

More Alike than Different: Revisiting the Long-Term Prospects for Developing “European-Style” Work/Family Policies in the United States

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ABSTRACT American and European parents experience common problems but sharply different social policy supports. American advocates often argue that Europe’s work/family policies would benefit American families and mitigate gender inequality. Other observers argue that the US will never adopt European-style policies because they are inconsistent with American political culture and preferences, infeasible given demographic and labor market conditions, and have negative and costly consequences. This article assesses each of these arguments and concludes that the longer-term prospects for developing European-style work/family policy in the US are substantially greater than popular wisdom suggests.

Introduction: The Popular Wisdom About American Family Policy Exceptionalism

American family policy researchers and advocates have long noted the superiority of European policy supports for working parents, especially in the countries of northern and western Europe. Thirty years ago, the American scholars Kahn and Kamerman (1975) published their first detailed reports on public family leave and child care provisions in other countries. Since then, Americans advocating family policy expansion have frequently pointed to the European¹ systems as models.

In the late 1990s and early 2000s, American concern with the problems of working families intensified, along with interest in public policies that could alleviate those problems. Welfare reform debates, which peaked in 1996, reopened longstanding questions about maternal employment, parental responsibilities, and child well-being.

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Candidate Al Gore's support for public paid family leave and universal preschool in the 2000 presidential campaign focused public awareness on the problems of contemporary families, as did the efforts of several governors and state legislatures to enact these programs at the state level. Expansion of pre-kindergarten programs in several states, California's passage of the nation's first paid family leave legislation in 2002, and Senator Joseph Lieberman's introduction of paid leave into the 2003 Democratic presidential primaries, have all helped to keep these issues in the public eye.

At the same time, new scholarship has documented the difficulties faced by working parents across the income spectrum (for example, Mahoney 1995, Coltrane 1996, Levine and Pittinsky 1997, Chira 1998, Hewlett and West 1998, Deutsch 1999, Heymann 2000). These authors and others have argued that working parents in the United States are hurting and that this is due in part to the lack of adequate social policies. Most notably, in the absence of paid leave at the time of childbirth and early infancy, many parents must choose between spending time with their young children and income security; without access to publicly supported child care, parents are often forced to leave children in settings of dubious quality or to spend an unmanageable share of their earnings to secure better care.

Interest in looking abroad for policy solutions also appears to be growing. According to policy scholars DeLeon and Resnick-Terry (1998), academic and practical interest in cross-national policy rebounded in the 1990s from a temporary retreat in the 1980s. As evidence for this, they point to explicitly comparative, cross-national analyses of health policy, urban planning, environmental and forestation policy, and participatory public decision making in the 1990s.

DeLeon and Resnick-Terry attribute growing interest in cross-national lesson-drawing to three factors. First, the practical need for comparative analyses grew in the 1990s, due to increasingly globalized decision making on issues such as economic integration, the environment, and terrorism. Second, technical developments, including the Internet and electronic mail, have effectively "downsized" the world and increased the ease of information sharing. Third, conceptual advances, including the rise of the "new institutionalism", have persuaded scholars to compare institutions that differ in form but perform analogously across countries. In light of new realities and capacity, American businesses and governments increased their demand for comparative policy research in the 1990s.

Despite increasing awareness about the severity of the problems facing America's working families, decades of research describing policy alternatives in Europe, and renewed interest in comparative analyses, American audiences often react with skepticism to the suggestion that Europe might provide models for more expansive work/family policy in the US. Although American supporters and critics of family policy may agree on little else, they tend to concur on the improbability of European-style policy development in the United States. Both supporters and critics frequently argue that extensive public programs do not accord with American political beliefs and preferences for market-based solutions, that racial and ethnic diversity in the US precludes the inclusive benefits of the European welfare states, and that universal government programs are inconsistent with American preference for "freedom of choice".

Opponents of more generous family policies, in general, raise other criticisms about the usefulness of European models, including their poor fit to the US given the

higher rates of single parenthood and the greater prevalence of low-wage workers in this country. Finally, critics of family policy expansion often charge that European-style programs have harmful effects; in particular, they argue, these programs enable single parenthood and depress employment levels. While Europeans may be willing to tolerate these repercussions, Americans are not.

This article draws on recent research that compares “work/family” policies² in the US to those in place in several European countries in order to consider the prospects for American lesson-drawing – or policy transfer³ – from Europe.⁴ It focuses on lessons for two areas of work/family policies: mandated paid family leave and publicly financed early childhood education and care (ECEC). Public provisions in both areas are extensive, and growing, in most European countries. Although similar expansion of these policies in the US may be unlikely in the immediate future, given the conservative political environment and economic conditions, we argue that the longer-term prospects for policy development along European lines are substantially greater than popular wisdom suggests.

In the next section, we argue that parents in the US and throughout Europe experience common problems but sharply different public supports. In the third section, we draw on the developing literatures on “lesson-drawing” and “policy transfer” to consider the appropriateness of American policy-makers’ borrowing work/family policy lessons from Europe. In the fourth section, we identify and respond to several of the frequently heard objections to adopting European-style work/family policies in the United States. We close by assessing the prospects for work/family policy development in the US.

Balancing Parenthood and Employment: Common Problems, Divergent Solutions

Working parents in the United States and Europe face a number of similar challenges. One of the most pressing is the need for adequate time for both employment and caregiving. In the US and in each of the eight major European welfare states that we studied – Denmark, Finland, Norway, Sweden, Belgium, France, Germany and the Netherlands – a large proportion of parents are balancing time in the labor market with child caregiving. As of the middle-to-late 1990s, in the US and in each of these European countries, over 90 percent of married/cohabiting fathers and at least half of all mothers worked for pay. In Belgium and France, as in the US, about two-thirds of mothers were employed; in the Nordic countries, between 75 and 85 percent of mothers worked outside the home. While American dual-earner couples spent the longest hours (jointly) working for pay – on average, 80 hours a week – employed couples in these European countries, with the exception of the Netherlands, spent about 70 or more hours each week in employment (authors’ calculations, based on Luxembourg Income Study data). With most parents in the labor market, often for long hours, families in all of these countries face the questions of “who will care for the children?” and “at what cost?” in terms of income and career advancement.

Parents on both continents are also grappling with divisions of labor within the family. As in the US, issues of gender equality in paid work and caregiving are also prominent in European gender politics and research. This is especially evident in the Nordic countries and in the Netherlands. Divisions of labor command attention

partly because substantial gender differentials persist in labor market attachment; mothers still earn much less than half of family earnings in all of these European countries as well as in the United States. Married/cohabiting mothers take home just over a third of family earnings in the Nordic countries, and between a quarter and a third in Belgium, France, and in the US – and even less in Germany and in the Netherlands (authors' calculations, based on Luxembourg Income Study data). And while men are now assuming a larger share of unpaid care work in the home – largely because women's hours of unpaid work have declined in recent years – gender inequalities in unpaid caregiving work remain substantial in all of these countries (Gornick and Meyers 2003).

European and American parents clearly have shared challenges. Everywhere, parents need time for caregiving. Parents in all of these countries grapple with where to place their children during hours that parental care is not available. They face potentially high financial costs whether they take temporary caregiving breaks from employment or purchase substitute care. And parents in all of these countries have complex decisions to make when allocating paid and unpaid work between partners.

Despite the commonality of problems, solutions in the US could hardly be more different than those in place in much of Europe. Although there is variability across these European welfare states, each of them has established public programs that support employed parents – programs that are almost entirely absent in the United States.

With regard to family leave, all eight of these European welfare states have national-level public policies mandating access to various forms of leave. All grant mothers job protection and wage replacement around the time of childbirth and during children's first year of life; all grant fathers leave rights through paternity or parental leave schemes, usually with pay; all grant temporary periods of paid leave – or “leave for family reasons” – that allow brief breaks to respond to routine or unexpected caregiving demands (see Gornick and Meyers 2003 for details). In sharp contrast to the situation in Europe, the US has enacted no national law that grants any paid leave to parents⁵ and only five states pay any maternity benefits (as part of temporary disability insurance).⁶ Outside the five states with disability laws in place, American parents have access to paid leave to the extent that their employers voluntarily provide it. As of the mid-1990s, only 43 percent of American women who were employed during their pregnancies received any paid leave during and after childbirth through either public provisions or voluntarily provided employer benefits – including maternity pay, sick pay, and/or vacation pay (Smith *et al.* 2001). A recent survey of personnel managers revealed that only about 7 percent of employers offer fathers paid paternity leave (Office of Personnel Management 2001).

Parents in Europe and the US also experience extremely different institutional arrangements for child care and early education. As with family leave, there is variability across Europe but in each of these eight welfare states, young children across the income spectrum are cared for in extensive systems of publicly supported ECEC. In the US, only about 6 percent of children aged one and two are cared for in publicly financed and regulated child care programs, compared to one-fifth of children in this age group in France and Finland, over a third in Norway, nearly half in Sweden and about three-quarters in Denmark. In the US just over half of children aged three to five are in public preschool programs (and most of these are five-year-

olds in kindergarten), compared to 70 percent or more in the countries in our study. In these European countries, families’ access to care, especially for children over age three, is usually guaranteed through legal entitlements. The quality of care is assured through national standards and high levels of required training, and commensurate compensation, for providers. Public financing spreads the costs of care to both reduce the burden on individual families and to equalize out-of-pocket expenditures across families at different income levels. In these countries, parents of the “under threes” generally pay according to sliding scales; preschool programs for children aged three and older typically charge no fees at all (see Gornick and Meyers 2003 for details).

On nearly every dimension, the current patchwork in the US of highly privatized ECEC arrangements and multiple federal, state, and local policies lags behind the major European welfare states. American parents’ access to ECEC depends largely on their private resources and on what local private markets produce. Despite recent expansions of means-tested child care subsidies, and of pre-kindergarten programs in some states, only a fraction of low-income families receive child care assistance. Both high- and low-income families often incur high costs when purchasing private care, and these costs are particularly burdensome for the lowest-income families if they do not receive subsidies. Despite high private costs, quality is uneven, due to weak public oversight and the minimal educational preparation of ECEC workers. The costs and uncertain quality of child care in the US have troublesome implications for children, who may experience less than optimal or even neglectful care. And the pressure to minimize costs has produced a large, highly feminized, and poorly paid child care workforce.

European Family Policy: Models for the US?

Cross-national commonalities in problems facing working parents in the US and in Europe, and differences in policy responses, raise obvious possibilities for lesson-drawing and policy transfer to the US. Many European countries have well-developed policies that address parents’ needs for caregiving time and provide affordable, high-quality substitute care arrangements. Even in times of retrenchment, these programs have retained strong political support and maintained funding commitments in Europe (Gornick and Meyers 2001). Could they provide models for policy development in the US?

In many respects, family leave and ECEC policies appear to be ideal candidates for lesson-drawing and the coming decades seem to be a propitious time for borrowing good ideas from abroad. As has been noted, DeLeon and Resnick-Terry (1998) describe the 1990s as a renaissance in comparative policy analysis, following an earlier wave of interest in the 1970s and a period of hibernation in the 1980s. The second generation of comparative scholarship, DeLeon and Resnick-Terry argue, has benefited from lessons learned from the earlier wave. One key insight has been that policy lessons of limited scope are the most valuable:

[T]he first generation’s initial emphasis on comparative policy was to develop overarching policy models and paradigms. Since then, a certain amount of moderation or temperance has taken place. Scholars and analysts now realize that comparative research can yield interesting, although limited observations

without being forced to pretensions of meta-policy models. (DeLeon and Resnick-Terry 1998: 19)⁷

In this regard, parental leave and ECEC appear ideally suited for lesson-drawing. It is improbable that the dominant European welfare state model – highly redistributive and comprehensive benefit packages combined with strong labor protections – would ever be adopted wholesale in the US. It is much more reasonable to imagine the adoption of specific family leave and ECEC provisions via models that capitalize on decades of policy development in Europe.

Rose (1993) suggests additional conditions under which lesson-drawing from one country to another is likely to be most fruitful. First, most or all of a policy's elements must be operating across multiple settings; second, service delivery institutions should be substitutable; and, third, the countries should have roughly equivalent resources (Rose 1993).

In the view of the authors, these conditions are largely met in the case of family leave and ECEC. First, these work/family programs are well established across geographically, ethnically, and demographically diverse European countries. (Paid maternity leave is, in fact, widespread outside Europe as well. According to the United Nations, the US is one of five countries in the world without a national maternity pay policy.) Second, the institutional arrangements that underlie these programs are generally substitutable, meaning that they operate across countries in varied institutional settings. In some countries, paid family leave is funded and administered as an independent program; in others, it is financed and delivered in conjunction with health and sickness benefits, or with pensions, or as a part of unemployment insurance. Likewise, in some countries, public ECEC programs are run under social welfare auspices; in others, they are run under educational auspices or by a combination of the two.

Finally, there is also an “equivalence of resources” between the major welfare states of Europe and the US – at least in relation to underlying economic resources, if not with respect to the size of the tax base or the share of GDP spent on social programs. There is no question that if resources are measured by tax revenues as a share of GDP, they are substantially higher in most European countries; compare the European Union (EU) average of 42 percent to approximately 30 percent in the US (OECD 2003a). However, per capita GDP is higher in the US than in most European countries – in 2002, approximately US\$36,000 compared to the EU average of US\$26,000. The absence of a substantial package of work/family reconciliation policies in the US is a problem of political will, not one of insufficient resources. All of these countries are among the richest in the world.

Revisiting the Accepted Wisdom

Recent scholarship suggests that cross-national lesson-drawing could be quite fruitful for addressing the needs of working parents in the US. Despite this, suggestions to look abroad for work/family policies are often greeted with skepticism from proponents of more expansive policies and with derision from opponents of the same. In this section, we consider and respond to three lines of argumentation against borrowing work/family policy lessons from Europe. The first claims that

European-style programs are incompatible with the US’s exceptional political culture and the preferences of most Americans, including the preference for low taxes. The second suggests that these programs are a poor fit with the needs of American families, who face unique economic and demographic pressures. The third claims that European programs such as these have negative consequences, imposing unacceptable social and macro-economic costs. Each of these objections deserves serious consideration. However, we argue that, on closer inspection, they turn out to be more rhetorical than real.

Incompatibility with American Political Culture and Preferences

One line of argumentation against lesson-drawing from abroad, raised by both supporters and opponents of more generous social policy, stresses the exceptionalism of American political culture, racial politics, and the traditional sanctification of individual choice. Although the US is exceptional in many respects, claims that this precludes European-style work/family policies often fail to account for nuances in US political culture and also for the diversity in European populations and policy models.

“Americans prefer market solutions to government provisions”: A large literature assesses the roots of public policy variation across countries, with considerable attention paid to American social policy exceptionalism (for example, King 1973, Heclo 1986, Lipset 1990, Thompson, Ellis and Wildavsky 1990, Hartz 1991, Steinmo 1994; see Kingdon 1999 for a review). Some scholars – most notably Hartz, Lipset, and King – understand a unique political culture to be the primary determinant of the US’s meager social provisions. Others, such as Heclo and Steinmo, emphasize structural explanations. Still others theorize integrated structural/cultural models; Thompson, Ellis and Wildavsky, for example, argue that political culture itself is transmitted over time and that “experience with institutions counts” (1990: 218). Although the theorized mechanisms vary, social welfare scholars rarely challenge the claim that political culture shapes and constrains social policy development in the United States.

American political culture is universally characterized as individualist, meaning that Americans tend to believe in the capacity of unfettered free enterprise to achieve social goals. That individualism is combined with a weak orientation – compared with Europeans – toward hierarchy, where hierarchists value order, security, and predictability, and thus tend to trust established powers, including public bureaucracies. American political culture also values equality but – consonant with the anti-statist individualism – American egalitarian goals embrace equality of opportunity rather than of outcome (see Kingdon 1999 for a synthesis of literature on this point). The crucial claims, for our purposes, are that while Americans value the idea of equal opportunity, they prefer that the distribution of social welfare be left to labor markets and consumer markets.

American skepticism, in the view of the authors, is both cause and consequence of a century of limited policy effort and anti-statist public rhetoric; this does appear to be at odds with a major expansion of social policy. At the same time, there are reasons to believe that American political culture would not be hostile to European

models for work/family policy. A careful assessment of American attitudes and welfare state exceptionalism suggests that both are more accurately characterized by incompleteness and selectivity than by overall meagerness. Americans find some public programs to be especially objectionable, in particular, “welfare” programs for the non-employed poor (see, for example, Page and Shapiro 1992, Gilens 1999). Not surprisingly, this is the area in which the US provides remarkably little by comparative standards. Yet other public programs have historically received strong support from the American public and provisions are generous when compared to those in the major European welfare states. Lockhart (1991) identifies the two most salient examples: “[T]he United States spends a relatively high proportion of GNP on public education, and American social security provisions for the elderly (OASI and HI) are similar to the provision made by most advanced societies. So the United States shares aspects of well-developed social policy with other advanced welfare states” (1991: 515).

The selectivity of American preferences and policy has implications for work/family policies because these programs have much in common with the social programs that Americans do accept. Like social insurance for the elderly, both ECEC and paid family leave reward paid work, and the latter typically bases benefit levels on past earnings. Like public education, both of these policy areas promote equality of opportunity: they help equalize labor market opportunities for women who are constrained by reproductive and caregiving responsibilities that are not shared by men, and they equalize social and educational opportunities for children.

It is also the case that, ultimately, Americans are pragmatic, clearly in self-perception and arguably in practice. As Kingdon (1999: 88) notes, since Tocqueville identified a practical bent as “the philosophical method of the Americans”,⁸ numerous scholars have stressed American pragmatism. Free and Cantrill (1967) pointed to a “distinctive American pragmatism, pervading, shaping, and interpreting the American credo” (cited in Kingdon 1999: 89). Kingdon observes that Americans “prize ‘know-how’; our biggest praise for a given approach is that it ‘will get the job done’” (1999: 88). Roger Davidson (2003), in his analysis of what Americans believe about themselves at the beginning of the twenty-first century, underscores that: “Americans have historically been pragmatists – short on theory and long on common-sense observation, trial and error, and invention”.

This pragmatism bodes well for lesson-borrowing on family policy. The failure of current market-based arrangements has been well documented in a recent wave of popular and academic writing on work/family conflict and the inadequacy of American policy. As Heymann (2000) and Gornick and Meyers (2003) show, the US has left the granting of paid family leave largely to employer markets and the result has been a limited patchwork of provisions, with the lowest-paid and least-skilled workers receiving the fewest rights and benefits. The US has left the provision of child care largely to consumer markets; the result has been a mix of services that, for the most part, strain working families’ budgets, stint on quality, and impoverish child care workers.

As we noted earlier, nascent policy efforts emerged in the late 1990s and early 2000s that would ameliorate some of these problems. And there is reason to believe that public opinion is largely supportive of an expanded role for government in this area of social policy. When asked directly, the majority of US parents are more alike

than different from parents in other industrialized countries in their support for specific policies. According to data from the 1994 International Social Survey Programme (ISSP), as many as 85 percent of American parents in working families believe that employed women should receive paid maternity leave, close to the 90 to 98 percent who express similar views in our comparison countries. Sixty-three percent of US parents also believe that working parents should get financial benefits for child care, a share that is similar to that in most of our comparison countries in Europe (authors' calculations, based on ISSP data). Similar political sentiments have been documented in public opinion polls conducted in the US for research and public interest groups. Large majorities support paid family leave and they want it to be publicly financed (National Parenting Association 1998, Zero to Three 2000); Americans also express support for government assistance with child care (Lake Sosin Snell Perry 1998; Wall Street Journal/NBC 1998) and after-school programs (Mott Foundation 1998).

"The United States is too diverse to support universal policies": Many critics argue that other transatlantic political differences are simply too great to allow fruitful policy transfer to the US from most of Europe. It is often said that the extent of racial, ethnic and national diversity is the most important difference between the US and other wealthy countries. Indeed, the US population is remarkably diverse; nearly 10 percent of US residents were not born in the country and just over one quarter are African-American, Hispanic, Asian/Pacific Islander, and/or Native American. Some identify this as a fundamental barrier in the US to policy development along European lines, arguing that the generosity of the European welfare states is possible only because the populations in these countries are so homogeneous.

This caution deserves to be taken seriously. Our comparative study of policies in other countries suggests that the most successful and resilient policies are highly inclusive, providing similar options to all families and creating strong and broad-based support for their continuation. The US does not have a similar history of inclusive social provisions across program areas. Welfare state scholars have frequently explained this in terms of deep racial and ethnic cleavages and American resistance to policies that redistribute across these divides (Quadagno 1994; Gilens 1999). In recent years, fissures have grown particularly wide when social programs are seen to benefit recent immigrants.

Although formidable, there are also compelling reasons to believe that these cleavages are not an insurmountable barrier to lesson-drawing on work/family policies. American social policy history itself provides some encouragement as it indicates that it is possible to mobilize broad support for redistributive policies, especially for policies outside the public assistance rubric. As we noted earlier, social insurance for the elderly is the most striking example of the political resiliency of redistributive policy. Social security pensions for the elderly have become more inclusive over time and the redistributive structure of benefits has survived years of heated debate and efforts to restructure and privatize the basic provisions.

The European experience provides further encouragement. Although generous social welfare provisions in Europe are often credited to the homogeneity of the population, a number of European countries have levels of immigration that are

similar to or even higher than the level in the United States. In most of the countries in this study, between about 5 and 9 percent of residents are foreign, rates approaching the 10 percent of the population who are foreign-born which has been reported in the United States (OECD 2001a).⁹ Nearly all European countries face complex ethnic and linguistic diversity, but this diversity has not prevented them from maintaining inclusive social programs that serve legal immigrants, and racial and ethnic minorities. Rather than dividing the population, the extension of social rights to all residents is intended to promote inclusion.

Universal preschool programs are particularly notable in this regard. A survey by the Organization for Economic Cooperation and Development (OECD: 2001b) of public ECEC policies in Europe notes, for example, that several of the countries covered in this study – including Belgium, Denmark, Finland, the Netherlands, Norway, and Sweden – have adopted policies explicitly aimed at “increasing access to early childhood services for immigrant and ethnic minority groups in order to expose children and families to the language and traditions of mainstream society, and provide opportunities for parents to establish social contacts and networks” (2001b: 25). Some American observers have reported with amusement that the *école maternelle* provides children with lessons on French culture, including distinctions among French cheeses. But these lessons reflect, in part, the commitment to extend preschool to all children in France in order to promote social solidarity. And nearly all immigrant parents choose to enroll their children.

Immigration is growing all across Europe (OECD 2001a). Both large and small welfare states are grappling with the arrival of even greater numbers of immigrants, refugees, asylum seekers, and economic migrants. As populations are becoming more heterogeneous, there are signs of political strain and polarization along ethnic and nativity lines. These strains are most evident in the rise of anti-immigrant and other explicitly racist political movements in many of the European democracies. To date, however, this political polarization has not translated into either wholesale or selective reductions in social benefits in these countries. All of the countries studied in this article continue to provide generous social benefits and continue to provide them inclusively. While some European countries have trimmed some social programs – most notably old age pensions, unemployment insurance, and disability pensions – these restructurings have not had the effect of exacerbating racial, ethnic or class divides via social policies. The basic structures and functions of the social welfare states remain strong in the face of growing population diversity, in part because their inclusive structures create broad political support.

“*American parents want more ‘freedom of choice’*”: Skeptics about lesson-drawing often point to another dimension on which the US appears exceptional: the salience of individual choice. In cross-national terms, Americans do appear to be remarkably concerned about the protection of individual choice and freedom from government interference. Critics often suggest that the highly centralized and standardized policy approaches of Europe would be a mismatch for a society in which individuals expect to exercise choice in the consumption of everything from athletic shoes to their children’s education.

In the area of family policy, these concerns are often related to the issues of diversity considered above. While it is all well and good for French children to attend

the same preschool program and learn about national cheeses, some argue, American parents want to be free to choose the type of care that their children receive. In *The Advancing Nanny State*, Darcy Olsen (1997), of the conservative Cato Institute, warns that the creativity of private and community solutions “should not be replaced with a set of rigid standards, which run roughshod over the individual needs of parents and children. As parents know, every child has unique needs that cannot be met by a uniform code” (1997).

Americans are justifiably sensitive about their right to preserve their own beliefs and cultural practices and this sensitivity is particularly acute on family issues. But families within diverse societies share common challenges and dilemmas. Problems of balancing work and family are often portrayed as the concern of high-achieving, two-career families. In reality, the time squeeze on parents, the difficulty of finding high-quality child care, and the social and economic penalties that women incur by assuming the majority of child caregiving, are not unique to affluent or poor, white or black, native-born or immigrant, gay or straight families. They cut across the lines of class, race, ethnicity, and sexual preference. Mishel, Bernstein and Schmidt (2001), for example, find that African-American married couples work longer hours than their white counterparts within every income quintile, while Gornick and Meyers (2003) report that gender differences in parental caregiving are nearly the same at all educational levels and in all income quartiles.

Successful policies that would help reduce these challenges can be broadly inclusive, without violating the rights of families and communities to determine the precise shape of policy provisions. Casting European-style social policies as inconsistent with these goals is misleading for at least two reasons.

First, although the policies we have described are generally national in terms of authorizing legislation and financing, they are flexible enough to allow individuals and communities to tailor them to their own preferences. In the case of family leave, for example, parents in most of the Nordic countries have a nationally established and financed entitlement to a set period of leave. They have enormous flexibility, however, in scheduling their use of that leave. Parents may elect to use all their benefits within the first months after childbirth, or they may stretch their leave out over a period of several years, combining part-time employment with part-time leave. In some countries, such as Finland, they may even elect to take their benefits in the form of leave or subsidized child care. Choice is protected in ECEC provisions as well; the “EduCare” systems in the Nordic countries, for example, set overarching objectives at the national level but tailor specific program designs at the community level. Flexibility and parental choice are guiding principles in the expansion of ECEC throughout Europe. The 1992 Council of Ministers’ Recommendation on Childcare for the European Union notes, for example, that principles for the development of services for young children should include “close and responsive relations between service and parents and local communities, diversity and flexibility of services, and increased choice for parents” (European Forum for Child Welfare 2003).

A second and more compelling reason to question the claim that European systems provide less choice is the reality that the “choices” of many American parents are profoundly constrained by economic and other circumstances. In many respects, US parents have *fewer* choices than their European counterparts because minimal and fragmented social provisions do not extend parental choice so much as

they force parents to choose among undesirable alternatives. The lack of paid family leave and subsidized child care forces difficult choices for many families. In the absence of mandated leave provisions, most parents face the choice of returning to work 12 weeks after childbirth or quitting their jobs. In the absence of affordable child care, they are compelled to choose between reducing their working hours to care for their own children or lowering their effective earnings by purchasing substitute child care (see Gornick and Meyers 2003 for a detailed discussion of constraints on American parents' choices).

"Americans would never be willing to pay for these benefits": Perhaps the common objection to European-style family policy is the price tag. Skeptics of lesson-drawing often argue that Americans would simply be unwilling to tax themselves at the levels necessary to provide comprehensive, universal social provisions. Americans prefer private solutions, in part, because they distrust redistributive government programs. The challenge of mobilizing support for new taxes to assist working families would be considerable. But public financing for education provides an encouraging precedent in terms of both the magnitude of expenditures and the political feasibility of public financing.

It is true that the tax burden in the US is lighter than in the countries that have been compared in this study. In the US, total tax receipts account for 30 percent of GDP, compared to 54 percent in Sweden, 45 to 49 percent in Belgium, Denmark, Finland, and France, and 38 to 41 percent in Germany, the Netherlands, and Norway. Americans pay less in taxes than their counterparts in much of Europe, and the current political climate suggests that policies that cut taxes resonate with Americans, whatever the fiscal consequences.

It is also true that comprehensive family leave and ECEC would require substantial public outlays. But the outlay is less than might be expected. Even the highest-providing countries in this study devote a surprisingly small share of their GDPs to these programs. Sweden, with arguably the most extensive benefits, spends about 2.5 percent of its GDP on family leave and ECEC; Denmark and Finland each spend just under 2 percent of GDP; France, with somewhat less extensive leave benefits, spends about 1.3 percent.¹⁰ The US currently spends about one-tenth of these amounts: approximately 0.2 percent of its GDP on publicly financed child care and a negligible amount on publicly paid leave.

Americans are generally reluctant to increase their tax burden. But would Americans be willing to tax themselves to provide these specific public benefits? As noted above, there is considerable evidence that Americans want government to do more in the areas of family leave and ECEC. And Americans have shown themselves willing to contribute to social insurance programs and to pay taxes for another form of support to children and families: public education. Although the US is a laggard in many areas of social welfare spending, it was one of the early leaders in extending public education to all children. The US continues to invest heavily in the education of its children, spending about 3.4 percent of GDP on primary and secondary public education (OECD 2002).

Relative to what the US currently spends on public education, what would it cost to extend the generous Swedish package of family leaves and ECEC to families with younger children in the US? If the package of benefits cost the same amount in real

per capita dollars in the US, providing generous family leaves would require about 0.4 percent of GDP; extending ECEC to the levels of provision in Sweden would translate into another approximately 1.0 percent of GDP (assuming the 0.2 percent already spent in the US). Together, these benefits would require an investment that is equivalent to 1.7 percent of the US GDP; that is about one-half of what is currently committed to public primary and secondary education as a share of GDP.¹¹

Poor Fit with Unique Needs of Families in the United States

A second group of lesson-drawing critics point to demographic and economic differences between the US and Europe. These critics argue that European-style work/family policies are either impossible or largely irrelevant given the higher rates of single parenthood and low-wage employment in the US. Although the US does face greater challenges in these respects, we would argue that these underlying factors in the US underscore the value – rather than the irrelevance – of the policies that we are considering.

“American families have greater needs I: single parents”: Crafting policies for working families with two parents is challenging. Adapting these policies to the needs of single-parent families is even more difficult and may be particularly important in the United States, where the rate of single parenthood is high in comparative terms (Bradbury and Jantii 1999). Some critics argue that work/family reconciliation policies such as paid family leave and universal preschool are poorly suited to the unique and intense needs of one-parent families. The European experience suggests otherwise. Policies that support working parents – with or without partners – can provide an important first tier of support that actually reduces the need for the targeted, welfare-based assistance that so many Americans dislike.

Although the proportion of families headed by a single parent is higher in the US than in most of these European countries, the challenge of fitting social policies to the needs of lone parents is not uniquely American. The needs of single parents may be greater in the US, however, because current social policies marginalize them from the labor market and from mainstream society through residual assistance that is available only to the most highly disadvantaged. What is often termed the “social safety net” provides American families with little in the way of direct government help unless they are poor enough to qualify for means-tested cash assistance, health insurance, housing, or subsidized child care. This system of residual assistance virtually guarantees that those receiving assistance are single, highly disadvantaged in terms of education and human capital, and among the most marginalized members of society. Recent welfare reforms have been designed to increase the labor market attachment of those receiving assistance. These policies do little, however, to increase the human capital of recipients and they have been only marginally successful in providing the types of supportive assistance – such as paid family leave and ECEC – that could meaningfully strengthen employment ties.

The other industrialized countries studied in this article premise most family policies on a fundamentally different conception of the role of government. By structuring family leave benefits as social insurance, they distribute the costs of

childbearing more widely. By providing ECEC as an entitlement, they assure widespread access to affordable, high-quality substitute care. And by providing other forms of basic support – for example, health care and housing assistance – they relieve families of financial burdens that may be particularly unmanageable for single parents. Although each of these countries also provides means-tested cash assistance to the poorest families, far fewer families fall through the cracks in these social protections to land in the social safety net targeted on the most disadvantaged.

The absence of this support makes the challenge of assisting single mothers particularly daunting in the United States.¹² In the wake of the recent welfare reforms that pushed many poor women into the labor market, employment rates among American single mothers are now relatively high in comparative perspective (OECD 2001c). At the same time, employed single mothers in the US are far more likely to be poor than are their counterparts in the European countries covered in this study. In the US, 45 percent of families headed by employed single mothers live in poverty (meaning, below 50 percent of median household income), compared to 31 percent in Germany, 17 to 18 percent in France and the Netherlands, and 10 percent or fewer in Belgium and the Nordic countries (Gornick and Meyers 2003). Expanding paid leave and ECEC benefits would provide particularly crucial benefits for single mothers in the US, by securing their attachment to their jobs, accumulation of work experience and wage progression. At the same time, these policies would increase disposable income by reducing the likelihood of job (or wage) loss at childbirth and the burden of out-of-pocket child care expenditures.

“American families have greater needs II: low wages and poverty”: The United States differs from most European countries in another important respect that has implications for the adoption of European-style family policies: a far larger share of US workers are employed in low-wage jobs. As with single parents, some critics argue that work/family policies are largely irrelevant for families who are struggling to make ends meet on low earnings; in essence, their problems are so much greater that these policies would hardly matter. Indeed, the problem of low-wage employment is a serious one in the US and poses challenges, for example, for parents’ capacity to take time to care for their young children. The policies that are described here would not, in isolation, assure the economic security of these families. But they would provide important assistance and could help reduce existing disparities in families’ burdens and support.

About 25 per cent of US full-time workers earn less than 65 percent of median earnings, compared to fewer than 15 percent in France, Germany, and the Netherlands, and about 5 percent in the rest of the countries that are compared in this study (Smeeding 2002). Low-wage employment is a major factor underlying the exceptionally high rates of family poverty seen in the United States; the cross-country correlation between the child poverty rate and the percentage of low-wage workers is about 0.9 (Smeeding 2002).

The precarious financial circumstances of many American families constitute a challenge. They are also a compelling justification for the development and expansion of policies that support employed mothers’ and fathers’ ability to care for their children. Policies that aid working parents could make a significant contribution to the economic security of families headed by a low-wage worker –

relieving these families of the costs of financing their own absences from the workplace at the time of childbirth, lost wages when they take time off work to care for a sick child, and the costs of purchasing child care.

These policies could also greatly increase equality across families that vary in economic resources. A recent study of work/family conflicts among low-income families (Heymann 2000) concludes that in comparison to more affluent families, poor working families have both significantly higher caregiving demands – for example, for disabled and chronically ill family members – and fewer resources in the form of job benefits, flexibility, and supportive assistance from their employers. In the absence of inclusive public family leave and ECEC policies, the private options available for working parents are in fact highly regressive: the lowest earners have the least access to paid leave and to high-quality child care arrangements.

Although even the most generous work/family policies cannot assure the economic security of low-earning families, they would contribute to the solution by relieving families of a portion of the direct and indirect costs of childrearing. And they would provide this assistance in a form that resonates with American values about paid work and family responsibility, and with the direction of national and state efforts to support working families.

Negative Consequences

A third line of criticism – advanced primarily by those who oppose social policy expansion more generally – stresses the potential for European-style social policies to exacerbate social and macro-economic problems. A closer examination of the empirical evidence suggests that the basis for these claims is weak and often greatly exaggerated.

“These policies have negative effects on family structure”: European-style policies that provide assistance specifically to families with children raise questions, in the minds of many, about unintended effects on fertility and family formation. In the European context, these questions arise from concerns about *declining* fertility and the possibility that work/family policies are actually contributing to falling birthrates – if, say, many wives are choosing employment now rather than bearing two or three children because paid work has become so attractive. In the US context, the concern is different; critics suggest that generous social welfare policies could *increase* fertility and non-marriage, particularly among non-employed mothers.

The European debate about family formation has been motivated largely by the problem of declining fertility. In most of the European countries, as in nearly all high-income countries, rising childlessness and shrinking family size have pushed the total fertility rate (TFR)¹³ below the replacement level of 2.1 births per woman. While fertility remains relatively near replacement level (1.7 or higher) in a number of European countries – including Denmark, Finland, France, and Norway – in others, the TFR has dropped to below 1.5. Particularly worrisome cases include Germany, where the TFR is 1.3, and Italy, where it has fallen to 1.2 (US Bureau of the Census 2002). If current patterns are not reversed, countries with very low fertility will face serious social, economic, and cultural dislocations in the future.

These trends have prompted some observers to argue that policies such as those described here may have contributed to the destabilization of the European family by pushing and/or pulling women into the labor market and away from childbearing. In fact, contemporary variation within Europe suggests that if work/family reconciliation policies have behavioral effects, there are likely to operate in the direction of increasing fertility. The Australian demographer Peter McDonald (2000a, b) argues that two distinct fertility scenarios are possible in countries that provide women with substantial opportunities in both education and labor market entry. In countries where it is feasible to blend employment and childbearing, without major losses in labor market status and earnings, many women will choose both paid work and parenting. In countries where it is (more) difficult to combine motherhood and employment, because of conservative family cultures combined with weak social policies, large numbers of women will forgo childbearing. Although other factors are influential as well, these predictions are consistent with variation across the European countries. Countries with the most generous work/family programs and highest levels of female employment – including the Nordic countries and France – are among those experiencing the least decline in fertility; fertility crises are most severe in countries with less fully developed work/family policies.¹⁴

While it is tempting to draw a causal inference, this finding is correlational and causality could run in any of a number of directions. A large body of research has failed to find substantial or consistent effects of policy on fertility outcomes (see, for example, Gauthier and Hatzius 1997). As McDonald notes, “the generally held-wisdom is that past and present pronatalist policies have been largely ineffective” (2000b: 3). What appears certain is that generous work/family programs are consistent with high levels of fertility in conjunction with high rates of maternal employment and no meaningful evidence suggests that these programs are harmful in this regard.

Although there is limited evidence that European family policies have had either a positive or negative effect on fertility, these policies have often been framed in pronatalist terms in European policy debates. Although pronatalism is only one of several motivations for European family policy, that pronatalism raises particularly grave concerns about policy-borrowing in the minds of some American observers. While Europeans have worried that generous social programs may contribute to a decline in fertility, many Americans have been preoccupied by the possibility that these same programs could raise fertility among certain vulnerable populations. In the US, where rates of single parenthood are already exceptionally high, many of the most vocal critics of social policy aimed at families with children have argued that any generous social benefits available to single parents create incentives for (or at least increase the economic feasibility of) non-marital childbearing. While some worry about high-income single parents, the most pressing concerns are raised about single women with no ties, or limited ties, to paid work.

Although the employment disincentives of cash assistance programs are well established, particularly for mothers, the empirical evidence linking social policies to non-marital childbearing is at best inconsistent (for reviews, see Moffitt 1990, Acs 1995, Peters *et al.* 2001). Policy effects, where they have been found, appear to operate through choices about marriage and living arrangements rather than

through choices about childbearing. Significantly, virtually all of this research has examined the effects of cash assistance for the non-employed and, more recently, of child support enforcement. And it has concentrated on women with very weak ties to the labor market.

These studies suggest no persuasive theoretical reason, or empirical evidence, to suggest that the policies that we consider here – family leave and ECEC – would increase childbearing among single women who are not attached to employment. The extent to which supportive work/family policies would contribute to the formation of single-parent households in the US remains unknown. Work/family policies could make single parenthood more economically feasible. It is equally possible, however, that these policies – by extending support to married as well as single parents and by extending benefits equally to mothers and to fathers – would increase the attractiveness of marital childbearing and create new incentives for fathers to remain connected to their children.

“These policies are harmful to the macro-economy”: Throughout the 1980s and much of the 1990s, unemployment rates across Europe were much higher than those in the United States; some European countries experienced double-digit unemployment rates. Many Americans, especially in the business world, argue that the US should not borrow policy ideas from Europe because these social policies and labor market regulations have actually caused Europe’s unemployment woes. As the argument goes, high social insurance taxes raise labor costs, which lower the demand for labor; demand is further depressed by labor market regulations that, for example, restrict employers’ options to fire workers when consumer demand takes a downturn.

The claim that social welfare provisions weaken the economy has been aimed broadly at everything from old age pensions to unemployment insurance to work/family programs. The conservative Employment Policy Foundation, for example, argues that “the United States should not emulate the work–family policies of Europe unless America is willing to endure double-digit unemployment and other European economic problems” (Employment Policy Foundation 2000). This line of thinking has filtered into popular discourse, in part because it has been widely reported in the US press. Seth Ackerman (1999) reported in *Harper’s Magazine* that American news outlets published 600 articles between the mid-1980s and the late 1990s on the unhealthy effects of European social protection – dubbed “Eurosclerosis” by *Time* magazine.¹⁵

It is true that the US experienced a remarkable period of job growth in the 1990s. A more sober read of the evidence provides little support, however, for the conclusion that Europe lagged behind the US during this period due to its social and labor market policies (see Blank and Freeman 1994, Nickell 1997, Siebert 1997, Blanchard and Wolfers 1999). In a *Journal of Economic Perspectives* literature review, Nickell (1997) concludes that some welfare state features do seem to drive up unemployment rates – in particular, unemployment benefits paid for extremely long durations, coupled with weak active labor market policies. But other welfare state and labor market features – such as high payroll taxes, high overall taxes, strict employment protection legislation, high unionization, and high benefit replacement rates – have been no less common in high-employment than in low-employment

countries. Economists Blank and Freeman (1994), in a review of “the case against social protection” and “the case against the case against social protection”, conclude that “there is little empirical evidence for large trade-offs between labor market flexibility and social protection programs in general. At the present state of knowledge, the best attitude toward the trade-off hypothesis is one of open-minded skepticism” (1994: 36).¹⁶ Incorporating cross-national patterns and changes through the late 1990s and early 2000s, Slemrod and Bakija (2003) make much the same argument, concluding that the size of government has been a poor predictor of economic growth.

Furthermore, the argument that European-style social policies and labor market regulations are incompatible with strong economic performance has been rendered nearly moot by recent recoveries in most of the European economies. During the 1990s, most of the European countries entered periods of recovery. As of September 2003, the average unemployment rate in the European Union was 8 percent, and in some of the most extensive welfare states it was lower than the US rate (then, 6.1 percent) – including Denmark (5.9 percent), Sweden (5.6 percent), Norway (4.6 percent), and the Netherlands (4.0 percent). At that point in time, unemployment in the other four welfare states that we focus on in this article was still higher than in the US but not inordinately higher – peaking at 9.5 percent in France (OECD 2003b).

Of particular relevance here, the recent economic recoveries in Europe have been achieved without major reversals in public spending on family policy. Labor market deregulation and welfare state restructuring have been prominent issues on political agendas across Europe in recent decades. Several European countries have substantially loosened labor market regulations and some social programs have been scaled back in some countries; restructuring has been most common in old age pensions, due to worries about rapidly rising old age dependency ratios, and in programs that economists identified as harmful to (male) labor supply, including long-term unemployment compensation and disability benefits. Although important, these adjustments were relatively modest and did little to weaken the basic structures of social provision (Pierson 2002; Gornick 2005 (forthcoming)).

Restructuring of the European welfare states has been, contrary to US press accounts, quite modest in general. And in the midst of these changes, the policies focused on here – paid family leave for both women and men and ECEC – were singled out for protection and expansion in nearly every European country. Between 1980 and 1995, average public spending on cash transfers to families (per child) increased by over 50 percent in Europe. Bolstered by decision-making at the EU level, provisions for family leave were expanded in several countries and entirely new programs were introduced in others; public investments in early childhood education grew nearly everywhere during this period (Gornick and Meyers 2001). In our view, the European experience provides encouraging evidence that these family policies are economically feasible, even in fiscal hard times.

Conclusion: The Prospects for Family Policy Lesson-Drawing in the US

Our comparative research suggests that the prospects for family policy expansion along European lines may be far better than conventional popular wisdom in the US

would suggest. The needs of working families are garnering greater attention in scholarly and policy forums. Many comparable European countries have developed workable and politically popular programs of paid family leave and early childhood education and care. The news of European economic recoveries throughout the 1990s is penetrating American awareness. Scholars, politicians, and business leaders in the US are increasingly exposed to global perspectives and potentially more receptive to borrowing successful policy models from outside the United States.

Despite these encouraging signs, suggestions that the US looks to Europe for work/family policy models are often received skeptically. These objections to lesson-drawing, however, appear to be more rhetorical than real impediments. American antipathy to government is relatively weak with respect to social policies that reward paid work or explicitly increase equality of opportunity – and may be more than offset by American’s equally strong policy pragmatism. Many American parents are already expressing support for more extensive work/family policies and some political actors are articulating new policy models. Contrary to common perceptions, the European countries have developed these policies in the context of racial and ethnic diversity; universal work/family policies are in place partly to ensure social inclusion, linguistic assimilation, and economic integration. These policies also provide a degree of parental choice that may be greater than that actually available to most American families. Rather than being impossible or irrelevant in the context of high rates of single parenthood and low-wage employment, these same policies could provide a crucial first tier of support by strengthening parental labor market ties and reducing out-of-pocket expenditures. And evidence is weak that they have negative consequences for either family formation or macro-economic performance.

Major family policy expansions are unlikely in the current political and fiscal climate. But looking a bit further into the future, work/family policy expansion along European lines appears feasible. In his recent work, *America the Unusual*, political scientist John Kingdon is openly optimistic about the prospects for American social policy reform in the near term:

The United States, like many other countries, is facing a set of new problems that may overwhelm our customary ways of thinking about the proper role of government and may prompt us to think in new directions . . . As we continue the process of increasing global interdependence, we may find that we will not necessarily be forced to make a stark choice between American-style relatively unfettered capitalism and European-style social programs and economic interventions . . . A happy medium may be possible if we are willing to consider pragmatically, in the light of experience, what works and what does not. (1999: 96–100)

In the US, that “happy medium” could be a policy package of paid family leave and early childhood education and care modeled after the most progressive of the European countries. Explicit lesson-drawing about work/family policies in Europe might advance policy development in the United States while avoiding the “pretensions of meta-policy models” that, as DeLeon and Resnick-Terry (1998) caution, undermined earlier generations of lesson-drawing efforts.

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Notes

1. In this article, when we refer to “Europe”, we are referring primarily to the Nordic countries (Denmark, Finland, Norway, and Sweden) as well as Belgium, France, Germany, and the Netherlands. Public work/family policies are more limited in the United Kingdom and across most of southern Europe. Provisions are also limited in the countries of the former eastern bloc, where supports for employed parents have declined since the transitions to capitalism.
2. For convenience, we generally use the terms “family policy” and “work/family policy” interchangeably. The term “family policy,” however, is usually used more broadly to encompass “work/family policy” – especially family leave and child care – in addition to cash transfer and tax benefits targeted on families and other services including foster care, adoption and child protective services.
3. Some scholars distinguish between “lesson-drawing” and “policy transfer” (for example, Dolowitz and Marsh 1996), on the grounds that lesson-drawing can result in the decision not to import policy designs from elsewhere. Following Rose (1993), we generally use these terms interchangeably, along with “policy-borrowing” and “emulating”.
4. For a recent detailed treatment of cross-national variation in work/family policies, see Gornick and Meyers (2003). This book includes a large number of detailed policy tables; these can also be accessed online through the Luxembourg Income Study (LIS), available at: <http://www.lisproject.org/publications/fampol/fampol03.htm>
5. US national law grants workers in establishments with 50 or more employees 12 weeks a year of *unpaid* leave.
6. Since 2002, one state, California, pays partial wage replacement for six weeks to eligible fathers.
7. For a useful assessment of the literature on lesson-drawing across countries, see MacRae 1998.
8. Tocqueville also expressed a less flattering version of this same sentiment: “In no country in the civilized world is less attention paid to philosophy than in the United States” (*Democracy In America*, Part 2, Book 1, 1835).
9. The US generally counts “foreign-born”, as opposed to “foreign”, as all persons born in the US are granted citizenship. European countries generally count the “foreign”, which includes both foreign-born and those born in the country but not naturalized.
10. These cost estimates are based on expenditures reported in Gornick and Meyers (2003); see Figure 5.4 and Table 7.6 for details. Across these countries, total ECEC expenditures are generally three to five times higher than family leave expenditures.
11. We calculated this as follows. We converted Swedish per capita spending on leave and ECEC into US dollars (adjusting for differences in purchasing parity). We multiplied per capita spending by the total US population to arrive at estimated total spending and then converted that to a share of US GDP. That is equivalent to estimating these expenditures as the share of GDP that they capture in Sweden (2.5 percent) and adjusting that 2.5 percent downward to account for the differences in GDP per capita – that is, multiplying 2.5 by (Sweden’s per capita GDP/US’s per capita GDP). In fact, the two methods produce exactly the same result: these programs would cost about 1.7 percent of US GDP.
12. In the absence of family leave, for example, public assistance has been the only form of paid leave available to many low-skilled workers at the time of childbirth.
13. The total fertility rate (TFR) is defined as the average number of births each woman would have if she were to live through her reproductive years and bear children at each age at the rates observed in the current period (OECD 2001a).
14. Whereas in 1980 total fertility rates and women’s employment rates were negatively correlated across the OECD countries, that cross-sectional relationship changed over time. By the late 1990s there was a positive correlation between fertility and women’s employment (Sleeboos 2003).
15. It is not clear exactly what has caused this criticism of European social policy, although Ackerman concluded that cozy relations between major media companies and American big business were a major culprit. “The ‘sick man of Europe’ is in truth a straw man of American capitalism”, he writes, “a cautionary fairy tale as widely believed by our journalists as it is beloved by the businessmen who

- sign their checks.” What is clear is that these stories satisfy those who oppose public solutions to market-generated risks and inequalities.
16. Proponents of the Eurosclerosis theory frequently failed to take account of other crucial factors. Robert Solow argued, for example, that persistently high real interest rates run by Europe’s central bankers kept millions out of work (Modigliani *et al.* 1998). Many European economists pointed to the increased demand for technical skills across industries and occupations – which pushed many less-skilled workers out of jobs – while others have considered the effects of growing competition from low-cost producers in eastern Europe and Southeast Asia.

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