Key concepts

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11

Welfare states and the life course

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Introduction

In recent years there has been an increased interest in understanding the welfare state from a life course approach. On the one hand, the welfare state through its laws, policies, and institutions, shapes and structures the life course. The welfare state influences both the timing of life course events, such as the age at which people marry or have children or the age at which people retire, as well as the duration of life course events, such as education and training. On the other hand, individual needs in relation to the welfare state change across the life course. During certain stages of the life course an individual may have more need for help or assistance from the welfare state than at other times. These needs can, in turn, give rise to new welfare state arrangements, as welfare states adjust policies to address changing social risks in society (Yerkes, 2011). In other words, individual life courses and the welfare state are inextricably linked (see Mayer and Schoepflin, 1989). In this chapter we take a closer look at this relationship, introducing the concept of the life course and examining how it has changed in recent years.

We begin by defining the life course, as well as introducing a number of other core concepts. In the sections that follow, we look at how the life course has become increasingly dynamic and diversified as a result of the social and economic processes of post-industrialisation, as well as in terms of the gender order, and other demographic changes. In post-industrial societies, welfare states are increasingly faced with pressures associated with changing and emerging social risks - risks which are no longer absorbed by the family or the labour market (Eisinger-Andersen, 2002). These risks pose significant challenges to welfare states and we discuss this in sections two and three. In the next section, using examples from Western welfare states we show how the welfare state structures the life course and how macro-level processes affect welfare states (and therefore impact the life course). The final section provides a brief conclusion.

Core concepts

The welfare state and the life course are inextricably linked. To understand this relationship, we must first consider a number of core concepts, including the definition of the term life course, transitions and trajectories within the life course, and, lastly, the concept of post-industrialisation. The most important concept in this chapter is the life course. The term life course differs from the term life cycle, which reflects a rather biological approach to individuals. The life cycle refers to the various stages of individual life from birth through death. In simple terms, the "life-cycle" an
be reduced to a developmental model or models which outline the social and psychological change encountered as a person passes through the major "stages" of life: childhood, adolescence, mid-life, old age, and eventually death (Hunt, 2010, p. 171). Key to understanding the concept of the life course is recognizing that a life course approach is broader than a life cycle approach and is more sociological in its perspective, viewing individual life stages as embedded in social, cultural, and historical contexts (Hunt, 2010). The life course is necessarily a social construction, and, as such, the boundaries of each life stage are shifting and dynamic, and will depend upon the social and cultural context in which individuals live.

The life course is marked by trajectories and transitions. "Trajectories are life course dynamics that take place over an extended period of time" (Macmillan, 2005, p. 5); they are marked by a beginning and an end. Traditionally, trajectories include education, employment, marriage, parenthood, and retirement. The beginning and end of trajectories are conceptualized as transitions, which are shorter in duration than trajectories. Transitions "index changes as people move from one role to another, begin or cease a course of activity, experience a particular state, or stop doing so. Importantly, transitions are always embedded in trajectories that give them discrete form and meaning" (Macmillan, 2005, p. 5). Transitions and trajectories across the life course are not necessarily sequential, for example transitioning from an educational trajectory into an employment trajectory. It is plausible that individuals will experience transitions and trajectories at different times, such as returning to education at a later stage in the life course, even after a period of employment. In addition, it is possible to experience multiple trajectories at one time during the life course. In fact, life course transitions and trajectories have become increasingly complex due to changing socio-economic contexts. In this sense, we can imagine individuals negotiating multiple transitions, such as the start or end of a marriage, parenthood, education, or employment. Even retirement has become increasingly fluid, as people continue to work longer or combine retirement with other trajectories.

The duration and timing of life course events, and trajectories and transitions differs across countries due to variation in educational systems, labour markets and industrial relations structures, family structures, and the welfare state (Blossfeld, 2009). As the welfare state influences the length of time individuals' access and rights to minimum levels of income, education, housing, and health. The welfare state is there to protect individuals across the whole of the life course - in essence, from the cradle to the grave. In addition, the welfare state plays a key role in regulating many aspects of life course trajectories and transitions, including transitions into and out of employment, decisions about how couples should divide paid and unpaid work, the gender division of labour within households, and decisions about who should be the main carers of young children. Through its definition and regulation of social rights and norms, the welfare state helps construct norms of life course trajectories and transitions, as well as their timing and duration. Social rights, and hence entitlements to welfare state policies, do not come without obligations, however. The most notable of these obligations in modern welfare state is employment. For a significant proportion of the individual life course individuals are obliged to participate in paid employment to have access to welfare state arrangements. The expectation that both men and women will participate in paid employment increases the likelihood of multiple trajectories across the life course, as individuals seek to combine employment trajectories with trajectories of parenthood, education, and care, for example.

Thinking about the structure of welfare state policies and regulations in relation to the life course, it is important to note that this relationship is not static but is in a constant state of flux. During industrial times, social, economic, and political institutions were structured around a male-breadwinner model, meaning that men were the primary wage earners and women were homemakers and mothers. These structures created life course norms, influencing the timing and duration of life course events and leaving little room for diversity in the timing and sequencing of transitions. Educational trajectories were relatively short with the transition into working life taking place at an early age, anywhere between 16 and 18 years old. Men and women married relatively early in life and women generally gave birth to their first child before the age of 25. While women would work for a short period of time, they would leave the workforce after getting married or having kids. Men, in contrast, were expected to work until the age of 65, at which point they could retire. The welfare state of the industrial age supported these life course trajectories and transitions. It provided limited educational support for post-secondary education and protected the family wage earned by men, through the creation of unemployment, disability, and sickness policies and pensions. Each of these policies attempts to provide financial protection for the primary breadwinner to ensure a minimum standard of living and prevent poverty should they be unable to work due to job loss, sickness, incapacity, or old age. Policies to support the employment of women or a combination of work and care were non-existent. At the time, most welfare states encouraged the care of children to take place within the home, and in many countries laws were in place that prevented women from working after marriage or having children. The welfare state also supported families after retirement through pensions and widows' pensions, and in some cases encouraging early retirement for men.

During the 1960s and 1970s, however, significant changes occurred marking a shift from industrial to post-industrial societies. Post-industrialism is the term used to describe a marked decline in industrial and manufacturing jobs and an increase in service sector employment. In addition, female labour market participation increased dramatically. At the same time, international competition increased and we witnessed a rise in part-time and temporary work forms and an increase in structural unemployment. Changes were not limited to employment structures, however. Family structures became increasingly complex, with an increase in divorce rates, an increase in lone parenthood and the emergence and welfare state recognition of various family formations, such as same-sex relationships and co-habitation. Social structures changed as women increasingly took part in education and the labour market, with an employment following marriage or having children. In sum, the broad socio-economic processes of post-industrialisation led to significant changes in employment, family, and social structures, which had significant consequences for both welfare states and welfare state arrangements. The impact of these changes on welfare states has varied, however, due to differences in welfare state configurations. Post-industrialisation, as discussed above, has also had a significant impact on individuals, the shaping of individual biographies, and individual needs across the life course by producing significant changes in the constellation of social risks (Esping-Andersen, 2002; Hacker, 2004). This, in turn, creates pressures for welfare states to adapt existing policies or create new policies to deal with these risks. We now move on to look at some examples of these variations in welfare states.

Presentation and analysis

Welfare states differ in the way in which social rights and protection are provided. While no two welfare states are exactly alike, they share similarities in how social rights are defined, allowing for a categorization of welfare states into welfare regimes. The most often-used categorization is the one created by Esping-Andersen (1990, 1999), discussed in several chapters, which considers three types of welfare regimes: social democratic, conservative corporatist, and liberal. It can be useful to look at the relationship between the welfare state and the life course within these different regime types.
In social democratic welfare regimes, like Sweden and Denmark, social rights tend to be universal and generous with high levels of de-communisation and de-familialisation. In this manner, the social democratic welfare regime attempts to aid individual action and planning across the life course, making it easier for men and women to combine multiple trajectories such as employment and parenthood to transition between trajectories. Greater freedom of choice in life course transitions is also likely in social democratic countries compared to welfare states provisions. For example, research has shown that state transfers reduce the risk of poverty for single mothers and divorced women thus allowing greater choice for women to live independently of men, if not the state (Sainsbury, 1996). In addition, social democratic welfare regimes have, to varying degrees, been successful in adjusting existing policies or introducing new policies in response to changes in individual life courses and the social risks experienced by individuals. The early timing of post-industrialisation in most social democratic welfare states made it financially feasible (Bonoli, 2005) to create generous child care and leave policies, for example, as discussed below. These policies ease the adoption of multiple roles across the life course.

Welfare states classified as conservative corporatist regimes, such as Germany, are historically centred around a single (male) breadwinner and the protection of the family wage. De-communisation levels are high but de-familialisation levels are low. The focus on labour market insiders and emphasis on family responsibility affects the timing and duration of individual life course transitions and trajectories differently than welfare states that emphasize universal, generous welfare state provisions for all individuals. Multiple trajectories can be difficult to maintain, particularly for women. These welfare states often lack adequate policies aimed at combining work and care, for example. Transitions from education into employment can be difficult due to the protection of labour market insiders, disadvantaging young people, older workers, migrant workers, and women entering the labour market. For example, in many conservative welfare regimes, active labour market policies developed during the 1980s and 1990s were focused less on removing barriers to employment, which would be beneficial to labour market outsiders, and focused more on helping labour market insiders by keeping them busy during a period of unemployment, through job creation or work experience programmes (Cassell, 2010).

Southern European countries, not originally addressed in Esping-Andersen’s typology but later recognized by welfare state scholars as similar to conservative corporatist welfare regimes but distinct in their own right, often only provide mixed coverage, meaning de-communisation levels are not high and individuals must rely heavily on family throughout the life course, again making it difficult to maintain multiple trajectories, particularly for women. Here, as in conservative welfare states, work and care policies are inadequate or non-existent. In addition, the structure of southern European welfare states means transitions into adulthood, marriage, and parenthood are delayed.

Lastly, liberal welfare regimes have the narrowest definition of social rights, emphasizing individual responsibility and have limited state involvement. The absence of welfare state involvement does not mean an absence of influence on the individual life course. Rather, the absence of welfare state policies or regulations can exacerbate class, race, gender, and age differences across the life course. For example, individuals with a higher socio-economic status will have more choice in constructing their individual biographies, whereas impoverished individuals will face significant constraints. This influence of inequalities will affect many trajectories (education, employment, retirement) as well as transitions into and out of these trajectories. In addition, while spending on social policy differs across liberal welfare regimes, in those countries where welfare state spending on the working age population is low, such as the USA, individuals face greater risks of inequality and poverty across the life course (Casler, 2009).

Given these differences across welfare regimes, it is not surprising that broader political, social, and economic processes, such as post-industrialisation, affect welfare states differently. In turn, the way in which individual life courses are affected by these processes is filtered through this variation in welfare state institutions as well as stratifications in gender, age, class, and race. The life course perspective offers a means by which to understand the interdependencies of these three areas and life course theory centres on understanding the relationship between individual life courses, welfare state institutions and broader social and economic structures. Heinz and colleagues (2009) refer to these three interrelated areas as ‘historical time’, referring to social and economic processes; ‘institutional time’, or welfare state institutions and provisions; and ‘individual time’, referring to individual actions and biographies. The relationship between these ‘times’ is not necessarily linear, but rather one of structure shaping and being shaped by individual action. In relation to the welfare state, then, the life course approach places equal emphasis on both structure (the welfare state) and agency (individuals giving shape to their own life course through purposeful action) as well as the interplay of these two (e.g. changes in risks faced by individuals leading to changes in welfare state policies (for an example, see Yerkes, 2011)).

Stated differently, while welfare states shape the choices individuals make across the life course, individuals are linked to welfare state institutions by exercising agency, both through cognitive and emotional transformation of self-identity through role-taking and through decision-making in various changing social arenas (Heinz et al., 2009, p. 24).

The relationship between welfare states and the life course has changed and continues to change as a result of post-industrialisation, or an alteration in ‘historical time’. At the individual level, individual action and biographies are evolving: the life course is less orderly and more heterogeneity is evident. Macmillan (2005) outlines four dimensions of change: a general decompression of markers of adulthood (increased time between transitions); the occurrence of multiple social roles; the increased reversibility and instability of roles; and a decoupling of social roles, which is a consequence of some roles being delayed, while other roles are in decline (for example, getting married). As a result, individual needs across the life course have changed and individuals face different constellations of social risks across the life course. As a result of post-industrialisation, welfare state structures are being adjusted to accommodate transformations in employment, family, and social structures and to adapt to the change in risk constellations faced by individuals. For example, in many welfare states, various types of active labour market policies have been created to encourage employment in a post-industrial economy where full-employment is no longer the norm (Bonoli, 2010). In addition, the intensified link between education and employment has led to a growing emphasis on lengthy educational trajectories (Richards et al., 2003). And in many welfare states, new policies have been developed in response to the changed set of risks individuals face as a result of these post-industrial transformations in employment, family, and social structures. The latter is the focus of our first example on how welfare states shape the life course: looking at different welfare states and work-family balance policy. We then move on to our second example, which takes a closer look at the various ways in which the welfare state shapes and responds to the individual life course within a single country.

Example 1: Work–family balance policy

A clear example of the changes outlined above and the effect on the life course is the increased attention within welfare states for work-life balance. In the post-industrial society the combination of work and care highlights the intersections of family, state and (labour) market. This differs from industrial society, where the transition to parenthood had almost no effect on the
broadwinner, at least not in the work domain. For the non-breadwinner of the couple, pre-dominantly women, the effect was huge. Women usually left the labour market, or heavily reduced their working hours after the birth of a child. In essence, in industrial society, work and care were two separate domains — domains which were heavily gendered.

Post-industrial welfare states increasingly demand employment of both men and women, resulting in an increase in dual-earner couples, which challenges the gendered separation of work and home. Men and women increasingly have to deal with the combination of work and care tasks, or take on multiple social roles (Macmillan, 2005). The different work and care patterns of working parents can be understood as a result of historical circumstancens, attitudes, and preferences of working parents, and the availability of policies which enable or constrain the combination of work and care at the level of the organisation and the welfare state.

While there has been a rise in dual-earner families in Western welfare states, many of these same countries have also witnessed a decline in fertility rates. This is particularly true in countries with fewer public support measures for working parents (Künzler, 2002), and countries with a declining economy and growing insecurity in the labour market. This decline is most notable in Eastern Europe, indicative of a decoupling of markers of adulthood (Macmillan, 2005), whereby women increasingly postpone motherhood, have fewer children or remain childless. While individual preferences surrounding motherhood cannot be discounted, the lack of work-family balance policies in many welfare states profoundly affects decisions of motherhood. With the possible exception of the social democratic welfare regime, the conservative and liberal welfare regimes, "... seem to lagging behind the trends in family life, their changing employment patterns and their need for affordable provisions and support" (Den Dulk et al., 2005, p. 36). As it is increasingly accepted that the sustainability and affordability of modern welfare states require a higher labour force participation rate than most countries have been able to achieve, the combination of work and family life is not only a main research theme in most countries, but it is also high on political and policy agendas (Abendroth and den Dulk, 2011).

Work-family or work-life policies are developed to support the combination of paid work and care work. They can be divided into statutory provisions, such as the right to shared parental leave in the UK, Canada, and the USA, and falls broadly within a liberal welfare regime. Where Australia differs from other countries is in terms of the specific forms of policy interventions in personal relationships and the ways in which these policies manifest in their effects on the organisation of private lives. For example, although a gender gap in wages is evident in many Western countries, the historical development of this gender gap is distinctive to each country. One of the defining moments in the history of the gender wage gap in Australia was the setting of the first basic wage in 1907 by Justice Higgins of the High Court of Australia. The wage was intended to provide for a man, his wife, and two or three children in frugal comfort (Bryson, 1992), typifying a male breadwinner model. Higgins claimed that whereas the normal needs of a man included domestic life and a legal obligation to support a family if he had one, the same was not usually true of women. He concluded that women were not therefore entitled to equal pay, but merely to a wage that would enable a single woman without dependants to find her own food, clothing and shelter. It was only in instances where women competed for male jobs that women should be paid the male rate in order to prevent men from being pushed out of those jobs. This legislation effectively entrenched in law the view that women are dependants and that a family should consist of a full-time male breadwinner and a stay-at-home wife. Despite the abolition of the family wage and successive "equal wage for equal work" policies from the end of the 1960s onward in Australia, a gender wage gap remains with women earning somewhere in the range of 10 to 27 per cent less than men, depending on the quartile and labour force sector under examination (Bryson, 1992).

Example 2: The Australian welfare state

We will now take a closer look at specific welfare state policies and laws in one country. In the Australian welfare state, policies and regulations have contributed to gendered differences in employment and have affected family formation. The pattern of state regulation about how to manage family care work has been dominated by statutory provisions, such as the right to shared parental leave in the UK, Canada, and the USA, and falls broadly within a liberal welfare regime. Where Australia differs from other countries is in terms of the specific forms of policy interventions in personal relationships and the ways in which these policies manifest in their effects on the organisation of private lives. For example, although a gender gap in wages is evident in many Western countries, the historical development of this gender gap is distinctive to each country. One of the defining moments in the history of the gender wage gap in Australia was the setting of the first basic wage in 1907 by Justice Higgins of the High Court of Australia. The wage was intended to provide for a man, his wife, and two or three children in frugal comfort (Bryson, 1992), typifying a male breadwinner model. Higgins claimed that whereas the normal needs of a man included domestic life and a legal obligation to support a family if he had one, the same was not usually true of women. He concluded that women were not therefore entitled to equal pay, but merely to a wage that would enable a single woman without dependants to find her own food, clothing and shelter. It was only in instances where women competed for male jobs that women should be paid the male rate in order to prevent men from being pushed out of those jobs. This legislation effectively entrenched in law the view that women are dependants and that a family should consist of a full-time male breadwinner and a stay-at-home wife. Despite the abolition of the family wage and successive "equal wage for equal work" policies from the end of the 1960s onward in Australia, a gender wage gap remains with women earning somewhere in the range of 10 to 27 per cent less than men, depending on the quartile and labour force sector under examination (Bryson, 1992).
As in many other Western countries, there has been considerable change in women’s access to public institutions in Australia. For example between 1986 and 2005 Australian women’s labour force participation rate rose from 48 to 58 per cent and the proportion of women with a Bachelor’s degree rose from 5 to 25 per cent. However, most of the growth in women’s labour force participation during this period was in part-time employment, particularly casual employment (Campbell et al., 2009), and it was during this period, in 1996, that a conservative federal government was elected with a range of policies broadly supportive of male breadwinner families. Australia ranks second only to the Netherlands in the percentage of employees in part-time employment at 24.1 per cent of all Australian employees, and well above the OECD average of 15.3 per cent (OECD, 2009). But like other countries, there are marked gender disparities in the distribution of part-time employment with the rate for women at 38.5 per cent, compared to 12.4 per cent for men (OECD, 2009). Compared to some other welfare states then, the male breadwinner model has proved remarkably resilient in Australia (Campbell et al., 2009). The welfare state has played a key role in shaping men and women’s labour force involvement, not just by directly regulating women’s access to the labour market, but also by indirectly regulating couples’ decisions about who is responsible for providing economic support for families and who should withdraw from the labour market to care for children.

There is also evidence of the shaping role of the welfare state on the organisation and timing of other life course transitions. One of the major changes in patterns of family formation in Australia has been the rise of unmarried cohabitation as an increasingly standard and acceptable pathway into legal marriage. Cohabitation has become the preferred route into marriage for the majority and most people will live in a cohabiting relationship at some point in their lives (Bumpass, 2000), another example of the deconstruction of markers of adulthood through increased time between leaving the family home and transitioning into marriage (Macmillan, 2005). Like many other Western nations, Australia has seen an enormous growth in the percentage of marriages preceded by a period of de facto cohabitation, sometimes referred to as ‘indirect marriages’. Sixteen per cent of Australian couples cohabited prior to marriage in 1975 compared to over three quarters in 2006 (Australian Bureau of Statistics, various years). At the same time, the percentage of couples in Australia who are cohabiting at any one point in time has more than doubled between 1986 and 2000 from just below 6 per cent to almost 15 per cent, with about 40 per cent of these proceeding to marriage (Australian Bureau of Statistics, various years). This is similar to several other countries including the USA, Canada, Britain, and other parts of Europe such as Germany or the Netherlands (Kierman, 2004). Comparative research shows that Australia has lower cohabitation rates than the Scandinavian countries where more than 70 per cent of co-residential couples aged 25–34 cohabit (Kierman, 2004) but has higher rates than Southern Europe where less than 40 per cent of similarly aged couples cohabit. Thus the state has increasingly moved to recognize unmarried cohabitation as a legitimate form of partnering, a new life course stage has emerged. Variations across countries highlight the importance of investigating the specific historical features of the timing and degree of institutionalisation of this life course stage, but within welfare state regimes we see broad similarities.

Conclusion

This chapter focused on the ways in which the welfare state shapes the life course. The life course – stages of individual lives structured by social, cultural and historical contexts – can be studied in terms of trajectories (education, parenthood, marriage, employment, and retirement) and transitions into and out of these trajectories. As a result of post-industrialisation, demographic changes, and shifts in the gender order, the life course has become less orderly and more diverse. Individuals increasingly take up multiple trajectories, and transitions into and out of these trajectories are delayed or put off altogether. Welfare states shape the life course through policies and regulations as well as an absence of policy and legislation, or in other words, the way in which they address the risks individuals face across the life course. Examples of the way in which this occurs is evident when we compare life course trajectories and transitions across, as well as within, welfare states. Our chapter has highlighted some examples of these processes in relation to variations in work–family balance policies across countries, women’s access to employment and gender equity within the labour market, and the emergence of cohabitation within a single country. We have also noted that the way in which the welfare state structures the life course varies across historical periods. The relationships are thus dynamic. The tasks for social researchers are to identify the similarities and differences in the effect of welfare states on the life course and to understand the outcomes for social inequality.

Further reading


References


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Key concepts


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This chapter deals primarily with Active Labour Market Policies (ALMPs) which mainly consist of educational and employment incentives offered to the unemployed. ALMPs aim at relieving or preventing the negative effects that spills of unemployment often bring about for the individual as well as for the labour market as a whole. The subject that researchers continually investigate is whether or not participation in ALMPs is fruitful. This chapter shows that it is difficult to make universal statements about this because the success of ALMPs seems to vary as a consequence of how they are designed, individual heterogeneity among participants, and methodological issues. Nevertheless, despite the difficulty in drawing conclusions, some general tendencies as regards the supply of ALMPs and subsequent micro level effects of ALMPs will be highlighted in this chapter.

Unemployment scarring

In what way do unemployment spells affect the unemployed? The unemployed are definitely exposed to a temporary risk of economic misfortune but they also risk suffering long-term scarring effects even after the spells of unemployment have ended. Common scarring effects include labour market exclusion and/or future negative wage trajectories and the longer the unemployment period, the greater the risk of long-term negative effects. In this sense, unemployment should not be viewed as a temporary problem that lasts as long as the jobless period. Instead it should be seen as a process that starts soon after entering unemployment and, in many cases, continues even after the person has returned to the labour market. First of all, unemployed people start losing human capital, i.e. skills and experience, fairly quickly after the beginning of the unemployment spell (see, for instance, Becker, 1993, as regards the Human Capital theory). Then after some time, potential employers often hesitate to employ people who have been unemployed, particularly those with longer unemployment spells, because the unemployed are thought to be less reliable and productive than others. As time passes and their job applications continue to be rejected, the unemployed also tend to lower the intensity of their job searching and eventually stop looking for new jobs. Under such circumstances there is a rapid increase in the risk of individual negative effects such as labour market exclusion or a negative wage development if there is any return to the labour market at all. To avoid such negative scarring effects, the unemployed should return to the labour market as soon as possible since the length of the unemployment spell influences how much damage the unemployed may experience. (See Layte et al., 2000, regarding unemployment as a cumulative disadvantage on the labour market.)