How welfare states shape lives:
Social inequality in work and family life courses in four European countries.

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EQUALLIVES: Inequality, early adult life courses and economic outcomes at mid-life

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Figure 1: Comparative design
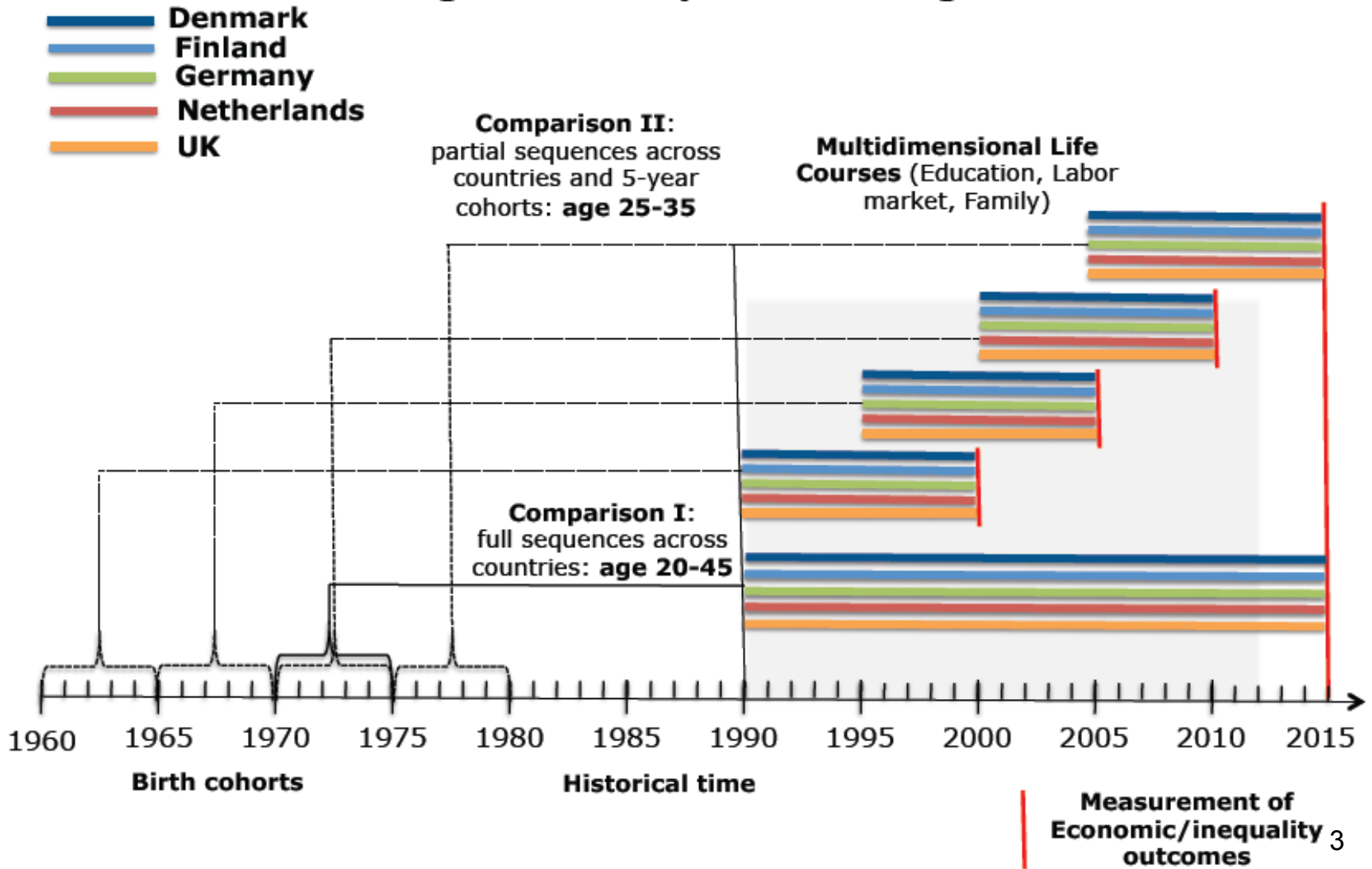
How welfare states shape lives:
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Motivation

Life courses as socially valued goods:

In the end we care about life as a whole. Single events become meaningful in the context of others.

Questions

1. How do welfare states shape lives?

2. Are life courses more similar across countries for socio-economically advantaged young adults?

3. Which life course experiences do welfare states shape for the least resourceful?

4. In which welfare states are men and women's life courses most equal?

Social inequality: a dynamic perspective

Conventional class analysis often limited:

1) **Static**: neglecting dynamics across individual life courses and structural change

1) **Narrow focus on employment**: neglecting non-employed (women, employment volatility)

1) **Disregarding family lives**: and their role for realizing employment opportunities and compensating labor market risks

Social inequality in life courses

Combination of parallel **socio-economic** (education, employment, earnings) and **family-demographic trajectories** age 21 to 40 → **'Life Course Classes'**

Advantages:

- *Dynamic* - typical trajectories of attainment
- *Comprehensive* - does not exclude selective populations not employed
- *Cumulative* – allows to map cumulative (dis-)advantage over time and across life domains of work and family
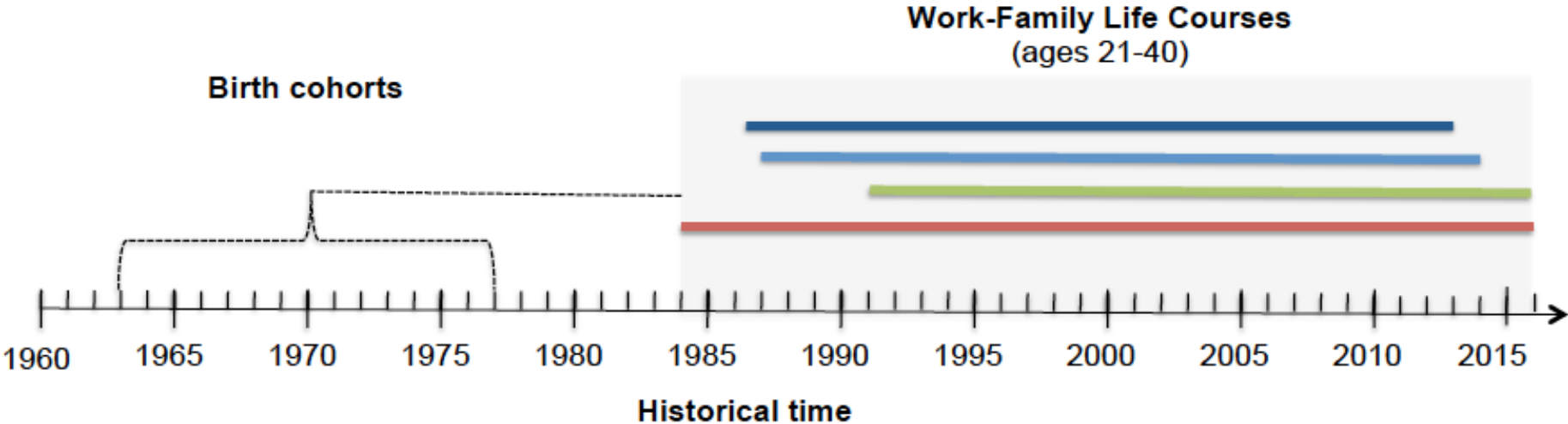
Social stratification of choice in young adulthood (Billari et al. 2019)

- Stratified *intentions, agency* and *opportunities* ($\rightarrow$ welfare state)

- Socioeconomically advantaged young adults better equipped to realize normative life courses of parenthood in marriage (Thomson et al 2013), completing education and quick upward mobility.

- Incentive structure of the welfare state irrelevant for resourceful young adults

- (Parental) resources matter most in weak/residual welfare states

Figure 1: Comparative cohort design

Denmark: cohorts 1966 - 1975
Finland: cohorts 1966 -1974
United Kingdom: cohorts 1970-1977
Germany: cohorts 1963-1975

Work-Family Life Courses
(ages 21-40)

Birth cohorts

1960   1965   1970   1975   1980   1985   1990   1995   2000   2005   2010   2015

Historical time

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Social policies and life course mobility regimes

Mobility regimes (DiPrete 2002):

Social policies affect both the **rates of negative life events** (unemployment / divorce) and buffer their **economic consequences**

Prevalence and penalties framework (Brady et al. 2017)

Table 1: Welfare states and mobility regimes

	UK	DE	FI	DK
Welfare regime	Liberal	Conservative	Social democratic	Social democratic
Recession 1990s	None	Moderate	Severe	Moderate
Mobility regime: life course events	No suppression of events or their consequences	Suppresses events, selectively mitigates consequences	No suppression, mitigates economic consequences	No suppression, mitigates economic consequences
Family policy	Restricted, gender neutral	Moderate, gender conservative	Extensive, gender egalitarian	Extensive, gender egalitarian
Gender regime	Male breadwinner, female part time	Male breadwinner	Dual earner	Dual earner

Sources: DiPrete 2000, Esping-Andersen 1990, OECD 2015, LFS, Mayer 2004, Gauthier 2011

Expectations

Similar life courses of high-SES youth (H1): realize normative family lives and successful careers irrespective of national context.

Different life courses for low-SES youth (H2):

- **DE**: stable low earning employment with long interruptions & parenthood in marriage (→ suppression of events)

- **UK:** employment instability in low earning jobs & family instability (→ no suppression of events, no mitigation of consequences)

- **FI/DK:** stable low earning employment lives & non-normative family lives (no suppression of events, but mitigation of their consequences)

Expectations

- Life courses most gender unequal in DE, followed by the UK, DK and FI (H3).

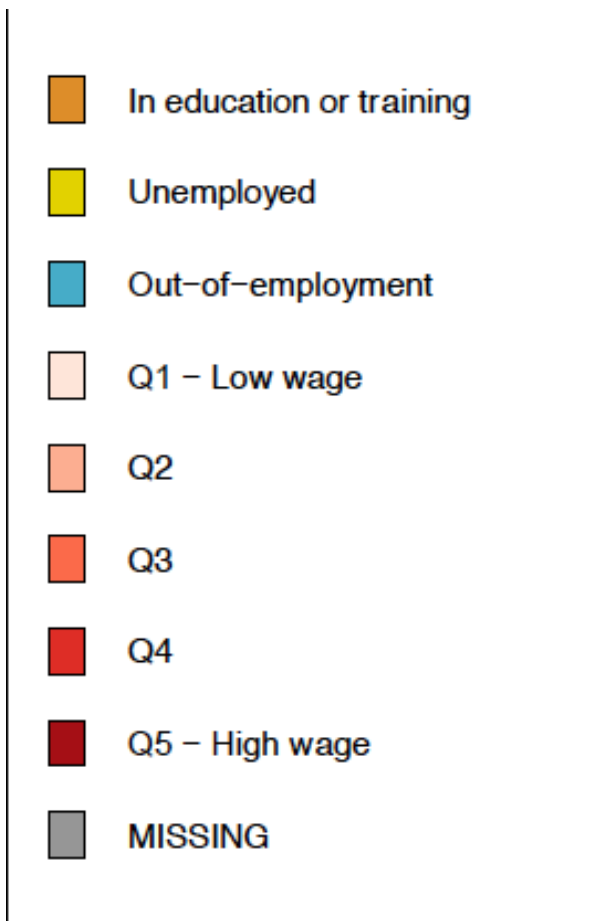- Within Nordic comparison: "institutional siblings" with more or less severe recession in the 1990s.

Table 2: Overview of cohorts, observation years and case numbers

County	Data set	Cohorts	Observation years	Case numbers
UK	BHPS & Understanding Societies	1970-1977	1991-2016	733 (with max 5 missings)
Germany	GSOEP	1963-1976	1991-2016 1984-2016	East: 417 West: 1,255 (with max 5 missings)
Finland	Statistics Finland Registers of Population and Social Statistics, Registers of Income Statistics	1966-1974	1987-2014	10,000 (random selection of cohort population, N=)
Denmark	Population and housing register, tax register, register for education	1966-1975	1986-2013	10,000 (random selection of cohort population, N = 752,869)

Measures

Socio-economic trajectories
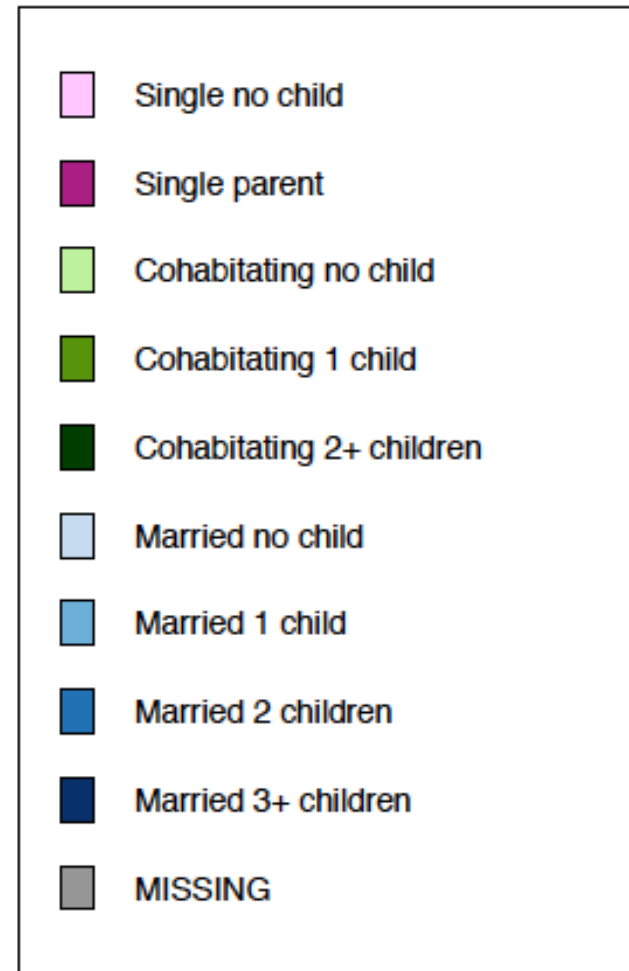(quantiles of gross wages relative to entire working population)
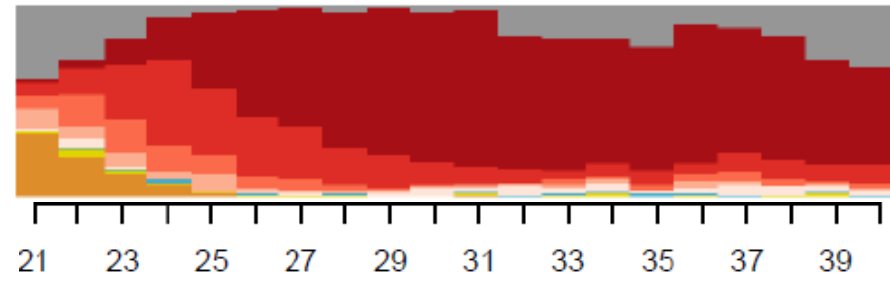

In education or training

Unemployed

Out–of–employment

Q1 – Low wage

Q2

Q3

Q4

Q5 – High wage

MISSING

Measures

Socio-economic trajectories
(quantiles of gross wages relative to entire working population)

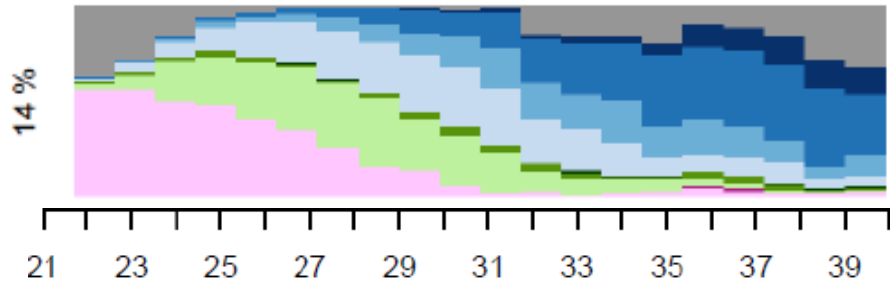|	
🟧	In education or training
🟨	Unemployed
🟦	Out–of–employment
⬜	Q1 – Low wage
🟧	Q2
🟥	Q3
🟥	Q4
🟥	Q5 – High wage
⬜	MISSING

Family trajectories

🟪	Single no child
🟪	Single parent
🟩	Cohabitating no child
🟩	Cohabitating 1 child
🟩	Cohabitating 2+ children
⬜	Married no child
🟦	Married 1 child
🟦	Married 2 children
🟦	Married 3+ children
⬜	MISSING

Analytical approach and methods

- Multichannel sequence analysis and (Partitioning Around Medoids) cluster analysis – find typologies of work-family life courses

- Logistic regression

- Direct comparison of life courses using the Bayesian Information Criterion and Likelihood Ratio Test adapted to sequence comparisons

Liao, T. F., & Fasang, A. E. (2020). Comparing Groups of Life-Course Sequences Using the Bayesian Information Criterion and the Likelihood-Ratio Test. *Sociological Methodology*, 0081175020959401.

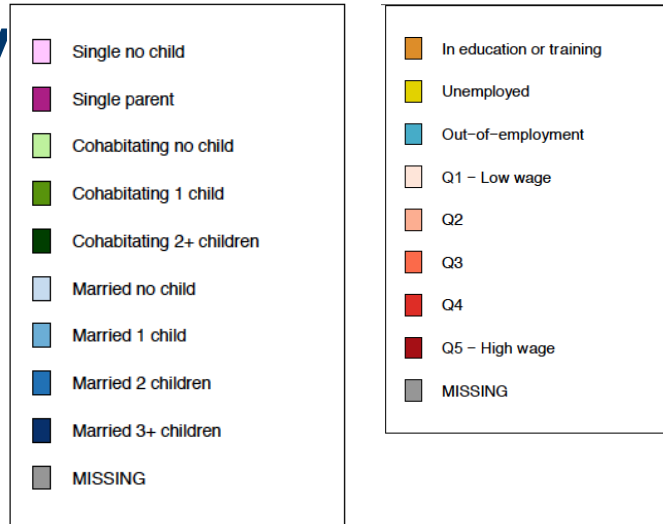# United Kingdom

Normative high earner

Legend (left panel):
- Single no child
- Single parent
- Cohabitating no child
- Cohabitating 1 child
- Cohabitating 2+ children
- Married no child
- Married 1 child
- Married 2 children
- Married 3+ children
- MISSING

Legend (right panel):
- In education or training
- Unemployed
- Out-of-employment
- Q1 – Low wage
- Q2
- Q3
- Q4
- Q5 – High wage
- MISSING

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Cross-national similarity for most advantaged:

Normative family life, early high earners
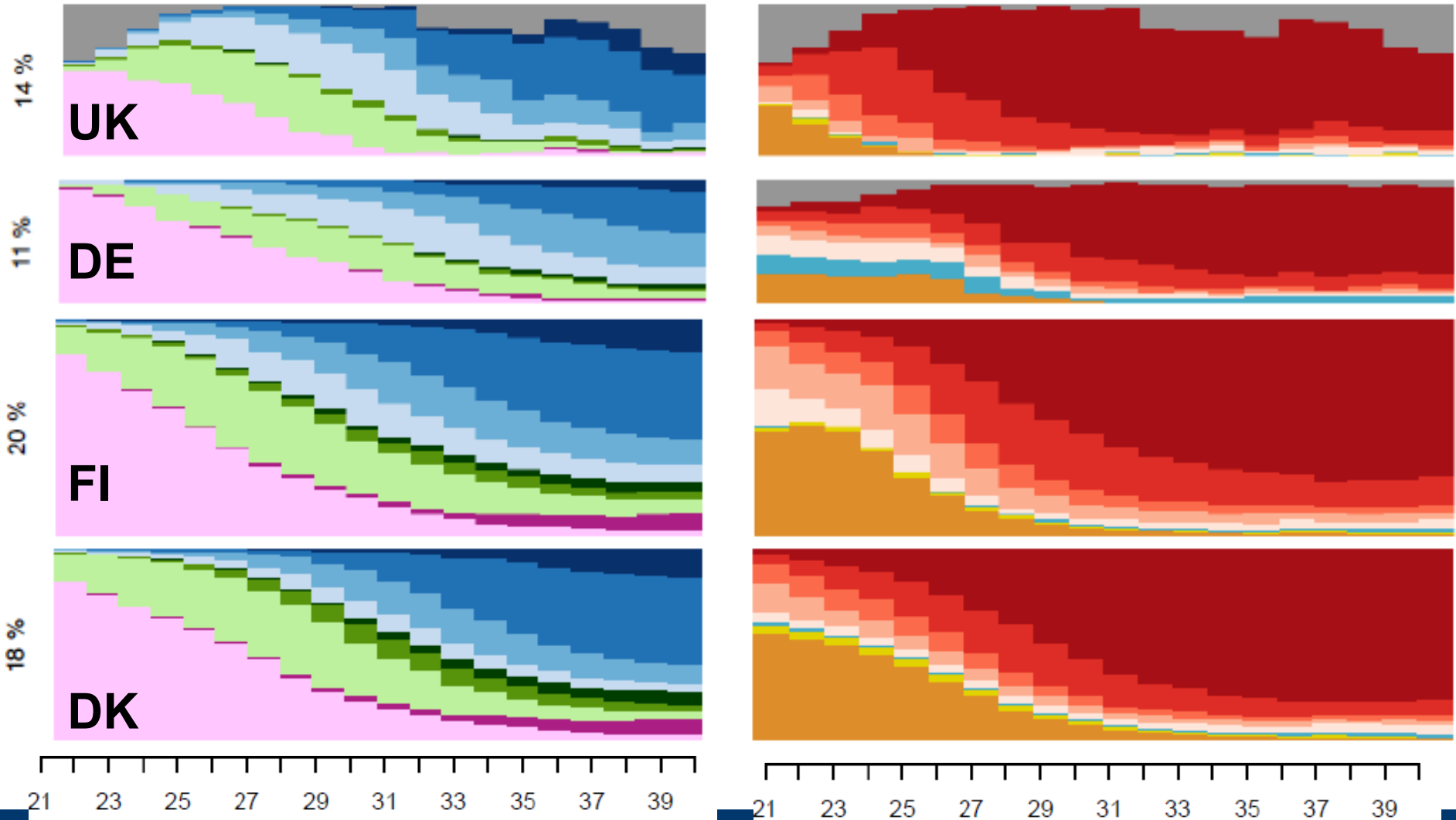
Least advantaged – UK and Germany
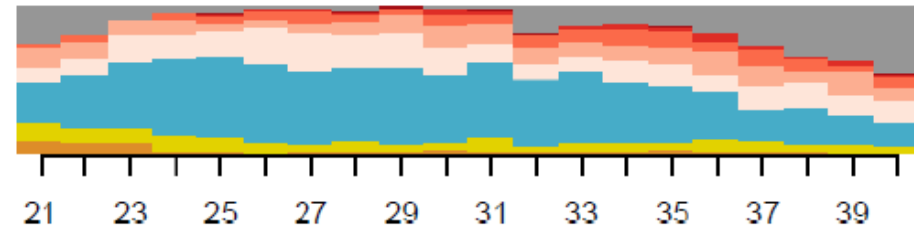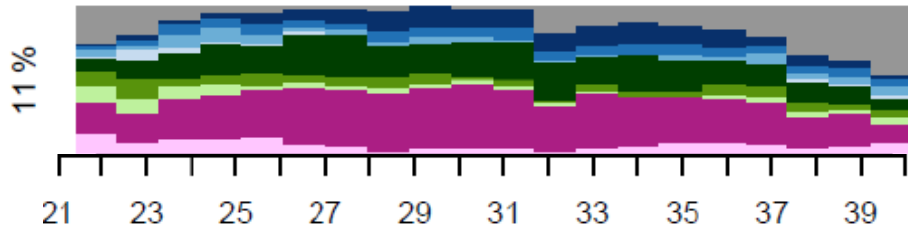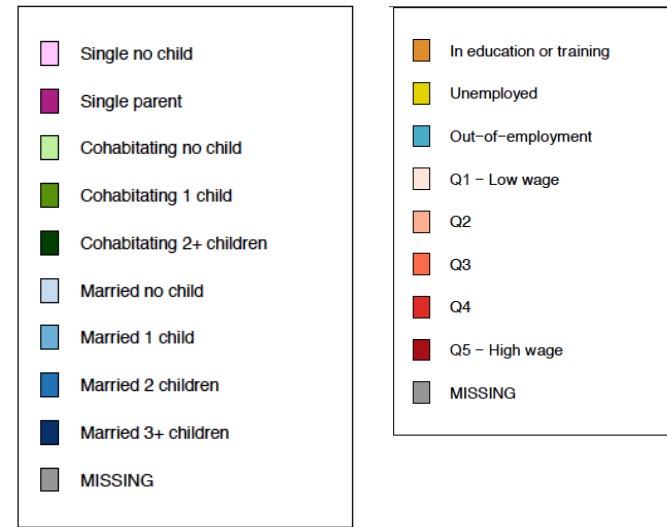
Least advantaged – FI & DK
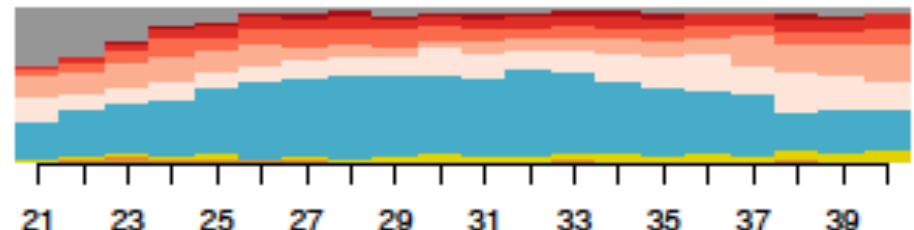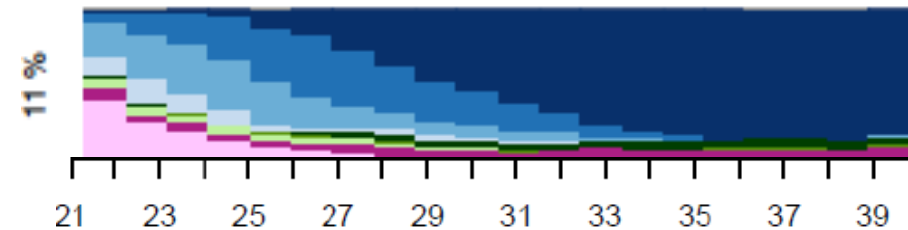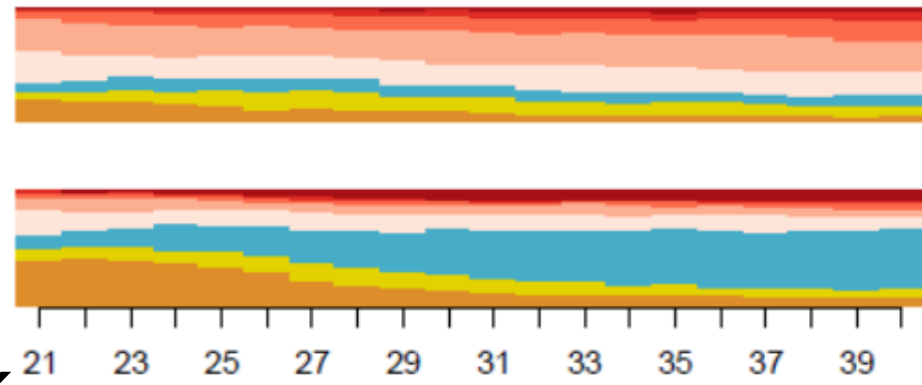

Single parents

Non-normative NEET

FI

DK

Single parents

Non-normative NEET

Legend (family status):
- Single no child
- Single parent
- Cohabiting no child
- Cohabiting 1 child
- Cohabiting 2+ children
- Married no child
- Married 1 child
- Married 2 children
- Married 3+ children
- MISSING

Legend (employment/wage):
- In education or training
- Unemployed
- Out-of-employment
- Q1 – Low wage
- Q2
- Q3
- Q4
- Q5 – High wage
- MISSING
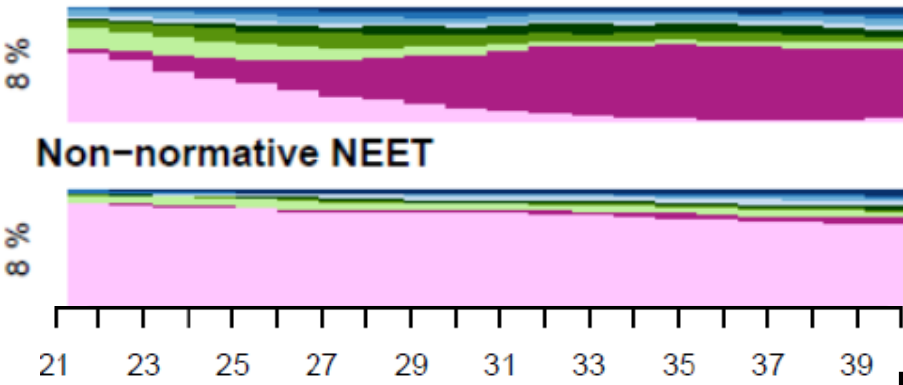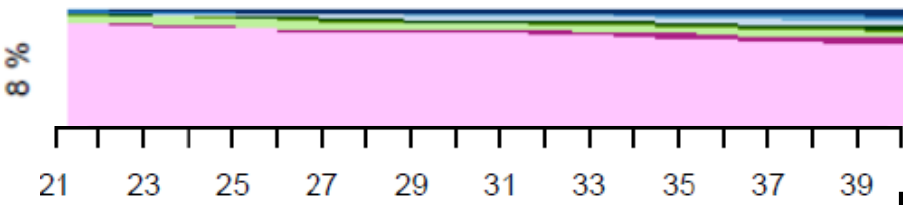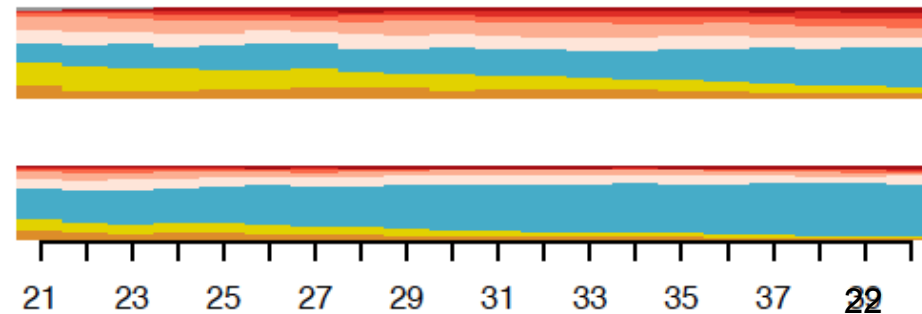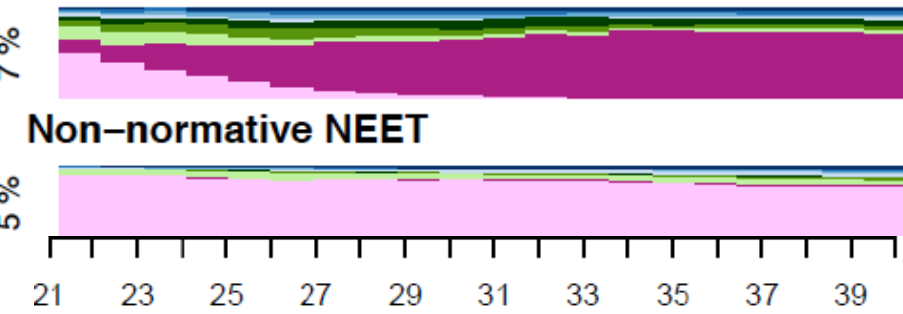
Gender Inequality: Germany

1 Normative high earner

2 Normative med-high earner

3 Non-normative med-high earner

4 Married 1 child medium earner

5 Normative med-low earner

6 Married 3 kids OLF

-40% -20% 0 20% 40%

Predicted Probability of gender effect (women)

United Kingdom

Normative high earner

Normative med-high earner

Non-normative med-high earner

Normative medium earner

Non-normative medium earner

Normative low earner

Parents OLF

-40%   -20%   0   20%   40%

Predicted Probability of gender effect (women)

Germany

1 Normative high earner

2 Normative med-high earner

3 Non-normative med-high earner

4 Married 1 child medium earner

5 Normative med-low earner

6 Married 3 kids OLF

-40%   -20%   0   20%   40%

Predicted Probability of gender effect (women)

Denmark

Normative high earner

Normative med-high earner

Non-normative med-high earner

Cohabiting med-high earner

Normative med-low earner

Normative 3+ children med-low earner

Single parents

Non-normative NEET

-40%   -20%   0   20%   40%

Predicted Probability of Gender Effect (Women)

Finland

1 Normative high earner

2 Non-normative med-high earner

3 Normative med-high earner

4 Cohabiting med-high earner

5 Normative 3+ children med-low earner

6 Single parents

7 Non-normative NEET   n.s.

-40%   -20%   0   20%   40%

Predicted Probability of gender effect (women)
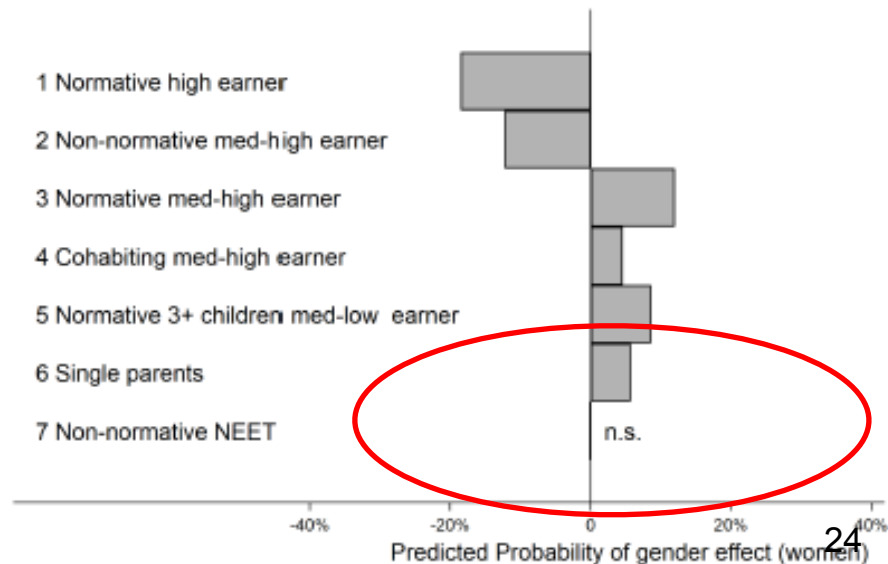
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Conclusions

The most resourceful young adults realize normative life courses everywhere → accumulation of advantage in work and family lives over time.

Socio-economically disadvantaged life courses highly country-specific in line with national mobility regimes.

Men far more likely to experience the most privileged life courses in all countries.

In line with life course mobility regimes (DiPrete 2002) ?

Outlook

- FE regressions to estimate rate of change and economic consequences between ages 20-40 for our study cohorts (gross/ net, HH, wage income, different time lags, quantile regression)

- Map parallel voting behavior, life courses as predictors of political attitudes and voting – are „outlier life courses" more likely to switch-vote? (with Heike Klüver & Stefan Bastholm Andrade)

- First Post-Covid wave: economic changes for different life course types across countries ("Baseline risk groups").

Thank you