thesis confirms a gender-equal economic situation after dissolution in Norway, this equality is in part generated by a reduction of men's incomes relative to women's, partly by welfare state transfers, and partly by women's own personal labour market incomes.

However, whether an 'equality' achieved in terms of sharing the income loss after partnership dissolution constitutes a situation of 'gender equality' is a different question – and is a difficult one to answer by means of quantitative data alone. There are findings from this study that indicate that despite a relatively gender-equal income situation after dissolution in Norway, women's economic vulnerability is nevertheless greater: women display higher welfare dependencies after dissolution, and women have higher poverty risks after dissolution than men. However, it is questionable whether partnership dissolution can be seen as the sole cause of gender income inequality. Rather, it would be more precise to regard partnership dissolution as an event that discloses gender income differences that have been there all along – but that, to varying degree, the welfare state is capable of making these gender differences insignificant.

Given that, to a large extent, the welfare state was supporting women's incomes in Norway, it actually turned out to be particularly important to be sensitive to gender in this country's context, which at first glance could appear to be 'gender neutral'.

Whereas British women were identified as being the economic losers regardless of what income measure was used, it was necessary to apply income measures other than that of post-dissolution net income to disclose that the same inequality generating factors were also present in Norway. Caring for children was a risk factor for income loss in Norway as well, but with generous welfare state support, some of this risk was eliminated. Thus, for any future study into the economic consequences of partnership dissolution, adopting a dynamic methodology should be an important aspect of the research project, while simultaneously keeping a keen eye on examining differences in women's and men's economic dependencies. Future 'feminist inspired' studies should therefore concentrate on analysing the rich data sources available in cross-national panel surveys as well as applying the appropriate statistical methods to analyse such longitudinal data in order to determine the gender dimension of experiencing life course changes.

7.3 Some methodological limitations

Despite several advantages with the longitudinal 'event' approach taken in this study, some methodological limitations apply. It is important to highlight these in order to point out any potential sources of error or biases in the findings from this study. First, this study is based on a relatively small sample of people experiencing partnership dissolution, a common problem to studies investigating the short-term economic impacts of partnership dissolution based on general household panel surveys. Despite the high numbers of partnership dissolutions in the population, relatively few can be observed in a survey with a limited sample size. This may affect the accuracy of the estimates made.

Second, the small sample size also makes it difficult to divide the sample into subgroups. This means that even though the conclusion for Norway is that gender income inequality following partnership dissolution is limited, it cannot be ruled out that gender inequality is pronounced for certain segments of the population. For instance, there might be large differences between women with and without children. The economic outcome of dissolution may also differ considerably between different social classes, educational groups or for couples with different ethnic backgrounds. In

Britain, there might be better opportunities to provide more nuanced evidence on the economic consequences of partnership dissolution for different groups in the population by assessing the new ‘Understanding Society’ survey, which samples 40,000 UK households. In Norway, it is also possible to analyse Norwegian state registry data, which is currently being updated with address information. This will provide opportunities to analyse cohabitants as well as married couples. Although not comparable to the extent that the BHPS and LEVPAN studies are, these data sources could provide the opportunity to produce a more nuanced conclusion on group differences in the economic consequences of partnership dissolution.

Third, the sample of individuals experiencing partnership dissolution analysed in this thesis does not include ‘other’ household types. For example, this would be households where adult persons share a dwelling with their parents, grandparents, siblings or friends. A limitation of the current study is therefore that people who, for example, divorce but move directly in with their parents, siblings or a new partner are excluded from the study. Including these groups in the study could have contributed to further nuance the conclusions regarding the economic changes after dissolution.

Fourth, only a relatively short panel has been available for data analysis, and this situation applied particularly for Norway. This has made it impossible draw conclusions on longer-term economic consequences. In Britain, the longer-term economic consequences of partnership dissolution can better be studied, and indeed, research has concluded that the economic position of British women improves over time post dissolution but does not reach pre-dissolution levels (Jenkins 2008).

Fifth, a further restriction of this study is that it is based on two cases, Norway and Britain, where it is assumed from the outset that they will differ notably in terms of gender income inequality. It could therefore have been interesting to broaden this study with a greater range of countries. Analysing a larger number of countries across Europe would have provided a broader basis on which to assess the gendered impact of ‘new social risk’ in a European context. Given that this study concludes that the

Norwegian welfare state seems to be particularly successful in protecting women's incomes, it could also have been interesting to include Norway in a 'most similar case design', drilling further into differences and similarities in an intra-Scandinavian context.

Sixth, this study has been restrained to analyse gender inequality and welfare loss defined in relatively narrow terms as loss (or gain) in household income. Partnership dissolution may however have an impact on a broader set of factors that could have complemented the discussion on gender inequality. Examples of such indicators could for instance have been how partnership dissolution affects individuals' general material situation, such as housing and access to material goods, social and work integration, health situation, or general 'well-being.' Assessing these factors would have provided a broader intake to understand gender inequality and loss of welfare related to partnership dissolution, where one working hypothesis could have been that women perhaps 'lose out' economically but are 'coping better' socially following separation. This could have been the topic of qualitative study allowing for 'thick descriptions' of women's and men's life course narratives.

Lastly, in this thesis, partnership dissolution has been analysed and interpreted as a 'sudden' event. However, rather than seeing partnership dissolution as an 'event' approach, it could have been argued that partnership dissolution should be seen as the end point of a longer process which has taken place inside a household for some time. According to the life course perspective, advantages and disadvantages accumulate over time. The economic consequences of partnership dissolution could therefore be seen as depending on a whole range of factors and decisions at the individual level, often taken *before* the relationship ends. For instance, decisions such as whether to marry or cohabit, whether to have children or not, and whether to work full- or part-time, may all have *economic* implications when a relationship is ending. These are decisions often not steered by individuals making economic and rational 'choices', but are decisions closely linked with norms for what constitutes appropriate gendered behaviours. However, there are limited opportunities for quantitative researchers to

study and map out the complex, individual social processes that lead up to the ending of a relationship. Therefore, this thesis has suggested that it is a useful methodology to focus the analysis on the actual ‘break’ or ‘event’, and to examine the income situation immediately before and after the event. At least this gives quantitative researchers access to a small ‘window’ through which the outcome of dissolution can be observed.

7.4 Partnership dissolution and family policy – what will the future bring?

Over the past decade, social research has been concerned with analysing how citizens’ welfare and social integration is increasingly being linked to their participation in the labour market. This was also discussed in chapter three where it was argued that family policies in Europe are shifting in the direction of an ‘adult worker model’. However, more recently, another dimension has started to take the highest priority in discussions on welfare and the future of the welfare state. The current economic recession in Europe has left politicians concerned with rising unemployment and weaker state finances from which to fund social protection systems. Britain has been one of the countries most deeply affected by the economic crisis and where cuts to the welfare budgets are currently being discussed. Norway, on the other hand, is probably the country in Europe that has been the least affected by the current economic downturn. Given that this thesis finds that the economic consequences of partnership dissolution already differ between these two countries, there is reason to worry that this is a difference that will only increase in the near future. One conclusion from this thesis is that women, more than men, rely on the welfare state to protect their incomes after dissolution. This also means that if economic recession leads to large welfare cuts, these cuts may hit women harder than men. Hence, in the worst case, gender income differences could increase as a consequence of the economic recession.

Another worry related to the current economic crisis is the rise in unemployment. Given that welfare states are already leaning heavily on a social protection model based on the adult worker, it is a great worry for the stability of the welfare state to have large numbers of people unable to find jobs. Although there is no direct link, research has concluded that unemployment increases the risks of marital dissolution

(Hansen 2005). People who separate from their partners also tend to end up living in a one-income household, making them particularly vulnerable if they find themselves out of work. Therefore, it is important for future studies to address how degrees of family ‘fluidity’ may interact with larger macro-economic shifts, and to map out how the economic recession may impact the welfare of different population groups, where those who are recently separated will constitute one of several risk groups.

Apart from the economic crisis, there are also a number of other policy trends with possible implications for the economic situation of separated persons and the issue of gender inequality. Inherent in the adult worker model is a valorisation of paid employment as the most important activity. This could be regarded a positive factor for gender equality – encouraging economic independence and self-sufficiency for women. In Norway, in particular, the strong support for the reconciliation of working and caring activities has strengthened the economic position of women, including that of separated women. On the other hand, a strong and one-sided focus on ‘activation’ in paid work may also reinforce the normative expectation that all groups in society, regardless of sex and caring commitments, should be wage earners. This means that the very same welfare state that enables women’s economic independence through work and family policies, also becomes an active agent in terms of marginalising and de-valuing caring activities, by not regarding them activities that need support in their own right but as ‘hurdles’ to participation in paid work. Even though the policy line applied in Norway of offering subsidised child care to lone parents is preferable to the ‘non-intervention’ line in Britain, it does not mean that this policy is flawless. For instance, offering institutional day care for children does not address the issues of how the labour market is structured by gender, what jobs women and men hold, and important in this context, what responsibility (if any) employers may have for facilitating employment and lone parenthood. These are also important issues to consider in discussions on gender equality and the possibility of combining employment and caring tasks.

An important aspect of the ‘adult worker policy package’ has been to make welfare a private matter realised through the employment route, and where welfare support is limited to a narrow route of economically compensating households for the additional costs of having children. Family policies in Norway have traditionally been particularly generous in this respect, supporting lone mothers in their role as mothers, rather than as workers. The ‘irony’ of this policy intervention is that women in Norway have ended up ‘earning’ money for having children in the household after partnership dissolution (relative to men). However, more recently, public policy debate in Norway has shifted towards a much stronger focus on the role of fathers after separation. This is not limited to a focus on ‘making fathers pay’ (as has been the subject of campaigns in Britain) but includes fathers as active carers after divorce. There is thus a much stronger normative focus on ‘equally sharing’ the children after divorce. This, it may be argued, is an important step towards greater gender equality, by strengthening the bonds between children and fathers after divorce. On the other hand, for separated mothers, this may mean that they will be deprived a source of income. A more equal sharing of the children after divorce will result in lowering economic transfers to lone mothers, especially putting low-paid and/or part-time working women at greater economic risk following dissolution.¹³⁰ This also means that achieving gender equality following the ‘dual-earner/dual-carer’ norm, may have the possibly unintended side effect of seriously reducing the incomes of low income separated women, and increasing the significance of gender inequality. It therefore poses a particular challenge to the welfare state especially on how low income women are to be economically protected after dissolution. It also means that stronger attention should be paid in future research on the possible interaction between partnership dissolution, the welfare state and social class.

Although policy development may be broadly categorised as the development of an ‘adult worker model’, it needs to be underscored that what this thesis has found is that family policies are efficient in creating *different* outcomes in different countries.

¹³⁰ In addition, the ‘sharing’ of children after divorce introduces another possible issue, not addressed in thesis, of whether it is good for children to separate their time equally between two different houses, rather than having a single base at one of the parents’ homes.

Rather than converging into one European family policy model, it therefore seems as though the legacies of past family policies have laid a foundation for future policy developments, which leaves a different imprint on the routes family policy might take in the future, *even if* the broader transformations which are taking place are the same (Daly 2010; Esping-Andersen 1999; Mätzke and Ostner 2010; Orloff 2006). Working from a cross-national perspective, the adult worker model may therefore imply different things in different national settings. In the British context, it involves stepping away from the assumption of a male breadwinner model, in which women and children will be supported by the husband, and towards a stronger focus on lone parents as workers. Without a state-support system for care, this policy line is also likely to leave divorced women with children at economic risk in the future. In a Norwegian context, with its historical legacy of supporting lone mothers in their role as caregivers, and more recently in their combined role as caregivers and workers, adult worker policies represent a weakening of policies supporting care within the private household and a strengthening of care provision outside the family. This is done to facilitate mothers' labour market participation. In addition, the tendency in Scandinavia to regard *both* parents as caregivers and workers (the 'dual-earner/dual-carer' family assumption) indicates an emphasis on shared parenting responsibilities, even when parents no longer live together. This may give women a foundation for being economically independent after dissolution, but the success of this policy in terms of generating equal incomes for women and men after divorce is hinged on women being integrated into the labour market to the same extent as men. This has not yet happened.

With the current rate of divorce and relationship breakdown, a gender income gap as a consequence of ending a relationship is a potentially significant factor in hampering progress in gender income equality. Comparing the economic outcome of partnership dissolution between different national contexts has highlighted how the outcome of risk events experienced at the level of the individual are linked to the larger macro welfare structure. Given that the tendency to end a relationship is similar in both Norway and Britain, it seems likely that differences in welfare policies between

countries holds little impact on individuals' willingness to end their relationships. However, the economic outcome of partnership dissolution is clearly linked to the welfare state. *The welfare state matters* for the extent to which gender inequality is the outcome of partnership dissolution.

Annex A – Odds

The dependent variable, poverty is a dichotomous variable indicating whether a household is poor or not poor. Poor households are coded 1, not poor households are coded 0. A dependent variable with two categories violates the basic assumption made in linear regression; normality and homoscedasticity of the error term. Also, a linear model applied to a dichotomous dependent variable can result in predicted values lower than 0 and higher than 1, when the true probabilities are restricted to the interval between 0 and 1 (Pampel 2000). Transforming the regression into a nonlinear function can eliminate the problems related to dealing with a dependent variable constrained by a floor and ceiling value. Here a logit transformation is made, giving rise to the logistic regression model. In the logit model observed changes in the independent variables are related to the natural logarithm of the odds of the dependent variable (Pampel 2000).

In a logistic regression model, the coefficients estimates are expressions of the linear determinants of the logged odds or logit (Pampel 2000:18). This also changes the interpretation of coefficients from changes in probabilities to less intuitive changes in logged odds. Exponentiating the logged odds or logit returns the odds ratio or odds, which makes for more meaningful interpretation. The odds are multiplicative (rather than additive), which affects the interpretation of exponentiated coefficients. In an additive equation, a variable has no effect when its coefficient equals 0. In a multiplicative equation, the predicted value of the dependent variable does not change when multiplied by a coefficient of 1. Therefore, 1 in the multiplicative (logistic regression) corresponds to 0 in an additive equation (such as OLS regression). Furthermore, the exponential of a positive number exceeds 1 and the exponential of a negative number falls below 1 but above 0). The interpretation of odds (which are exponentiated coefficients) is therefore:

a coefficient of 1 leaves odds unchanged,

a coefficient greater than 1, increases the odds,

and a coefficient smaller than 1 decreases the odds (Pampel 2000).

Annex B – Fixed-effects logistic regression

Following (Allison 2009:28) the fixed-effects logistic model can be expressed by the following basic model:

$$\log(p_{it} / 1 - p_{it}) = u_i + \beta x_{it} + \gamma z_i + \alpha_i, \quad t = 1, 2, \dots, T$$

where p_{it} is the probability that the response variable is equal to 1,
 x_{it} is a vector of time-varying predictors,
 z_i is a vector of time-invariant predictors,
 and α_i represents the combined effects of all unobserved variables that are constant over time.

In the analysis p_{it} is the probability that ‘poverty’ = 1 is observed during the observation period.

x_{it} is a vector of the following control variables, conditioned on observed change in these variables during the observation period: relationship status, birth of child, number of children, labour market status, education level and age.

z_i is a vector of the time-constant variables, which refers to the same variables as above, but conditioned on them not changing during the observation period.

α_i is an unobserved time-invariant disturbance term (e.g. ability, career orientation, personal motivation, laziness).

The dependent variable, logit, varies for all possible combinations of values of the time constant and time varying dependent variables in the range +/- infinitely. The estimated (unknown) coefficients in the model the γ and β parameters, state the effect of the (time-invariant and time-varying) on the logit (Pampel 2000). This means that the logistic regression estimators express the linear determinants of the logged odds or logit. Or put differently, the logit model express the linear relationship of the (natural) logarithm of the odds of being poor in relation to not being poor (Pampel 2000).

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