

Gender, Class, and Varieties of Capitalism

Abstract

The “Varieties of Capitalism” (VoC) perspective is innovative and challenging for the comparative study of gender stratification. However, the project of “gendering the VoC” has some serious shortcomings. While the economic functionalism of VoC theory is in principle gender-neutral, it is in fact implicitly predicated on a man’s world. A key proposition of the model, that social protection contributes to the functioning of labor markets is not applicable to women. Moreover, the model’s blindness to political forces that are critical to women’s employment limits its ability to explain cross-country variations in a major dimension of gender stratification. The VoC perspective is more valuable in explaining differences in women’s insertion into the job structure. However, its insights into the effects of skills regimes on women’s employment opportunities can be enhanced by attending to the intersection between class and gender. Skill specificity, the critical causal mechanism identified by VoC theorists, has different implications for women in different class positions.

The “Varieties of Capitalism” (VoC) approach is primarily an attempt to understand and compare the institutional basis of different production systems in the advanced economies. Parts of this growing body of literature highlight broad contextual differences that shape cross-country variation in class and gender inequality. In a brief overview

that was part of the original *Varieties of Capitalism* volume, and more recently in their contributions to a symposium in this journal, Estevez-Abe, Iversen and Soskice have explored the gendered implications of different types of business systems (Estevez-Abe, Iversen, and Soskice 2001; Estevez-Abe 2005; Iversen, Rosenbluth, and Soskice 2005; Soskice 2005). Drawing particularly on the argument that different types of “skills regimes” underpin the labor policies of firms, these authors use the VoC perspective to explain variability in national patterns of diverse features of gender relations, including occupational sex segregation, female labor force participation, divorce rates, and the household division of labor. Inspired by this impressive body of work, this article discusses strengths and weaknesses of the VoC perspective for understanding cross-country variation in gender stratification. The issues to which we draw attention are also consequential for other approaches to the comparative political economy of gender.

The article judges the gender-sensitive stream of the VoC literature by its ability to explain the two most important dimensions of cross-national variation in gender stratification. Both dimensions vary substantially across advanced postindustrial societies and have been widely discussed in feminist scholarship. The first, and most fundamental, is women’s access to an independent source of income through paid employment—that is, their rate of labor force participation. The second relates to the fate of those women who enter the labor market, including the issue of occupational sex segregation which is the focus of two seminal articles by Estevez-Abe (2005, 2006).

A variety of contextual explanations have been proposed for differences between countries in one or both of these dimensions of gender inequality, including broad structural and cultural differences on the one hand (e.g., Charles and Grusky 2004), and the role of the state and public policy on the other (e.g., Esping-Andersen 1999; Gornick and Meyers 2003). However, while the comparative study of gender economic inequality is already a well-developed field, the VoC perspective has no intrinsic interest in gender. Consequently, the project of what Estevez-Abe (2006) has described as “gendering the VoC” is a bold and surprising move. While recognizing the usefulness of some of the insights thereby acquired, we will also identify some serious shortcomings of the VoC approach to understanding gender stratification in labor markets.

After outlining both the generic and gendered versions of VoC, we discuss the model’s limitations in explaining cross-national variations in both women’s labor force participation and their labor market attainments. We point out that the distinction between liberal and coordinated forms of capitalism—which lies at the heart of the theory—is unable to explain variation in the single most

important dimension of cross-national variation in gender stratification, female participation rates. The coordinated form of political economy encompasses both Scandinavia and Continental Europe, which are characterized by significantly different levels of women's paid employment. The market dynamics which the VoC perspective identifies as common to both sets of countries cannot predict this difference. Efforts to bring in state intervention (in the forms of public employment or family policies) to remedy this deficiency are inconsistent with the VoC's premise that the role of the state is to meet the institutional requirements of well-functioning economies.

We also argue that although the underlying assumptions of the VoC are in principle gender-neutral, they are in fact implicitly predicated on a man's world. Although this may be understandable for a theory that focuses on the manufacturing sector, it constitutes a severe limitation for analyzing women's position in the labor market. Whereas the core concept of "institutional complementarities" is plausible when applied to men, it fails in relation to women. This is because institutions that protect mothers' employment upset the presumed harmony between different elements of the institutional system. In this regard our claim converges with the feminist critique of another well-known typology of national political economies, Esping-Andersen's (1990) original model of welfare regimes (e.g., Lewis 1992; Orloff 1993; O'Connor 1996).

The second dimension of gender stratification considered here, the position of working women in the labor market, has furnished the preferred dependent variable in research aimed at demonstrating the power of a gendered version of the VoC approach. Estevez-Abe's previously cited work offers an innovative and theoretically intriguing explanation for different patterns of occupational sex segregation. However, we point out that her interpretation is inattentive to class differences. In common with rival contextual explanations of national diversity in sex segregation, Estevez-Abe does not address the possibility that the causal mechanisms suggested by her theory are likely to vary between more and less advantaged women. This article suggests a number of ways in which taking class differentiation into account either invalidates or nuances the explanatory power of the VoC approach. In this respect, our paper echoes the call by McCall and Orloff (2005) for greater attention to intersections between class and gender in research inspired by the VoC perspective.

Varieties of Capitalism

The VoC approach elaborated by Hall and Soskice and their collaborators distinguishes between two different models of political

economy found among the rich democracies gathered under the umbrella of the OECD.¹ It is suggested that contrasting product market strategies of firms give rise to different employment and training strategies and also to different types of welfare state protection. The motivating goal of this perspective was to better understand both firm-level behavior and national economic performance by adding an alternative paradigm to the textbook model of the unfettered “liberal market economy” (LME). This alternative rests on multiple mechanisms of institutional coordination, including tight coupling between the financial and industrial wings of big business, collective wage determination, and ramified systems of education and occupational training—all of which are supported by the regulatory and distributional roles of the state. The United States and other Anglophone countries are the empirical referent for the liberal model, while Germany and Western Europe in general exemplify the alternative model of a “coordinated market economy” (CME).²

One of the most important conceptual underpinnings of Hall and Soskice’s paradigm is the distinction between general and specific economic assets. Whereas “CMEs provide more institutional support for the strategic interactions required to realize the value of co-specific assets, [...] the more fluid markets of LMEs provide economic actors with greater opportunities to move their resources around in search of higher returns, encouraging them to acquire switchable assets...” (Hall and Soskice 2001, 17). In the labor market, specific skills are acquired through vocational schools or on the job training such as apprenticeships in which firms or industrial associations play a major role. In contrast, general skills are typically obtained through higher education, which grants credentials recognized by employers in diverse firms and industries. Although both of these types of human capital and both systems of skill formation coexist in all economies, studies of the VoC have documented the much greater emphasis on general skills in the English-speaking countries compared with the leading role of specific skills in Europe (e.g., Iversen 2005, 54–58)

As in a physical system of connected vessels, the VoC literature views systems of social protection as closely aligned with the requirements of production systems and their associated skills regimes. Social protection in coordinated economies operates to shield both workers and employers from the consequences of risky investments in specific skills. Employment security provisions and income protection devices safeguard workers from losing their jobs or income at times of cyclical downturn in the economy. In contrast, liberal economies are oriented towards workers with general skills, who can

more easily switch employers during recessions or in search of improved earnings. In the liberal context, investments in portable general skills are a substitute for the mechanisms of social protection which serve to secure the value of specific skills in coordinated economies. In other words, the unregulated labor markets of the LMEs and the sheltered welfare states of the CMEs constitute functional alternatives.

Gendering the VoC

In principle the VoC perspective is indifferent to gender. However, extensions to the theory by Estevez-Abe *et al.* have demonstrated its application to explaining cross-national variation in gender inequality in labor markets, primarily occupational sex segregation (Estevez-Abe, Iversen, and Soskice 2001; Estevez-Abe 2005, 2006; Iversen, Rosenbluth, and Soskice 2005; Soskice 2005). Two institutional mechanisms are highlighted: the specificity of skill requirements and the extent of social protection. In relation to skill specificity, gendering the VoC elegantly transforms insights offered by human capital theory and the economics of organization into a powerful tool for comparative research on gender inequality. These economic theories suggest that rational employers whose production systems are organized around specific skills will encourage employee commitment in order to recoup their investment in worker training and prevent “poaching” by other firms. In reaction to the anticipated discontinuity of women’s work and their shorter working hours, such employers are expected to practice statistical discrimination against women. Raising this micro-level argument to the macro level, because the emphasis in coordinated economies on specific skills is more appropriate to the male model of full-time continuous employment, these economies are likely to exclude women from many sectors of employment. In contrast, because both the system of education and training and employers’ personnel policies are oriented towards general skills, liberal economies will be open to women’s entry into a more varied range of occupations.

The extent of social protection reinforces these predicted effects. Systems of social protection are expected to match the requirements of production systems, because welfare states in coordinated economies were designed to safeguard specific skill investments (Estevez-Abe, Iversen, and Soskice 2001; Estevez-Abe 2006). However, whereas strong employment protection facilitates male investments in specific human capital, it exacerbates employer discrimination against women. So while for men social protection and specific skills are mutually reinforcing (“institutional complementarities”), for

women both of them have the same perverse effect, together leading to greater sex segregation in CMEs.

Estevez-Abe (2005, 2006) further argues that developed programs of employment protection for male workers like unemployment, pension, and disability insurance are not sufficient for female workers, who face unique risks as mothers and child-bearers. Women's special needs require special forms of protection—known in the literature as family policies—which only intensify employers' reluctance to provide them with specific skills through on-the-job training, apprenticeships, and the like. Estevez-Abe acknowledges the potentially beneficial impact of public childcare provision and public employment on women, but draws attention to the negative side-effects of maternity leave, which is the other main component of family policy bearing upon women's employment. Under CME conditions the problem of employment interruption is especially severe. Not only are employers prevented from laying off new mothers, but they also have difficulty finding temporary replacements because of the specificity of the skills required. Extended maternity leaves are thus especially damaging to women's employment in economies reliant on specific skills.

It therefore appears that in CMEs, where specific skills dominate human capital formation, both family policies and general social protection tend to intensify employer discrimination against women. Note, however, that while strong social protection and reliance on specific skills—institutional characteristics relevant to male workers—are found in all of the coordinated economies, this is not true of policies geared to supporting women's employment. The extensive comparative literature on family policy and public employment highlights not only differences between CMEs and LMEs, but also fundamental differences among the coordinated economies themselves (Gauthier 2002; Gornick, Meyers, and Ross 1997; Kamerman 2000). The weakly developed family policies of the Anglophone LMEs are not surprising from the VoC perspective, as general skills allow workers to more easily switch employers. However, while family policy in most Western European countries offers no more than intermediate levels of support for women's employment, the Scandinavian CMEs provide both extensive childcare facilities and generous parental leave. These countries are also highly distinctive in having developed vast women-friendly labor markets in the public services sector. The next section of the paper argues that this diversity in the role of the state among CMEs cannot be understood from the VoC perspective because of its inherent blindness to the political forces that separate the Scandinavian from the Continental CMEs. Moreover, the economic functionalism which

underpins the VoC approach is accompanied by a deep-seated gender bias, a bias that cannot be overcome without appealing to explanatory forces that are exogenous to the model.

Economistic Functionalism and Gender Bias

It is well established that differences in state support for the employment of women are the most important cause of the noteworthy differences in European women's labor force participation between the Nordic and Continental countries (e.g., Daly 2000).³ For women, much more than for men, the role played by the state as both employer and legislator is potentially critical for explaining the extent of their paid employment. Consequently, any theory that leaves variability in the role of the state unexplained is necessarily at a loss to explain cross-national differences in the level of women's integration into the paid labor force.

In spite of the striking diversity within CMEs in both policies and their consequences for women, efforts to gender the VoC have followed the original model in treating all of the CMEs as a single variety of capitalism. This has left no room to accommodate the sharp differences between Scandinavian and other CMEs in the role of the state—whether as a legislator of family policy, provider of care services, or employer in the public sector—and their profound implications for gender stratification. In line with the priority that VoC theory gives to firms in determining labor market dynamics, it assumes that the role of the state will be geared towards meeting the requirements of business. The fact that these requirements are common to both Scandinavian and Continental CMEs therefore poses a distinct problem for writers on gender and the VoC. In response, they have either glossed over intra-CME diversity in the role of the state, or else have acknowledged its importance for women's access to employment while failing to come to terms with the contradiction this poses to their own theory of state intervention (Estevez-Abe 2005, 2006; Iversen, Rosenbluth, and Soskice 2005; Soskice 2005).

Put differently, the critical blind spot in the application of VoC theory to women's employment results from the theory's neglect of the contribution of politics, ideology, and history to institutional formation. In this regard the VoC perspective stands in sharp contrast to Esping-Andersen's (1990) influential approach to understanding welfare state diversity. Esping-Andersen draws a clear distinction between Scandinavia and other coordinated economies, which he views as representing two different welfare regimes which are explicitly characterized in terms of their political origins as social-democratic and conservative, respectively. Unlike the economic

reasoning offered by the VoC literature, Esping-Andersen is able to anticipate the very different ways that women's interests are addressed in the two sub-types of coordinated economies. His writings emphasize the distinct role played by powerful leftwing parties in the Nordic countries, and their contribution to both "decommodification" and "defamilialization" (Esping-Andersen 1999; see also Huber and Stephens 2000; Korpi 2000; Ruggie 1984). Consequently, Esping-Andersen's theory offers a persuasive endogenous explanation for the differences in female labor force participation between conservative and social-democratic welfare states.

Nevertheless, we contend that the inability of the VoC perspective to predict the split in women's activity rates among the coordinated economies is not only a consequence of its economic approach to political economy, but also reflects an implicit gender bias. By Estevez-Abe's own account, the theoretical infrastructure of the VoC perspective simply does not apply to women. The three key mechanisms in the VoC understanding of labor markets—production systems, modes of skill formation, and institutions of social protection—could only be tightly and harmoniously linked in an economy dominated by male workers and male patterns of employment.⁴ Indeed, the core insight derived from gendering the VoC perspective is that in CMEs, virtuous circles for men become vicious circles for women. The social policies that support worker and employer commitments to specific skill investments work well for men but not for women. Thus, instead of mutually reinforcing one another (as in the case of men), the combination of social protection and specific skills in the CMEs hurts women's chances of employment and increases employers' tendency to discriminate against them.

The VoC approach is better suited to understanding the position of women in liberal economies. An important reason for this is that liberal welfare states tend to adopt a "neutral" position in relation to gender roles in the labor market and the division of work/family responsibilities.⁵ This neutrality causes the fate of women workers to more closely resemble that of men. In contrast, social democracy replaces gender neutrality with legislation that awards special rights to working mothers and provides extensive care services that open up numerous jobs for women (Kolberg 1991). As a result, women's employment patterns are different from those of men (Mandel and Semyonov 2006), and they respond to forces other than the private sector dynamics which VoC authors see as explaining the labor market behavior of male workers.

Estevez-Abe (2005, 2006) relates to the decisive role of public employment and policies which facilitate work/family reconciliation in Scandinavia, interpreting these interventions as the result of

“political will” (Estevez-Abe 2005, 193)—an exogenous variable that serendipitously diminishes the problems which the specific skills bias of CMEs entails for women. In principle, however, the extensive public care services found in the Nordic CMEs might be accounted for by employing the type of functionalist reasoning used by VoC authors to explain other institutional arrangements that contribute to economic performance in a coordinated economy, such as centralized wage determination and employment protection legislation. From this perspective state-provided child and elder care would be interpreted as furnishing an efficient solution to the problem of incompatibility between motherhood and women’s employment, by supporting employment continuity and allowing mothers to allocate more of their time to paid work.⁶ Along the same lines, public sector employment would be understood as compensating for the externalities that a specific skills regime imposes on women, providing them in effect with a separate, more sheltered labor market. (Generous maternity leave policy still remains difficult to explain because, as Estevez-Abe points out, in coordinated economies it is incompatible with the level of job continuity required by employers’ investments in specific skills.)

The problem with this approach is that it turns Continental Europe into a puzzling exception. The conservative welfare state is characterized by a familialistic approach under which, as we have already pointed out, the state avoids policies that support mother’s employment. Women are neither expected to adopt male patterns of paid work, as in LMEs, nor assisted to integrate paid and unpaid work by subsidized daycare and convenient public sector jobs, as in the Nordic CMEs. If anything, the family policy provisions that typify conservative welfare states flatly contradict the need for continuity of employment that is inherent in labor markets based on specific skills. Perversely, it seems, conservative family policies place more emphasis on maternity leave than childcare facilities (McCall and Orloff 2005, 163), and both daycare and school hours tend to be poorly matched to standard work schedules (Gornick and Meyers 2003).

The case of maternity leave underlines the fact that for women, instruments of work/family reconciliation cannot be interpreted in terms of efficiency gains. Following the logic of the VoC perspective, just as generous unemployment compensation seemingly allows both employers and (male) workers to protect their investments in firm-specific expertise, entitlement to maternity leave (as a bridge back to paid work) ought to facilitate women’s investment in firm-specific-skills. However, Estevez-Abe (2005, 193) concurs with other researchers who claim that long maternity leave serves to

aggravate employer discrimination against women (e.g., Hansen 1995; Mandel and Semyonov 2005, 2006). She plausibly argues that in CME contexts, where reliance on specific training obliges employers to foster longterm employment relations, policies that shield mothers from work obligations ironically have the effect of further eroding their attractiveness as employees. The problem is, though, that Estevez-Abe fails to see that the dysfunctionality of maternity leave for women's employment violates the theoretical logic which VoC theorists believe underpins the unemployment insurance solution for men. Here again the attempt to bring women into the VoC perspective runs into the problem that it is predicated on institutional complementarities that apply only to men.

In his contribution to the *Social Politics* symposium on gender and the VoC perspective, Soskice (2005) underlines this incompatibility but without acknowledging it as an unresolved problem. He explicitly concedes that "VoC does not provide an explanation of the adoption of social democratic rather than continental welfare states" (2005, 176), but does not acknowledge that this leaves the model powerless to explain the distinctive modes of care provision found in the two sub-types of CMEs. Instead Soskice takes the functionalist logic and gender bias of the VoC approach to an extreme, by suggesting that continental-style housewifery and Scandinavian-style paid carework are but two alternative ways in which women serve "[the interest of] the CME business community . . . in full-time commitment by the male worker" (Soskice 2005, 176). It appears that women's employment lies beyond the pale of firms' labor requirements, except insofar as it is needed in order to support men's integration into jobs and careers.

However, even from a narrowly instrumental perspective, it is hard to see how the unpaid labor of homemakers can serve as an acceptable foundation for the paid labor of male breadwinners in today's postindustrial societies, given that these societies increasingly depend for their economic and demographic viability on heightened female labor force participation (e.g., Esping-Andersen 2002). The male-breadwinner model described by Soskice, in which a full-time working man leaves a full-time housewife behind when he goes to work, is hardly applicable to contemporary economies in which—even in Continental Europe—a majority of working-age women are in paid employment.

"Classing" the VoC Analysis of Women's Attainments

Scholarship on women and the VoC has focused mainly on variation in women's occupational achievements rather than

cross-country differences in female participation rates. Indeed, the aspiration to explain national variation in both horizontal and vertical occupational sex segregation was the explicit motivation for widening the purview of VoC theory to include gender inequality. While this is a welcome development, we contend that a class perspective adds both substance and precision to the insights of the VoC approach regarding this dimension of gender stratification (see also Mandel 2007; Shalev 2008). Only when the global dichotomy between men and women is broken down by class is it possible to see that a given type of labor market—whether CME or LME—may be advantageous to women of one class while imposing penalties on those in another. At the same time, the insights of the VoC perspective can be put to good use when seeking to identify the conditioning effect of class differences on gender stratification.

VoC scholars are not the only ones to ignore class differentiation among women. Like other understandings of gender inequality in employment, their explanation of occupational segregation claims to identify a causal dynamic that is applicable to all women, irrespective of their education and skill level. To recap, the central hypothesis is that in CMEs, where specific skills dominate the market, women are expected to face more limited job opportunities because worker training is oriented to the requirements of particular firms or industries, which requires long-term employment relations. Clearly, though, the severity of this barrier to women's employment and occupational attainment depends greatly on the *extent* of their human capital. The sensitivity of a rational employer to the costs of forfeiting an investment in specific skills ought to depend on the size of the investment. Thus, in coordinated economies, highly skilled women can certainly be expected to experience difficulty in penetrating the internal labor markets that govern private sector employment. They are also likely to pay stiff penalties for employment interruptions. Consequently, they are especially likely to have to compromise by accepting employment in female ghettos. In contrast, skilled women in LMEs are freer to compete with men for the most desirable positions. Consistent with this expectation, comparative research on women's success in moving beyond female-typed occupations or entering management and other positions of authority reveals that their progress has been more marked in liberal settings, especially the United States (Mandel and Semyonov 2006; O'Connor, Orloff, and Shaver 1999; Wright, Baxter, and Birkelund 1995).

The central VoC-inspired argument, that women enjoy comparatively favorable access to high-level jobs in LMEs while facing higher barriers in CMEs, is therefore plausible for “higher-class”

women whose human capital destines them for managerial or professional jobs. However, as McCall and Orloff (2005, 164) have noted, the favorability of LMEs to women is called into question when we consider the fate of “lower-class” women with limited human capital and low earnings capacities. It is a truism that the unregulated labor markets and porous social safety-nets characteristic of the LMEs offer flexibility at the cost of employment insecurity. This tradeoff is clearly a burden on those holding less privileged class positions. In contrast, as the VoC literature explains, in CMEs the risks attached to specific skills are compensated by social protection of both jobs and earnings. Estevez-Abe may be correct that when it comes to women, employers are deterred by this protection. Nevertheless, women with lower skills face limited opportunities in all contexts. What distinguishes their position in the CMEs is the protection furnished by decommodifying transfer payments and regulated conditions of employment, which benefit all economically vulnerable workers, whether men or women. On balance, therefore, the sheltered character of labor markets in coordinated economies gives lower-class women better working conditions and earnings security than their counterparts in liberal economies.

Turning to higher-class women in CMEs, they have less need for social protection and may indeed be penalized if social protection hardens employer resistance to hiring them for jobs that require substantial investment in firm-specific expertise. In addition, generous welfare states reduce income inequality, which is not in the interests of higher-class employees (either women or men) since it lowers the wage ceiling that they can hope to reach. Consequently we conclude that in CMEs, while the de-emphasis on general skills is costly for higher-class women, the emphasis on specific skills brings with it compensation for job and earnings insecurity that benefits lower-class women. Soskice follows similar reasoning when he comments that “If you’re a highly educated women, you want to work in an LME; if you’re a working-class man, you want to work in a CME” (Soskice 2005, 175). The absence of working-class women from this formulation may reflect Soskice’s view of the marginal role played by women in the labor markets of the Continental CMEs. However, we hypothesize that women in lower-class positions benefit even more than their male counterparts from CME conditions, because of women’s extra need for protection on account of their relatively unstable patterns of employment in comparison to men.

One reason why the VoC literature fails to recognize the impact of decommodification on women’s employment is because it adopts the convention of treating class and gender as two autonomous domains of inequality (e.g., Korpi 2000). Within the framework of

this convention, class inequality refers essentially to male workers, who benefit in CMEs from social protection. However, when Estevez-Abe and her associates turn their attention to women, the focus shifts. The role of social policy and labor market regulation in securing the pay and positions of lower-class workers fades and its place is taken by a focus on family policies that protect women as mothers.

These family policies, as we observed earlier, add to the perverse effects that VoC scholars attribute to welfare state protection in the case of women. In contexts where reliance on specific training obliges employers to foster long-term employment relations, policies that shield mothers from work obligations erode their attractiveness as employees. Nevertheless, again invoking a class perspective, we suggest that this handicap on women in coordinated economies is relevant mainly to those in higher class positions (Orloff 2006; Mandel 2007; Shalev 2008). Extended maternity leaves, and related policies that offer working mothers time for care, ought primarily to harm candidates for the most skilled jobs in CMEs.⁷ Lacking entitlements attached to motherhood that would lessen their attractiveness as employees, female professionals and managers in LMEs are better able to compete with men for high-level jobs and generous remuneration. The scarcity of public daycare provision is less of a problem for these women, since in a liberal economy they can more easily purchase these services in the low-wage labor market (Morgan 2005).

The situation of lower-class women is very different. Maternity leave policies and childcare facilities are much more important for their ability to combine family care with paid work. Lacking the necessary human capital to compete for attractive jobs, skill specificity and the consequences of protective family policies are less relevant to their occupational opportunities. Hence we expect that lower-class women in CMEs—especially social-democratic CMEs—are less exposed to discrimination, while enjoying the protection of the state both as workers (via social policy) and as mothers (via family policy). On the other hand, minimal levels of social protection and undeveloped family policies in LMEs often leave lower-class women with no external support for reconciling paid and unpaid work, and no protection of their wages and conditions once they are in employment.⁸

Conclusions

The VoC perspective yields important insights when applied to differences between rich democracies in the position of women in

the labor market. If employers behave in a rational profit-seeking manner, then women will suffer the greatest disadvantage in countries where firms rely primarily on labor with company or industry-specific skills. Because of the gender division of parental labor, women's work patterns are less compatible with the level of job continuity required by investments in specific skills in coordinated economies. Job security guarantees and other forms of social protection should theoretically serve to buffer both workers and their employers from the risks inherent in investments in specific skills. But because women have their own special reasons to interrupt employment—when they give birth or take time off to care for dependent family members—securing their jobs and guaranteeing their income has the effect of hardening employer resistance. Family policies like maternity leave further diminish their attractiveness. Consequently, women have more job opportunities, and are least likely to be crowded into female ghettos, in economies with an inbuilt preference for general skills and in contexts where labor market regulation and social protection are weak and family policies are either limited or transparent in their effects.

Estevez-Abe, who has been chiefly responsible for developing the implications of the VoC approach for gender inequality, offers this explanation for cross-country differences in occupational sex segregation. Her findings suggest a noticeable gap between the severity of segregation in general skills-based liberal economies in comparison with specific skills-based coordinated economies. This is the case in spite of the diversity among CMEs in gender ideology and welfare state institutions, which are the key causal variables in rival accounts. Indeed, segregation is most pronounced in Scandinavia, in spite of the fact that both gender norms and the role of the state are considered to be the most women-friendly in these countries.

This paper has raised several criticisms of the VoC approach. To begin with, sex segregation is certainly an important component of the broader category of women's labor market attainments relative to men. However, for the comparative study of gender stratification an even more basic question is how to explain cross-country differences in women's labor force participation. The CMEs have long been divided in this respect, with participation rates in Scandinavia exceeding those in LMEs while lagging behind in Continental (especially Southern) Europe. The result is that the dichotomy between liberal and coordinated economies is a poor guide to variation in an outcome which is profoundly important for women's economic autonomy.

The assumption made by VoC theorists that skill specificity and its institutional underpinnings are critical to women's insertion into

labor markets is violated in the Scandinavian CMEs because political forces foster progressive family policy and extensive public employment, which dominate outcomes for women. Marginalizing the significance of politics, the VoC perspective cannot offer an explanation for this pattern of public policy. In general, it contends that the role of the state develops as a complement to the needs of production systems. But if that were the case, wouldn't all CMEs have developed similar solutions to the difficulty of reconciling the needs of firms and women workers?

Even though the economic logic highlighted by VoC theory does have an important role to play in understanding women's position in labor markets, it cannot stand alone. Labor markets are a site not only of overlapping needs, but also of conflicting interests and values and imbalanced power relations (Korpi 2006). The price of economic functionalism is that it leaves no room to take into account these political underpinnings of the role of the state. At the same time, the irrelevance of the foundational notion of "institutional complementarities" to women, and the complacency of VoC writers towards women's lesser integration into paid work in the Continental CMEs, are indications of gender bias. Since the virtuous circle which is supposed to link human capital investment and social protection in specific-skills economies turns into a vicious circle when women enter the picture, it is clear that the theory assumes a labor market dominated by men. This is a formidable obstacle to any attempt to develop a gendered version of VoC theory.

While VoC-inspired research has neglected the issue of variation in women's integration into paid labor, Estevez-Abe has extensively tested the association between VoC and occupational sex segregation, one of the most important parameters of gender inequality among working men and women. Her most recent work confirms other research showing that the large public service sectors created by Scandinavian welfare states more than compensate for the obstacles to women's employment in the private sector, but at the price of boosting their concentration in female-typed jobs (Estevez-Abe 2006, Figures 2 and 3; cf. Mandel and Semyonov 2005). The unacknowledged implication of this finding is that the *sources* of gender inequality in labor markets differ profoundly between the two variants of CMEs.

Our critique of the VoC's contribution to understanding working women's economic attainments has focused on a different lacuna. Research on gender inequality, including comparative research, typically treats men and women as undifferentiated blocs. Instead, we advocate paying attention to internal diversity among women along

class lines (see also Crompton 2006; McCall 2001). Insofar as the “main effect” of gender is at least as powerful as any effects that may be conditional on class, then it is correct to focus on conditions that distinguish women and men in general (cf. Wright 2001). However, we claim that the advantages and disadvantages of different skills regimes do not apply to women in general, but rather are conditional on their class. Higher-class women can maximize the value of their human capital assets in liberal economies, in which general skills dominate employer requirements, while at the same time the absence of benefits for mothers lessens their exposure to discrimination. Furthermore, under conditions of unbridled competition the disadvantages of the weak are advantageous to the strong. In LMEs, managerial and professional women benefit from the cheap labor of lower-class women who supply care services that free them to compete for job opportunities at the high end of the labor market.

In contrast, lower-class women bear the brunt of these very same conditions. The liberal labor market offers them poorly paid and insecure jobs and, given their lack of formal education or expertise, its general-skills bias provides no compensating advantages. The dearth of either social protection or family policy means that lower-class women are also not compensated by the state. Despite the variation in family policies within the CMEs, roughly the opposite conditions prevail in coordinated economies. The bias in favor of specific skills and the availability of benefits to mothers who take time off work for care duties both serve to stiffen discrimination against higher-class women by private employers. Lower-class women are less likely to be the targets of discrimination, but benefit far more from social protection. Lacking the human capital to compete for attractive jobs, skill specificity is less relevant to their occupational opportunities in any case.

In addition, the interests of lower-class women as workers and mothers are better protected in CMEs by job security guarantees and work/family reconciliation. This is particularly the case under the social-democratic welfare regime, where horizontal segregation can be seen as a small price for working class women to pay in return for the relatively secure and well-paying jobs generated by the combination of social protection and a large, state-dominated service sector. Estevez-Abe’s most recent work has raised the question of whether her theory and findings “imply that employment protection ought to be reduced as a means of securing gender equality” (Estevez-Abe 2006, 175). Viewed from a class-differentiated perspective, this is a non-sequitur. Employment protection, and the decommodifying role of welfare states more generally, are clearly in

the interests of both men and women in lower classes. The pernicious effects of statistical discrimination, on the other hand, are most likely to limit the attainments of more privileged women. This is equally true for reconciliation policies and public sector employment, the two most important mechanisms responsible for Scandinavia's transition from single to dual-earner households. Thus, different configurations of economic models and welfare regimes are more noteworthy for their effects on women-within-classes, than on women as a whole. This insight has implications well beyond the specific analytical model considered in this article.

NOTES

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1. Early and mature versions of VoC theory are presented in Soskice (1990) and Hall and Soskice (2001), respectively. Two symposia on the VoC perspective unrelated to the gender dimension situate it intellectually and highlight various points of theoretical, substantive, and policy debate. See *Comparative European Politics*, Vol. 1, 2003, pp. 203–50; and *Socio-Economic Review*, Vol. 3, 2005, pp. 359–82. The Summer 2005 issue of *Social Politics* was devoted to a symposium on gender and the VoC entitled “Gender, Class, and Capitalism.”

2. The VoC literature also considers Japan to be an exemplar of the CME, but since in important respects (e.g., the welfare state) this congruence is functional rather than institutional (Goodman and Peng 1996), we prefer not to take up here the benefits and limitations of viewing gender inequality in Japan through the VoC prism.

3. Regarding labor force participation rates, in 1994 among twenty-one OECD countries the average female LFPR in Scandinavian countries was 73%, eighteen points higher than in Continental Europe and six points

higher than in Anglophone countries. Note, however, that by 2005 these differentials had fallen to twelve and four points, respectively (OECD 2006, Table B).

4. One factor that has undoubtedly contributed to the bias in the VoC literature in favor of male labor market patterns is that the distinction between CMEs and LMEs originated in research on the behavior of private sector manufacturing firms. German industry was exemplary in defining the CME model, due to its reliance on training male apprentices in specific skills in an institutional framework based on close coordination between employers, unions, and the state. Note, however, that Gottschall and Shire (2008) have recently shown that even in this respect VoC writers are biased towards male models, as the German vocational training system actually includes a school-based system that primarily prepares women for service occupations.

5. This characterization is most accurate for the United States, as the US government relies on legal regulation and tax incentives more than conventional family policy instruments (Orloff 2006). On the internal diversity of the liberal welfare regime in relation to gender policies and politics, see O'Connor, Orloff, and Shaver (1999).

6. This line of argument was in fact pursued in the first publication that briefly sketched the implications of the VoC perspective for gender economic inequality (Estevez-Abe, Iversen, and Soskice 2001, 158–9).

7. For the sake of simplicity, we generalize here across all CMEs, but it should be noted that the selectivity of the female labor force as well as the intermediate development of family policy in conservative welfare states has resulted in a relatively high proportion of working women in highly paid jobs (Mandel and Shalev 2009).

8. In a comparative study of seventeen countries, Mandel and Shalev (2009) have found indirect support for the contrasts between LMEs and social-democratic CMEs suggested in this section. The Anglophone economies generally offer women superior access to highly paid jobs than the women-friendly Scandinavian countries. On the other hand, within the feminized lower class of “menial services workers”, both overall wage differentials and women’s relative representation on the wage ladder are most favorable in the Nordic CMEs and least favorable in liberal economies.

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