P. F. McDonald

The Real Utopias Project

Series editor: Erik Olin Wright

The Real Utopias Project embraces a tension between dreams and practice. It is founded on the belief that what is pragmatically possible is not fixed independently of our imaginations, but is itself shaped by our visions. The fulfillment of such a belief involves 'real utopias': utopian ideals that are grounded in the real potentials for redesigning social institutions.

In its attempt at sustaining and deepening serious discussion of radical alternatives to existing social practices, the Real Utopias Project examines various basic institutions – property rights and the market, secondary associations, the family, the welfare state, among others – and focuses on specific proposals for their fundamental redesign. The books in the series are the result of workshop conferences, at which groups of scholars are invited to respond to provocative manuscripts.

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Transforming Family Divisions of Labor

The Real Utopias Project
VOLUME VI

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Preface

Erik Olin Wright

There was a time not so long ago when a majority of married women with young children in economically developed countries were full-time caregivers with husbands who worked outside the home to provide the family income. This was the era of the male-breadwinner/female-caregiver model of the family. While this model was never universal—poor women often worked to bring income into the household even when they had young children—it was pervasive, both as a normative ideal and as a practical reality.

That era has passed irretrievably. We now live in a world where most women in the developed economies of the world work in the paid labor force, even when they have small children. Role differentiation between men and women within employment has significantly declined, and at least some change is also observed within the family: men do more housework and child care than in the past. Yet gender inequality still persists, both in the family and in employment. Women continue to bear a disproportionate burden of family caregiving responsibilities; they do most of the housework; and, when the time spent on these activities is added to their time in paid employment, many married women have significantly less free time than their spouses. Within employment, while opportunities have expanded and inequalities reduced, the family responsibilities women face frequently undermine their career prospects and reinforce other gender-based discriminatory practices by employers. The result of these developments is a very widespread experience of "time-binds" and tensions between work life and family life for both men and women in contemporary families.

The chapters in this book were first presented at a conference in the Real Utopias Project on the design of public institutions that could significantly mitigate these pressures and create conditions that would facilitate much more deeply egalitarian gender relations within the family over both caregiving and employment. The conference was anchored by Janet Gornick and Marcia Meyers' essay "Institutions that Support Gender Egalitarianism in Parenthood and Employment." They argue that in order to reconcile in an egalitarian manner the interests of men, women, and children within the emerging dual-earner/dual-caregiver model of the family, three clusters of institutional innovations are needed: 1) a generous mechanism of paid parental leaves for caregiving activities which is allocated to mothers and fathers individually, thus requiring fathers to "use or lose" their paid leave time; 2) effective working-time regulations that limit full-time work hours and raise the quality and availability of reduced-hour work; and 3) an expansive, universal program of early childhood education and care. The other chapters interrogate these proposals, examining their ramifications and possible limitations, elaborating alternatives, and exploring their relationship to the broader problem of emancipatory social change.

PART I

An Institutional Proposal

7

Social Policy Principles Applied to Reform of Gender Egalitarianism in Parenthood and Employment

Peter McDonald

The principal objective of Gornick and Meyers' paper is to specify a social policy regime that would support gender egalitarianism. The policy regime they propose has five main thrusts.

The first is six months' paid parental leave for each parent upon the birth of a child, with 100 percent replacement rates (with a high cap), and with benefits being non-transferable between parents. The leave can be used flexibly (taken at any time, taken as part-time on a pro-rata basis) over an eight-year period, but with substantial notification periods required for employers. The leave would be financed by a new social insurance fund with contributions by employers and/or employees. Premiums would not be experience-related at the enterprise level. The government would not contribute financially to this scheme, but would set up an employment referral agency to help employers with temporary absences. The second is a reasonable number of days each year of paid, casual leave for caring purposes, paid from the social insurance system and available to all workers, not just parents. The third relates to work hours (standard full-time work hours of between 35 and 39 per week and a standard work-year of 48 weeks).

The fourth thrust is that all employees would have the right to flexible or shorter hours, subject to the agreement of their employer. Employers could refuse on business grounds, but refusal would be subject to government review. Small businesses would be excluded. All part-time work would be subject to pro-rata benefits. Finally, the fifth thrust covers affordable, quality early childhood education and care. The amounts of care are not specified beyond "limited" amounts of infant care, "modest" amounts of toddler care (for one- and two-year-olds) and "more extensive" care for three- and four-year-olds. Eighty percent of the cost (uncapped?) would be met by government, and the remaining 20 per cent would derive from fees subject to an income test (dropping to zero cost for the poorest families). There would be a choice of the type of arrangement and of caregiver. This would be associated with the adoption and enforcement of standards of care.

In this discussion of the Gornick–Meyer proposals, I begin with a specified set of social policy principles associated with the potential policy areas affected, and discuss the proposed gender-egalitarian policies against these principles. Along the way, the relevance of other policy areas is addressed. The principles to be considered are the following: institutional versus individual-level explanations of outcomes; gender egalitarianism versus gender equity; family support policy based on horizontal equity; family support policy based on vertical equity; child development; labor market efficiency and business profitability; a lifetime perspective; simplicity and transparency; fiscal responsibility and affordability; political and cultural acceptability, including multicultural considerations; feasibility, in the sense that it is not revolutionary, but builds on or modifies existing institutional arrangements.

INSTITUTIONAL VERSUS INDIVIDUAL-LEVEL EXPLANATIONS OF OUTCOMES

The authors correctly take an institutional approach to the explanation of behavior, but might have been more explicit about this. Often, academic work in this policy area is based upon individual econometric analysis within one national policy setting. Such research usually fails to point out that, in a different policy setting, behavior might also be different. Clearly, people make their individual decisions in the shadow of the opportunities and constraints that apply in their particular context. Also, it is difficult for people to imagine a different institutional context—unless they have some experience of it. I have argued strongly that the differences in fertility rates between advanced countries are determined by institutional differences, not by differences between individuals (McDonald, 2006). Indeed, it is not uncommon to find in this area of behavior that relationships at the individual level are the opposite of those at the national level. For example, fertility tends to fall with increases in employment participation when individuals are the unit of analysis, but to rise when countries are the unit of analysis. It is likely that a similar result would apply to the relationship between fertility and gender equality.

GENDER EGALITARIANISM

A movement for gender egalitarianism must confront the argument that men and women are different, and that exact equality should not be the expected goal. This objection is inevitable when it comes from right-wing conservatives who rue the passing of the male-breadwinner model of the family and blame all of society's ills upon its passing. However, the opposition becomes more powerful when it is respectable intellectual research that argues that men and women are different (for example, Brizendine, 2006) or that motherhood is different in character to fatherhood (for example, Anne Manne, 2005).

It is useful to think of gender egalitarianism in terms of equity rather than equality. Gender equity can be defined as follows:

> In the gender equity model of the family, there is income earning work, household maintenance work and caring and nurturing work, but gender has no relationship to who does which type of work. The gender equity model does not imply exact equality between the man and the woman in any heterosexual couple, rather than that specific roles are not determined on the basis of gender. (McDonald, 2000a: 3)

Gender equity derives from an evaluation of the fairness of a society's gender system from the perspective of rights: social, political, economic and reproductive. Gender equity as the basis for reform leaves room for individual couples to make their own arrangements, so long as this takes place within a context of equal rights and equal resources in relation to the making of decisions. In contrast to gender equity, gender equality refers to symmetrical or identical outcomes between men and women, as groups. In other words, gender equity refers to equality of opportunity, whereas gender equality refers to equality of outcome.

A principle of neutrality in relation to gender and the work arrangements of the two parents does not privilege one gender or one division of labor over another (division of labor is addressed in a later section). In practical terms, neutrality can be achieved by the attaching of benefits, as far as possible, to children rather than to their parents: the existence of a child of a given age triggers the entitlement to the benefit. The Gornick–Meyers proposals are quite consistent with the neutral, gender-equity approach. In particular, the paid leave entitlement of six months for each parent represents a strong statement of gender equity, in that the same opportunity is provided to each parent but neither is forced to use it. This is more in keeping with gender equity than the approach of some Nordic countries, where couples have an entitlement of twelve months leave, but where that is reduced if the father does not use at least three months of the leave. In these Nordic countries, the rules are gender-specific.

On the other hand, there is an argument that it would be more equitable to provide the full twelve months of leave to the couple so that they can work out the sharing arrangement that best suits their personal circumstances (without the Nordic "use it, or lose it" arrangement). This may be the case particularly where there are differences in eligibility entitlements between the father and the mother. If the mother has no entitlement but the father does, maybe she should be able to use some of his entitlement. Gornick and Meyers do not discuss eligibility, and I shall return to this topic below. There is also an argument that the couple, with full bargaining strength on both sides, may decide that, at this point in time, there is value in investing in the career of one or the other. This may be the outcome of the past history of their relationship, and of their careers or intended futures. They may even take the view that full mother care (including breastfeeding) in the first year is in the best interests of the child. Should they be prevented from making these decisions by the parental leave being non-transferable? Of course, the reason that Gornick and Meyers do not propose this approach is that we do not live in a utopian world. For most couples, both sides do not have equal bargaining rights, and the effect of providing twelve months of shared leave would be that fathers would take none. In a sense, this is a question of just how utopian social reformers are willing to be. Gornick and Meyers are utopian enough to provide leave entitlements to each parent, but not to allow them to make their own decisions about how this leave might be shared between them.

FAMILY SUPPORT POLICY (HORIZONTAL EQUITY)

Gornick and Meyers do not mention the principle of horizontal equity—recognition of the additional costs for those who have children compared to those on the same level of income who do not have children. The Gornick–Meyers focus is upon comparisons between men

and women, rather than between persons with and without children. Here, the horizontal equity principle could be used to justify both of the major aspects of the Gornick–Meyers policies: paid parental leave (as income replacement) and child care (as recognition of the costs of children). The horizontal equity argument is underpinned by the proposition that children have a social value. Most people without children are willing to provide some of their taxes for the support of the next generation.

Another consideration is that the provision of horizontal equity measures at the workplace level (higher benefits to parents than to non-parents) may lead to employers' discriminating between parents and non-parents in their reward systems (salary, promotion, career development). The resulting system would then provide individuals with incentives not to be parents. It is also not unusual at the workplace level for those without children to see themselves as doing more work for the same pay when those with children have more leave. Again, an emphasis upon the social value of children is the best way to promote such policies to those who do not have children.

FAMILY SUPPORT POLICY (VERTICAL EQUITY)

This is perhaps where I should address the "loose ends" of the paid parental leave scheme: who contributes to the social insurance scheme, and how much do they contribute? Gornick and Meyers say that contributions will be made by employers and/or employees. We must first settle the "and/or" question: Is it "and" or is it "or"? If the answer is "and," what are the relative contributions of employers and employees? How are the premiums set? Do employees contribute a fixed amount or a percentage of salary? What is the percentage? Is the benefit contingent upon length of contribution, or only upon current salary level? Will a parent on a low salary who has been contributing for ten years receive a smaller payment than one on a higher salary who has been contributing for one year? The answer seems to be "yes." Would this be seen as fair in the US institutional context?

Are contributions made by or on behalf of all employees, including those who will never have a(nother) child? Does a person continue to contribute after he or she has had the child? If no, there is a considerable incentive to have the baby as early as possible after contributions commence. If yes, will 55-year-old workers agree to a scheme where they can expect to receive very little from the large contributions that they would make? Or, do we start the scheme with a cohort of new entrants to the labor force? Are contributions made by or on behalf of casual employees or those employed only for short periods? How long will an employee (and/or the employer) have to contribute before he or she is eligible for the benefit?

What happens when a person has been out of the labor force and has a break from contributions before returning? What happens when the parent is no longer employed but has made contributions in the past? What happens when no contributions have ever been made in respect of a new parent? What happens if a parent returns after a first child at a part-time salary level and then has a second child? Is the leave for the second child paid at 100 percent replacement of the part-time wage only? If so, is this not a disincentive to engage in part-time work after the birth of the first child, or an incentive not to have a second child?

Can "sweetheart" deals between an employer and an employee be prevented? Because the employer does not actually pay the benefit (it is not experience-related), an employer eager to retain a high-profile employee may make a deal to increase the employee's salary in advance of the birth, so that the parental leave payment will be higher. The quid pro quo would be a solid-gold guarantee of the return of the employee to the same employer after six months. What happens to the entitlements of those who are already entitled to receive paid parental leave under existing employer-funded arrangements?

These are all annoyingly practical questions that will have to be addressed in developing the parental leave policy. Furthermore, the answers to these questions are fundamental to issues of vertical equity. If, for some of the above reasons, there are people who are ineligible to receive an entitlement or a full entitlement, then, there will be circumstances in which neither parent is eligible, or where only one parent is eligible (or receives a low payment). For second or further births, the incongruous situation could arise in which the father is eligible but the mother is not, because she has been out of the labor force caring for other children.

It seems, although this is not specifically stated, that the fund is a public fund. The actuarial risks of the fund are therefore borne by the government—that is, by the taxpayer. Many of the above problems could be ameliorated to some extent through government provision of a base level of parental payment available to any parent. The employer–employee premiums would then raise this base to 100 percent of salary level for six months. This base-level support would also tend to underwrite the viability of the scheme.

Many of the problems described above relate to the apparent

separation of benefits from contributions. The proposed scheme is a defined-benefit scheme. Issues of vertical equity can arise when a person receives a very large benefit (as high as $75,000 per couple) for very little contribution, while another person receives little or no benefit after making considerable contribution (for example, a person who has contributed for ten years but is not employed at the birth of the child). Because of inequities such as this, and because of the actuarial risks, defined-benefit schemes are now going out of favor. An alternative approach, where the government bears all risk, is an income-contingent loan system. Under this arrangement, the parental leave payment is made by the government as a loan to the parent, who then repays the loan across their lifetime through an additional percentage impost on income tax (Chapman, 2006). A subsidized interest rate applies, and incentives for early repayment can be provided. This is the way in which individuals fund their higher education costs in Australia. The advantage of this type of approach is that individuals can spread the temporary costs of the early years of childrearing across their subsequent income-earning lifetimes. Alternatively, combining the two approaches, the income-contingent loan from government could be at a fixed-base-rate paid to every parent upon the birth of a child, while, as suggested above, the employer–employee premiums would then increase this base to 100 percent of salary level. Potentially, the base payment could be tied to the twelve weeks of leave already available to new US parents through the Family and Medical Leave Act. The Australian government is now providing a payment (not a loan) in respect of all new births that is equivalent to twelve weeks of the minimum wage. This can be considered as equivalent to a nationally funded twelve-week paid maternity leave at a base rate. Despite all protestations, this payment has not led to an increase in births among the "wrong' people"—teenagers and the poor.

There are also vertical equity issues in relation to the child-care proposal. If parents are able to choose their own form of care and the government funds 80 percent of the cost, those who can afford really expensive care (a live-in, highly educated nanny) will stand to benefit enormously. Ironically, at zero cost as proposed by Gornick and Meyers, poor families could also have the expensive live-in nanny. For three- to four-year-olds, it would be much simpler to set up a free and universal early childhood education system for, say, twenty hours per week. New Zealand has recently done this, and there is considerable political pressure in Australia to achieve the same goal. Then, in relation to child care, we are talking about only the additional hours of child care for three- to four-year-olds, as well as the unspecified hours at younger ages. The current tax deductibility arrangements in the US provide some relief from these costs. Is this enough? Gornick and Meyers would say no. First, their scheme is much more generous (outside the free ECEC for three- to four-year-olds) than current tax deductibility. Also, tax deductibility does not create a quality child-care system, a goal of the Gornick–Meyers proposals. But it is clear that Gornick and Meyers need to give greater consideration to what types of child care will be supported, and to the issue of funding caps. At the 2004 Australian election, the coalition government hurriedly released a new child-care policy that would have paid 30 percent of the out-of-pocket expenses of parents for child care. Within a day of its announcement, the policy was modified to exclude nannies. After the election the policy was changed again, with the imposition of a cap of AU$4,000 per annum. The policy is still under attack for vertical equity reasons, as the AU$4,000 cap is high enough to imply expensive child care only affordable by the well-off.

In a footnote, Gornick and Meyers deal with single parents, allowing them nine months of parental leave. There are questions about why one parent should receive a longer entitlement than another. Why should a child of a single parent be entitled to three months more mother-care than a child in a two-parent family? Should non-custodial parents have a right to parental leave? Should the eligibility of a non-custodial parent be dependent upon agreement of the custodial parent (legally, the answer is almost certainly yes) and/or upon a good child-support payment record? Should a stepparent have a right to non-parental leave? If so, how long does the relationship have to exist before the stepparent is eligible? What happens with same-sex couples?

CHILD DEVELOPMENT

Policy should be designed so that that it is consistent with good child development goals. In keeping with this principle, the Gornick–Meyers parental leave policy provides access of the child to both parents in the child's early years. It would support at least six months of breast-feeding and mother care in the first six months of the child's life, provided all mothers are eligible. If a woman in casual employment had no entitlement to parental leave, she might have to return to work at a time that was detrimental to the child's development. The three days of casual leave for caring purposes would help when children were sick. In Australia, this form of leave has been extended to ten days per annum for all employees. Rights to part-time work or flexible

working hours also enable parents to arrange their work lives more appropriately in relation to the needs of their children, and these are included in the Gornick–Meyers proposals.

Could child development goals be better served if parents were able to transfer their rights to parental leave between each other? There are two answers to this: yes and no. Circumstances can be envisaged where it would be in the child's best interest to be cared for by one parent rather than the other. This would be the case, for example, if one were not a particularly good parent. It might also be the case if the child had some particular chronic need for care that was better provided by one parent than the other. On the other hand, it is not a very large step from these arguments to concluding that mothers are always better parents than fathers. In passing, there is another point to be made here. In general, societal arrangements surrounding young children tend to be mother-focused. Mothers' groups, for example, are generally not at all welcoming of pioneer father-care-givers, particularly when the conversation resolves around breast-feeding and women's bodies. In moving to a greater level of father involvement in the early years of the child's life, it is not only leave provisions that need to be changed.

In relation to child care, Gornick and Meyers propose the adoption and enforcement of standards of care. The child-care system is under-specified in the proposal, and so it remains unclear exactly how standards would be raised and controlled.

LABOR MARKET EFFICIENCY AND BUSINESS PROFITABILITY

Gornick and Meyers seem to be acutely aware of potential objections to their policy proposals from employers. In the leave provisions, substantial notification must be provided to employers. The social insurance fund is not experience-rated. While this is designed to minimize (negative) discrimination, as described above, it could promote positive discrimination (sweetheart deals). The proposals could also give rise to the promotion of systems of employment (casual, short-term) or enterprise size (businesses broken into smaller entities) that rendered workers ineligible to receive benefits.

To the extent that these policies enable parents to maintain their attachment to the labor force during the early years of childrearing, they promote labor market efficiency and business profitability. It is important to argue that policies such as these are in the best interests of employers and the promotion of the nation's human capital.

However, this is not an easy task. An attempt was made recently in Australia to provide all workers with some of the entitlements that Gornick and Meyers propose (the right to part-time work, to flexible or negotiated working hours) through the Australian Industrial Relations Commission (the industrial court system). The proposals were opposed by employer organizations and the government, but were supported by the decisions of the Commission. However, before workers could take advantage of these new rights, the Australian government changed the industrial laws so that these rights did not apply, and stripped the Commission of much of its influence. Many other rights were also lost through this new legislation. The moral here is: don't underestimate the opposition. Selling these proposals to business will be a difficult task. Businesses begin with the premise that any restriction upon their employment practices will destroy their profitability. One could expect that the single most problematic Gornick–Meyers reform for employers will be the simplest: the specification of 37.5 hours as the standard full-time working week.

A LIFE-COURSE APPROACH

A reform agenda should be based on the proposition that families have lifetime strategies based on notions of their likely lifetime income streams and career objectives. Most young couples expect to have a relatively reduced income stream when they have very young children, but they also expect that their income stream will increase as the children get older. For this to happen, parents must maintain their human capital and their attachment to the labor force. The accumulation of human capital by both men and women, but especially by women, prior to the birth of the first child has been the driving force behind the delay of first births in most advanced countries. When they become mothers, women want to be assured that, during the period of more intensive care for the child, the family income will be adequate and that, after this period, they will be able to return to the labor force. This implies an intensification of government and societal support in the early years of the life of the child. The Gornick–Meyers proposals are very much in keeping with this life-course perspective. A potential exception, already discussed, is that the ability to transfer leave between parents might, in certain circumstances, have better lifetime outcomes for both parents. There may also be scope to make use of income-contingent loans that enable people to transfer income from their more affluent later years to the years when their incomes are reduced because of child-care activities.

The life-course approach is also relevant at the population level, through intergenerational accounting. In broad terms, societies fund children, and hence their parents, so that the children can become earners who can be taxed to provide support for the next generation of children and for their parents' generation at older ages.

SIMPLICITY AND TRANSPARENCY

To be understood by the electorate, policy programs need as far as possible to be simple and transparent. The principles here are that people should know their entitlements, that they should have a simple means of obtaining their entitlement, and that their entitlement should not change with every dollar change in their income, every additional hour they work, or according to a myriad of other terms or conditions. The achievement of these aims involves a tax-transfer and child/parent benefit system that has largely neutral effects as people change their incomes and workforce participation. Complexity also involves high administration costs, when that money would be better placed in the hands of parents. A transparent system enables parents to determine their entitlements with ease in advance of their decision-making.

It is too early in their development to state whether or not the Gornick–Meyers proposals pass this test. There are still many important questions to be answered regarding the operation of the parental leave and child-care policies.

THE FISCAL PRINCIPLE

Any reform must be within the capacity of the country and employers to pay. We can be certain that, ultimately, this principle will be imposed upon the reformer. Thus, cost must always be in the forefront of our considerations. Ultimately, the costing of proposals is absolutely essential. The detail of the costing exercise can also unearth problems that were not previously considered. Of course, the more complex the policy is, the more difficult it is to cost—another argument for simplicity. These policies carry a dollar cost to employers. To reveal the actual cost will have a positive impact if it is relatively small, and if it can be argued to be outweighed by the benefits. The underwriting of the leave proposals and the direct budget costs of the child-care proposals each represent a cost to government. How much will this be, and will the US government be comfortable about adding this cost to its already considerable budget deficits?

POLITICAL AND CULTURAL ACCEPTABILITY

It is also obvious that any proposed policy must be broadly acceptable in political terms. It is inevitable that governments must engage in public discussion about these issues in order to achieve political acceptance. Only about 3 percent of electors will become parents in any year, and that percentage is falling as the population ages. Of those who become parents in any year, most will have done so without these policy initiatives—that is, despite our views, many are accepting of the impacts upon them of present policies. Thus, the policy program will be immediately and directly relevant to only a very small percentage of voters. The implication from this is that, beyond its immediate beneficiaries, governments will have to convince a broad range of voters that the policy reform is warranted.

The US is a massively diverse and heterogeneous country. For example, its diversity of values is much greater than in Australia, even though, proportionally, twice as many of Australia's population were born in another country. Diversity of values makes the political acceptance of reform more difficult. Selling Swedish policies in Sweden is straightforward because of its ethnic and cultural homogeneity; selling (Swedish-style?) policy in the US, however, is a much more difficult proposition, because of its diversity of values.

PRACTICAL FEASIBILITY

Aside from cost and political acceptability, new policy is easier to implement if it is not revolutionary—that is, if it builds on or modifies existing institutional arrangements. If the new policies undermine existing administrative structures and existing benefit structures for some people, they will be opposed; if they require major new administrative infrastructure, again there may be practical difficulties; if the new policy overlaps with state and federal responsibilities, it will be much slower to implement because more political players are involved. My sense is that the paid parental leave provisions are radical, and that there is a lot more work to be done on them before they will appear to be feasible in practice.

Government-funded child care also raises the issue of which level of government will pay for it, and which level will deliver it and/or monitor its quality. If the child care is provided largely by the private sector, how are the fee levels to be controlled if the scheme provides a government refund of a percentage of the fees? Is the government component of the fees to be paid to parents or to the center?

IMPACTS OF THE GORNICK–MEYERS POLICIES UPON FERTILITY

Gornick and Meyers assert that the policy proposals they make will support US fertility at a desirable level. The emergence of very low fertility rates in many advanced countries has been attributed at least in part to the gender inequities that would be addressed by the Gornick–Meyers proposals.

The theoretical argument (McDonald, 2000a, 2000b, 2006) is that the progress of gender equity has been variable across social institutions. As individuals, women have been able to progress rapidly in the institutions of education and employment. In most advanced countries today, young women are more likely to be enrolled in higher education that young men. It is not uncommon for more than 60 percent of university students to be women. In a growing number of occupations, young women are able to compete equally with young men so long as they are willing to provide extended hours of work and to give absolute priority to the demands of their workplace. However, social institutions that are related to family life—the family itself, the tax-transfer system, and employment conditions (as distinct from employment itself)—have been slow to adapt to the changes that have affected women as individuals. The consequence has been that women have a clear understanding that their personal aspirations will be severely curtailed if they have children. Survey evidence indicates that most young women (and young men) still aspire to having children, but for many women the choice between work and family is a highly problematic one. The gender inequity consists in the fact that there is no such choice for young men.

This theoretical argument has been largely accepted in Europe, where it is evidently the case that countries with low levels of gender equity in social policy have very low levels of fertility (under 1.5 births per woman in all southern European and all German-speaking western European countries). On the other hand, those countries that have gender-equity policies of the type proposed by Gornick and Meyers have relatively high levels of fertility (between 1.7 and 2.0 births per woman in all Nordic countries, and all French-, English- and Dutch-speaking western European countries). Most European countries with very low fertility are beginning to implement gender-equity policies (McDonald, 2006).

Does very low fertility matter? In the short term, fewer births mean lower costs both for families and states. Thus, a continually falling birth rate, even to a very low level, will lead to higher living standards. The principal short-term negative effect of very low fertility is not economic, but psychosocial. It can be regarded as an unhealthy social trend if those who would otherwise have children do not do so because, in their view, society is not organized in a way that would make it easy to do so.

In the longer term—after around twenty-five years—very low fertility leads to sharp falls in the size of the labor force, at the same time that the population from the baby-boom era is reaching old age. It also means that the age of the labor force itself increases with a falling supply of younger workers. There is an argument that young workers play a key role in economic development because, with each generation of new technology, they tend to be its assimilators. In other words, very low fertility leads to a future demographic crunch.

The US fertility rate remains relatively high without the implementation of the policy regime that Gornick and Meyers propose, so it could be argued that this regime is not required in the US to support fertility. However, US fertility has been kept at a relatively high level for reasons that do not apply in other advanced countries, and may not continue in the US into the future: the continued high fertility of certain ethnic groups, especially Mexicans; the continuation of developing-country fertility levels in some US states, especially in the Southwest; the very early childbearing and inefficient use of contraception in the US. It remains the case that vast numbers of US women, especially those who are more highly educated, face the same gender-equity issues that have led to very low fertility in other advanced countries. There is a strong argument that US policy should consider the needs of these women.

It is indeed preferable to create new policy directions in a utopian way—particularly policies that are as fundamental and important as these. Gornick and Meyers have done an excellent job in this regard, and I am a strong supporter of the principles behind their policies. However, good ideas can founder on matters of detail and implementation. This is an area in which, for good reason, scholars are often

less eager to deal. The next stage might be to set up a commission to examine the feasibility of implementing their menu of policies.

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