

Welfare through Work: An Audit of Occupational Social Provision at the Turn of the New Century

Kevin Farnsworth

Abstract

Occupational welfare has been a relatively neglected area in both theoretical and empirical studies of the welfare state despite its importance to overall levels of social provision. Surprisingly, there has not yet been a comprehensive examination of British occupational social provision, as opposed to non-wage benefits more generally or specific provision such as pensions, housing or childcare. This neglect can be explained both by the perception that occupational welfare plays a relatively insignificant role in contemporary welfare states and by a general lack of clarity regarding its definition and scope, factors which have added to the difficulties surrounding its conceptualization and measurement. Despite the lack of attention it has received, however, recent pressures have propelled the issue higher up the social policy agenda, increasing the need for a clearer conception of what constitutes occupational social provision and a more comprehensive assessment of its contemporary significance. This paper seeks to shed some light on to these areas by drawing on comparative and UK data in order to carry out an audit of occupational social provision.

Keywords

Occupational welfare; Welfare state; Social policy; United Kingdom

Introduction

Occupational social provision has a long history within capitalist states, rooted in workplace philanthropy and work-based class struggle from the early industrial revolution. Its relative importance to overall levels of social protection inevitably declined in most welfare states over the twentieth century, but it continues to make an important contribution today. Indeed, governments have become increasingly eager to encourage expanded work-based social provision as contemporary political and economic pressures have reduced the room for governments to borrow and raise additional revenue from higher personal and corporate taxes.¹ Employers have been asked to

Address for correspondence: *Dr Kevin Farnsworth, Sociological Studies, Elmfield Building, University of Sheffield, Sheffield, S10 2TU. Email: K.Farnsworth@sheffield.ac.uk*

increase their own provision in order to improve the “family-friendliness” of employment and to assist with the costs and administration of benefits that were previously the sole domain of the state. Despite its growing importance, however, there has not yet been a comprehensive examination of British work-based social provision, as opposed to non-wage benefits more generally or specific provision such as pensions, housing or childcare. This paper seeks to shed some light on to these areas by drawing on comparative and UK data in order to carry out an audit of occupational social provision.

Occupational Social Provision and Occupational Welfare

Occupational social provision represents an important element of the total compensation paid to workers and a significant part of employers’ overall wage costs. It consists of both statutory and non-statutory elements. Statutory provision includes: employers’ national insurance contributions (NICs); the funding and provision of some statutory benefits, including SERPS contributions; occupational pensions (where employer’s pensions schemes are provided as a substitute for state schemes); sickness benefits; maternity leave; and redundancy pay. Non-statutory provision includes a range of voluntary social benefits that are provided by employers. The primary focus of this paper is the latter.

Despite the important position it occupies, however, we know little more about occupational social provision today, in particular its non-statutory element, than when Titmuss outlined the importance of occupational welfare more generally in the late 1950s (Titmuss 1958: ch. 1). While some commentators have acknowledged the important contribution made by occupational social provision to the overall size of the welfare state (Gordon 1991: 168; Jones 1983: 64; de Swaan 1988: 171; Russell 1991: 271), it is seldom discussed in anything like the detail it warrants in the academic literature. Where it has been discussed, occupational social provision and other non-wage benefits have been conflated under the heading of “occupational welfare”, even where commentators have been primarily interested in social provision, and this has tended to muddy its conceptualization and measurement. Since Titmuss’s (1958) influential examination of occupational welfare, definitions have tended to be extremely broad and have gone beyond what we would ordinarily include under the social policy umbrella. Subsequent research, where it has been carried out, has tended to focus on the full gamut of employee fringe benefits, which include goods and services as diverse as sports-club membership, pensions, subsidized canteens, travel expenses, sickness benefits, company cars, workplace uniforms and clothing allowances. May and Brunson (1994: 147), for example, follow Murlis (1978) in defining occupational welfare as non-wage provision that “increases the well-being of employees at some cost to the employer”. Bryson (1992: 140) includes in her definition intangible benefits such as “contributions to general enjoyment and personal development”. Thus, in discussions of the contribution of occupational welfare to social policy, most commentators have made no real attempt to distinguish between work-based social provision and other forms of occupational “fringe benefits”.

Although there are some advantages in focusing on occupational fringe benefits as a whole, especially in drawing attention to the disproportionate benefits that higher-status employees and bosses derive from work compared with lower-status workers, the disadvantage is that such work shifts the focus too far away from the contribution of some workplace benefits to total levels of social provision. It is important, therefore, to distinguish between occupational social provision and other non-wage benefits. In so doing, a useful starting point is the work of Titmuss. While Titmuss (1958) did perceive occupational welfare in extremely broad terms, he also made some attempt to distinguish between general non-wage benefits and other forms of provision which, he argued, functioned to meet “certain dependencies”, including old age, sickness, childhood and widowhood. Many of the benefits that Titmuss classified as occupational welfare, however, do not, in fact, function to meet such needs. The only “function” that is common to the majority of, but not all, non-wage benefits is that they increase the value of total compensation paid to employees. Beyond this, some benefits are provided in order to attract future employees or to ease their shedding when they are no longer needed; others represent a more cost-effective way of paying employees as a result of the tax exemptions they attract; and still others function for no other reason than to facilitate work or increase the productivity of employees. A range of other non-wage benefits merely function as expensive perks to senior employees, including such things as generous expense accounts or the private use of corporate jets. Still others serve the interests of the company more than their employees: workplace uniforms, for example, are often more about the promotion of a particular corporate brand and offer very little in the way of protection for employees.

Some benefits do, of course, function to satisfy the types of “dependencies” or needs that Titmuss sought to draw attention to. Thus, subsidized canteens, housing provision, safety clothing, health screening and health insurance might all be said to help meet physical needs. Some other benefits, including pensions, sickness benefits, workplace training, and assistance with child-rearing, help to increase economic stability and security throughout the life course. The latter also helps to reconcile the demands of family and working life.

Table 1 categorizes various benefits according to their functions. These functions, in turn, are ordered along a continuum, with those benefits that are designed primarily to increase the profitability and competitiveness of the firm on the left of the table, and those which serve to provide social protection and/or increase economic and physical security, often as direct replacements for state social provision, on the right. It is this latter group of benefits—those which can most accurately be described as occupational social provision—which are the focus of this paper.

An audit of occupational welfare

As a result of the aforementioned problems, the data on the extent of occupational social provision have tended to provide only “snapshots” of provision

Table 1

Occupational benefits categorized by function

	Profit-maximizing provision					Occupational social provision				
	Wage substitution	Promote corporate brand	Increase loyalty	Increase/improve staffing levels	Reward workers	Improve skills/productivity	Increase workplace harmony	Meet basic physical needs	Increase economic stability and security	
Housing										
Assisted mortgages	×		×	×			×	×		
Subsidized/free rent	×		×	×			×	×		
Education/training										
Payment of school fees			×	×			×			
In-work training			×		×		×		×	
Subsidized/free outside training			×		×		×		×	
Health										
Free/subsidized private health insurance			×	×			×	×		
Occupational health service			×	×			×		×	
Free health screening			×	×			×		×	
Income maintenance										
Sickness benefits			×	×			×		×	
Redundancy pay			×	×			×		×	
Occupational pensions	×		×	×	×		×		×	
Other fringe benefits										
Company car	×		×	×	×					
Subsidized travel to work	×		×	×						
Expense account	×		×	×						
Workplace uniforms		×								
Free/subsidized canteen	×		×	×						

in narrow policy areas, rendering generalizability and further temporal analysis difficult. Analysis of specific areas of employer provision have been made in the area of housing policy (Forrest *et al.* 1991), occupational pensions (Mann 1989), care services (May and Brunsdon 1994) and a range of family-friendly policies (Forth *et al.* 1996; Cully *et al.* 1999; Callender *et al.* 1996; Dex and Smith 2002). Green *et al.* (1984) provide perhaps the most comprehensive contribution to the debate thus far, although their work is now rather dated. What is required, therefore, is a contemporary audit of occupational social provision.

The most up-to-date and accurate data on non-wage costs are not designed to gauge the extent of occupational social provision at all, but instead aim to measure total employee-compensation costs as a comparative indicator of national competitiveness. The result is that such data tend to aggregate all forms of non-wage provision. Official data collected and presented by the EU as part of its quadrennial Labour Costs Survey, for example, are designed primarily to gauge relative labour costs within each of the EU member states. Although Mann (1989), Tachibanaki (1989) and Rein (1996) have made good use of these data to reveal a more complete picture of the total contributions made by firms to overall levels of social provision within states, more recent data, especially the 2000 release, reveal much more about the extent of social provision within corporations. New analysis of the 2000 data is presented here alongside qualitative estimates of the extent of occupational social provision compiled by a range of surveys, including the Workplace Industrial Relations Surveys and the annual Labour Force and General Household Surveys.

Before presenting the data, however, it is important to note that, since this paper draws together different data from different studies, it is affected by the methodological problems of the original studies. There are also problems with making comparisons between countries, especially where there is a lack of uniformity between studies. To some extent, these are the normal hazards associated with comparative analysis, although these problems are increased slightly here, given the wide range of sources on which this paper draws. An attempt has been made to minimize such errors by selecting studies based on similarly rigorous research methods and official data have been used wherever possible.

Beginning with an examination of the relative size of national insurance contributions reveals a high level of variation between countries (figure 1), but does reveal a degree of convergence between countries between 1970 and 1999. Contributions increased in the USA and Germany from relatively low starting points, and were cut in Sweden and France where contributions have been historically high. Rates in the UK, which are relatively low by international standards, remained remarkably stable over the period. Further differences between countries are illustrated in table 2, which brings together data on employee compensation within the private sector compiled by the European Commission and the US Bureau of Labor Statistics. Low NI contributions in the USA and the UK help to contribute to generally lower non-wage costs in these countries, where wages and salaries (excluding all non-wage benefits) made up around 71 per cent of total wage costs in the US

Table 2

Employer contributions to overall social protection receipts (1989–9) and breakdown of wage costs (2000)

	Wages and salaries (including bonuses)	Cont. to statutory social protection	Breakdown of wage costs, 2000.				Total voluntary social protection	Total statutory and non-statutory	Paid leave	Other non-wage
			Voluntary social protection		Imputed**	Total				
			Savings schemes (inc. retirement)	Insurance and collectively agreed*						
France	58.4	19.9	2.3	5.5	2.2	10	29.9	6.9	4.8	
Germany	63.9	15.7	0.5	3.6	3.2	7.3	23	10.5	2.6	
Sweden	57.5	22	0.1	6.3	1.3	7.7	29.7	7.7	5.1	
Netherlands	67.5	10.9	0.3	4.7	4.8	9.8	20.7	8.9	2.9	
UK	68.6	8.1	0.8	6.1	1.4	8.3	16.4	9.9	5.1	
US (2002)	71.1	5.9	5.7	9.3	1.9	16.9	22.8	5.9	0.2	

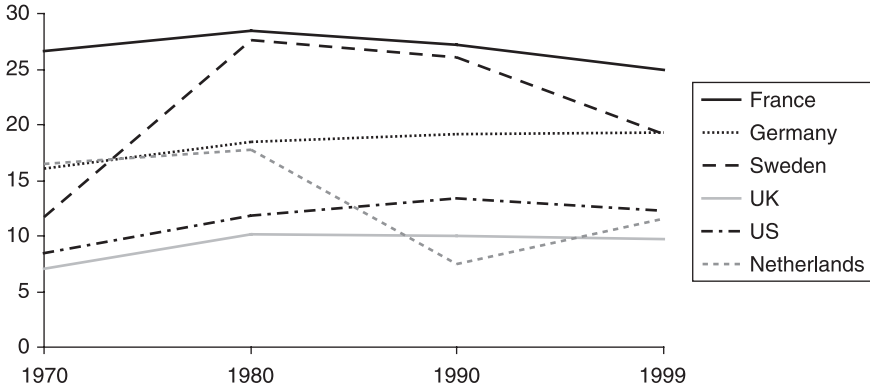
* For the USA, this primarily consists of the costs of health insurance programmes. In the EU, this consists of expenditure on non-compulsory supplementary pensions, sickness and unemployment insurance.

** Includes guaranteed remuneration in the event of sickness/payment for occupational health and other welfare services.

Source: EC (2003), *Statistics in Focus, Population and social conditions: social protection in the EU* (2003: 3). Bureau of Labor Statistics (2003), *Employer Costs for Employee Compensation*, Washington.

Figure 1

Employer NICs as a percentage of total taxation



Source: OECD Revenue Statistics 1965–2000: tables 13, 19, 21 (Paris: OECD).

and around 69 per cent in the UK in 2000. This compares with figures of 63.9 per cent in Germany and around 58 per cent in both France and Sweden. Total statutory social protection contributions (NICs plus other statutory in-work benefits) made up just 6 per cent of total wage costs in the USA and 8 per cent in the UK, compared with almost 16 per cent in Germany, almost 20 per cent in France and 22 per cent in Sweden. Conversely, expenditure on voluntary social protection is highest in the USA, at almost 17 per cent, with Germany and Sweden, at 7.3 per cent and 7.9 per cent respectively, contributing the least. This suggests that the USA is less out of line in terms of total employer contributions to social provision than is often thought (see also Rein 1996). It also reflects the relatively high costs of private health insurance to US firms, where employers devote almost 10 per cent of their total wage bill to health insurance. In the UK, a relatively high proportion of total wage costs are made up of paid leave and “other non-wage benefits” which include company cars, subsidized canteens and child nurseries. From these data it was not possible to distinguish the precise proportion of wage costs devoted solely to childcare and other forms of social provision.

The relationship between statutory and non-statutory (or voluntary) provision is more clearly illustrated in figure 2. Plotting both for each country places Sweden and the USA at opposite extremes, with the UK being a relative outlier, having relatively low levels of statutory and voluntary employer provision. Figure 2 does suggest that a relatively close relationship between voluntary and statutory provision exists. Survey data, collected by the OECD and the European Foundation,² on the extent of voluntary support for childrearing and childcare appears to confirm this relationship (see table 3). Sweden, with relatively high state support for childbearing and childrearing, is again cast as a laggard with regard to employer provision. This time, however, US occupational social provision does not appear to be well developed, emphasizing the

Figure 2

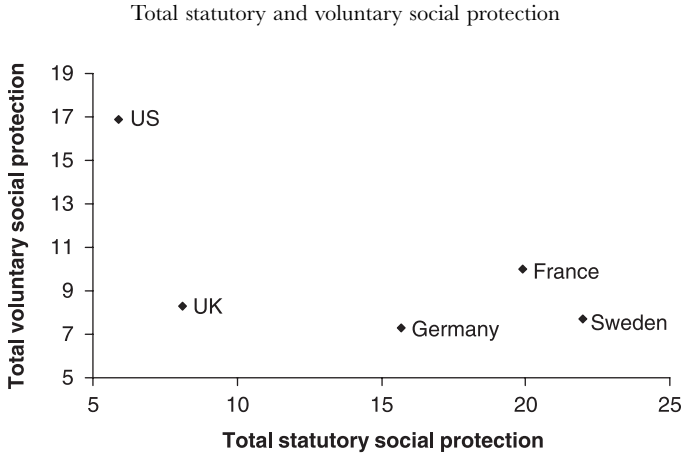


Table 3

Selected voluntary social protection measures

	Women employees with child under 15 reporting extra-statutory arrangements for (1995/6):*			Percentage of employees whose employer provided childcare support (including in-work nursery and subsidized day care)**
	Sick-child leave	Maternity leave	Parental leave	
France	47	58	51	8
Germany (Western)	65	92	87	12
Sweden	6	7	7	2
UK	41	61	28	6
US	50	50		4

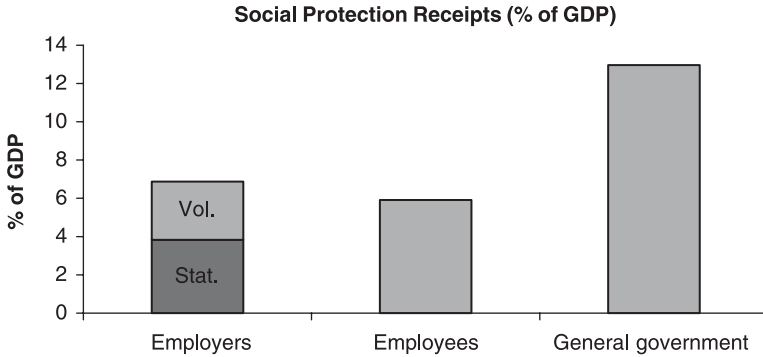
* OECD, Employment Outlook, 2001: table 4.8.

** European Foundation, 1997, Second European Survey on Working Conditions: table 35; US Bureau of Labor Statistics, 2003, National Compensation Survey, 2000: table 99.

distorting effects, in terms of the figures, of high voluntary insurance provision (especially in the area of health care) for employers. Overall, however, it would appear to suggest that where state-coordinated provision is low, companies face pressure to make up for the shortfall through voluntary measures. This challenges the commonly held assumption that lower levels of corporate taxation and state social provision will result in lower costs and increased profitability for firms.

Figure 3

Social protection receipts as a percentage of GDP (UK)



Source: Compiled from the UK's Labour Costs Survey submission for 2000; and EC (2003), *European Social Statistics: Social Protection Expenditure and Receipts 1991–2000*.

Occupational Social Provision in the UK

The paper now turns to consider British occupational social provision in more detail. The UK's 2000 submission to the EU's Labour Costs Survey facilitates a more detailed breakdown of the figures than has been possible in the past, making it possible to draw a clearer distinction between occupational social provision and other non-wage benefits.

These data reveal that the value of employer contributions to total social protection receipts was around 7 per cent of GDP in 2000, with statutory provision equalling around 3.8 per cent and voluntary provision worth around 3 per cent (figure 3). Employees, by contrast, contributed around 6 per cent of GDP through their national insurance contributions, and central government contributed around 13 per cent from general taxation.

Table 4 breaks down the costs of occupational social provision as a percentage of total wage costs for the UK during 2000. This illustrates that, if training costs are added, the total value of employers' voluntary social provision is actually higher than their contributions to statutory provision.³ The most expensive (after statutory social security) is voluntary social protection (which here includes company insurance plans, above-statutory occupational pensions and above-statutory maternity pay), followed by vocational training costs. At less than 1 per cent of total wage costs each, above-statutory payments for sickness and redundancy are relatively small.

Table 4 also reveals some disparities between the different sectors. Surprisingly, the public sector records relatively low voluntary social protection costs, including vocational training costs, despite having relatively high levels of provision (as confirmed in table 7 and discussed below). This is contrary to expectations, since relatively low rates of pay in the public sector should, if anything, exaggerate the costs of occupational social provision when measured as a proportion of overall wage costs.

Table 4
Occupational welfare provision, 2000 (as percentage of total wage costs by sector and GDP)

	Stat. social security contributions (NI cont. plus stat. sickness and maternity)	Voluntary social protection			Vocational training costs (paid by employer)	Total voluntary social provision	Total occupational social provision
		Above-statutory social security contributions	Direct payments in the event of sickness	Payments to employees leaving the enterprise			
Mining, manufacturing and construction	8.3	6.3	0.5	1.6	2.7	11.1	19.4
Retail, hotels, restaurants and other personal services	8.6	6.5	0.5	0.7	2.3	10.0	18.6
Distribution, financial and property services (financial intermediation, real estate, renting and business activities)	7.7	5.8	0.5	0.5	2.4	9.2	16.9
Public sector	9.5	3.5	0.9	0.3	0.4	5.1	14.6
All (% of overall wage costs)	8.4	5.6	0.6	0.8	2.0	9.0	17.4
All (% of GDP)	3.8	2.5	0.3	0.3	0.9	4	7.8

Source: Author's calculations based on the UK's Labour Costs Survey submission for 2000.

Also surprising is the finding that the retail, hotel and restaurant sectors record higher costs for voluntary provision than the financial services sector, given the reputation of the former for relatively poor working conditions. Here, relatively low pay could account for high proportions of the total wage costs being devoted to occupational social provision, even if actual provision is relatively low. Table 7 would suggest that this is indeed the case. Less surprising are higher redundancy costs within the mining, manufacturing and construction sectors, given the level of job losses these sectors have experienced in recent years. This contributes to relatively high costs of occupational social provision within these sectors.

Now that general data on the costs of occupational social provision have been examined, it is useful to consider the extent of provision by welfare area.

Occupational pensions

The trend during the postwar period has been for the membership of occupational pensions to increase rapidly until the late 1960s, with a levelling-off and decline since the mid-1980s (Government Actuary 1994: 4). The introduction of Stakeholder Pensions and the tendency of companies to move towards final contributions schemes are both likely to have had a further impact here, although it is too early to say exactly what this impact has been. Table 5 illustrates that 59 per cent of full-time employees were members of occupational pension schemes in 1975, rising to 65 per cent in 1979 and falling back to 56 per cent by 2001. The trends are different for men and women and for the public and private sectors. Tables 6 and 7 show that 54–55 per cent of men and 57–58 per cent of women had occupational pensions in 2001, with the figures for part-time women around 30–33 per cent (the variability between the figures is explained by the different treatment of “unsure” answers to this question in both surveys). This apparent equality of occupational pension membership between men and women working full-time masks the fact that men are much more likely to have private pensions than women.⁴ Moreover, membership of occupational pension schemes provides little indication of the quality of the benefits offered; employers often contribute varying amounts to pensions depending on the seniority of workers within their organizations. According to government figures (Government Actuary 1994: 33), less than half of those firms with schemes in place contributed the same amounts to the pensions of all employees.

Table 7 also reveals distinct differences between the public and private sectors. Less than half of women working full-time within the private sector had occupational pensions, compared with 69 per cent within the public sector. For women working part-time, just 21 per cent of those working in the private sector had occupational pensions compared with 43 per cent of those working in the public sector. For men working full-time the gaps were narrower but still significant; 78 per cent of men in the public sector had occupational pensions compared with 50 per cent within the private sector.

A number of other variables also impact on the shape and extent of occupational pensions. Regarding occupational status, around 40 per cent of

Table 5

Changes in occupational provision 1975–2002

	Membership of occupational pension scheme (% full-time employees covered) ^a	Housing (rented with job or business) —% ^b	Refunds of housing expenditure (% of employees) ^c	Vocational training costs (% of total wage costs) ^d	Employees participating in training (% in last 4 weeks) ^e	Employer cont. to off-the-job training costs (total costs) ^f	Redundancy costs (% of total wage costs) ^g	Employer-provided PMI (% of employees covered) ^h	Help with childcare (% of employers providing nursery or childcare subsidy) ⁱ
1975	59	3		1.9			0.4		
1979	65	3		2.0 (1980)			1.1 (1980)		3 (women, all sectors)
1985	61 (1983)	2		1.5	8.5 (1984)	64.4	2.4 (1986)	4.9	
1990	61	1 (1991)		1.5	14.3	69.4	1.0	7.0	4 (women, all sectors 1988)
1993	58	1		1.7 (1992)		67.6	2.3 (1992)	7.1	
1995	57	2	2		14.4 (1994)	67.4	1.2 (1994)	7.0	Men Priv. sector 2
1998	57		1	0.09 (1996)	15.6 (1996)		1.35 (1996)		Pub. sector 6
									Pub. sector 9
2000	56 (2001)		1 (men, 2001)	2.0	14.3		0.8	7 (men = 9%; women = 4%)	4 (all workers, all sectors)

^a Calculations based on General Household Survey data, 1995; table 5.3; and 2001, table 6.3. London: HMSO.^b General Household Survey, 2001: table 4.1. London: HMSO.^c Family Resources Surveys, 1995/6–2001/2. London: HMSO.^d Eurostat Rapid Reports: Population and Social Conditions, 1991: 2; Labour costs surveys, 1996 and 2000 (own calculations).^e Education and Training Statistics for the UK, 1994–1998, London: HMSO.^f Labour Force Survey, 1985–1996, Spring figures, London: HMSO.^g Labour Market Trends, Feb 1996: table 5.7; London: Central Statistical Office, labour costs surveys 1996 and 2000 (own calculations).^h IRS Employment Trends, 1995: 578: 14; London: Industrial Relations Services; Family Resources Survey, 1998/1999–2001/2. London: HMSO.ⁱ Callender *et al.*, 1996: table 1.8; Cullley *et al.* (1999) table 7.3.

Table 6

Provision by occupational status

	Member of occ. pension scheme (f-t Men) % (2001) ¹	Member of occ. pension scheme (f-t) Women % (2001) ¹	Member of occ. pension scheme (p-t) Women % (2001) ¹	Numbers with employer-paid PMI plans by occ. group % (1995) ²	Housing (% workers renting with job or business) ³ (1992)	Employees receiving training, 1998 (% of full-time employees) ⁴	
						Any training in past year	Training of 5 days or more
Professional	69	73	62	7	4	79	26
Managers				9	3	77	27
Intermediate/non manual	62	58	45	3	2	67	18
Semi-skilled/skilled	40	33	23	3	4	68	21
Unskilled	54	58	33		0	14	12
Total			33		1	62	21

¹ *General Household Survey* (2001), London: HMSO.

² Calculated from the *General Household Survey*, 1995; tables 8.4 and 8.5, London: HMSO.

³ *General Housing Survey*, 1992, London: HMSO.

⁴ Cully *et al.* (1999: table 7.4).

Table 7

Provision by sector

	Occupational pension scheme membership (men, full-time). Percentages (2001) ^a	Occupational pension scheme membership (women, full-time). Percentages (2001) ^a	Occupational pension scheme membership (women, part-time). Percentages (2001) ^a	Number of companies with workplace nurseries (1996) ^b	Participation in job-related training (last four weeks) (2000) ^c	Never offered training % (2000) ^d	Training costs (% of total wage costs) (2000) ^e	Extra-stat. maternity leave (% firms providing) (1996) ^f	Extra-stat. maternity pay (% firms providing) (1996) ^f
Energy and water supply	73	80			17.7	20.2	2.1		
Retail and other services				7	15.9	37.8	2.0	7	14
Transport and communications	61	54	33		11.3	35.2	1.7		
Banking, finance and insurance	53	54	30	2	16.8	29.4	2.5	8	11
Engineering	58	59	26						
Manufacturing	52	43	26	—	11.5	40.2	2.4		
Construction	36	54	16	—	11.9	43.0	3.6	3	4
Distribution, hotels and catering	36	35	15	1	12.8	42.0	2.3	3	5
Agriculture	17	—	—			52.4	0.4	25	30
Public sector	78	69	43	9	23.6	18.3		4	7
Private	50	48	21	2					
All sectors	55	57	30	2					
1,000+ employees	81	83							
100-999	67	69							
25-99	51	58							
Less than 25	32	35							

^a *General Household Survey, 2001, London: HMSO.*

^b Forth *et al.* (1996: table 5.1).

^c Statistics of Education, 2000, London: DFEE.

^d Statistics of Education, 2000, London: DFEE.

^e Population and Social Conditions Survey, 1991: 2.

^f Forth *et al.* (1996: tables 3.1, 3.3, 3.4).

unskilled men and 33 per cent of women working full-time are members of occupational pension schemes (see table 6). This compares with 69 per cent of professional men and 73 per cent of professional women with occupational pensions. Again, the likelihood of belonging to an occupational pension scheme falls sharply for part-time workers. Industrial sector is also important in determining pension provision. Table 7 reveals that 73 per cent of men and 80 per cent of women working full-time in the energy and mining industries are covered by occupational pension schemes compared with just 17 per cent of men working in agriculture and related industries (women were too underrepresented within these sectors to be included). The table also illustrates that larger firms are more likely to offer some form of occupational pension scheme than smaller firms.

Family-friendly provision

Figures on the number of employers who provide workplace childcare are reproduced in tables 5 and 7. Estimates of workplace childcare collected in 1979 and 1988 revealed that between 3 and 4 per cent of women employees had very similar access to childcare at these times. Again the figures are different in the public and private sectors. Estimates collected by the 1998 Workplace Industrial Relations Survey (WIRS), found that 3 per cent of women working for the private sector, but 9 per cent working for the public sector, had some form of nursery provision or childcare subsidy. This compared with figures of 6 per cent and 9 per cent respectively for men working within the private and public sectors (Cully *et al.* 1999). This meant that, overall, just 4 per cent of all employees had access to workplace-supported childcare provision by the end of the 1990s, a surprisingly low figure given the emphasis that has been increasingly placed on family-friendly employment practices since the 1980s.

Disparities also exist between industries (see table 7). Just 1 per cent or less of companies within the distribution, hotel and catering sectors provide workplace nurseries, for example, compared with 7 per cent of employers within retail and other services. Since women are highly represented in all of these sectors, gender would appear to be a relatively weak predictor of the extent of provision, although workplace nurseries within the male-dominated engineering and construction sectors were not even significant enough to be recorded in the data. The aggregate figure for the public sector was 9 per cent, compared with 2 per cent for the private sector.

Estimates of the number of employers who offer extra-statutory maternity benefits also vary greatly between the sectors. Forth and colleagues (Forth *et al.* 1996), using WIRS data, estimated that around 25 per cent of public sector employers offered extra-statutory maternity leave, and 30 per cent offered extra-statutory maternity pay compared with equivalent figures of 4 per cent and 7 per cent for the private sector (table 7). Within the private sector, the retail and financial sectors are most likely to provide extra-statutory benefits and the construction and distribution, hotels and catering sectors least likely.

Housing

Although housing provision for employees was common during the nineteenth and early twentieth centuries, it has declined rapidly ever since. Figures released in 1995 (reproduced in table 5) illustrate that just 2 per cent of employees lived in employer-provided housing in the mid-1990s, compared with almost 8 per cent in the mid-1970s. The figure today has fallen so low that it is no longer included in official data. The data in table 5 are from the Family Resources Survey, and this revealed that the number of employees who received refunds from employers to cover housing costs was as low as 2 per cent in 1994 and 1 per cent in 1998. By socio-economic group, 4 per cent of professionals and 4 per cent of semi-skilled workers rented from their employer in the early 1990s. No instances of provision were recorded in the case of unskilled workers (table 6).

Health insurance

Around 5 per cent of employees received private medical insurance (PMI) from their employers in 1985, increasing to 7–8 per cent by the end of the 1990s (see table 5). Broken down by sex, 9 per cent of men compared with 4 per cent of women were covered by such schemes in 2001. Like most other benefits, health insurance is targeted towards higher-status employees. Some 7 per cent of professionals and 9 per cent of managers received PMI in 1995 compared with 3 per cent of semi-skilled workers (table 6). The number of unskilled workers covered by such skills was less than 1 per cent.

Training

The proportion of employees receiving job-related training (in the four-week period leading up to the survey) increased from 8.5 per cent in the mid-1980s to around 15 per cent in 2001 (table 5), although this does not say anything, of course, about the quality of the training received. Not even the whole costs of training are met by employers, especially where it takes place outside the company. Figures produced by the Labour Force Survey (reproduced in table 5) on employer contributions to the costs of off-the-job training indicate that the share borne by employers remained static at around 64 per cent between 1985 and 1996, with the remainder met by employees and the government.

There are again differences between lower- and upper-ranking employees. Table 6 shows that professionals and managers are almost twice as likely to receive training as unskilled and semi-skilled workers. Broken down by business sector, table 7 reveals that a larger proportion of public sector workers receive training, but that public sector spending on training is relatively low. More understandably, employee participation in training within the private sector is highest in the utilities and financial sectors but lowest in the agriculture and manufacturing sectors and the costs of training broadly follow their frequency within the various private industry classifications. The exceptions to this are the construction and distribution

sectors where, if the figures are accurate, workers receive relatively little training, but that which they do receive is relatively expensive to provide. Table 7 also provides figures on the proportion of workers who have never been offered training by their employers. Based on this measure, the public sector offers more training opportunities than the private sector, with the utilities and finance industries offering the most training opportunities within private firms.

Summary and Conclusions

The above audit has provided an indication of the size of occupational social provision in the UK and elsewhere. The first section illustrated that employers' contributions to statutory and voluntary social provision are relatively low in the UK by international standards, which translates into relatively low statutory costs more generally. These data also suggested that there is a trade-off between levels of statutory and voluntary provision, although more work is required in this area. It appears, therefore, that lower statutory provision does not necessarily result in lower costs to business. In fact, the overall social protection costs faced by employers appear to be remarkably similar across countries.

In the case of UK occupational social provision, there has been a reduction in certain areas of provision in recent years, especially in housing and occupational pensions, but in others, such as childcare, training and health insurance, there has been stability or growth. Even where there has been growth, however, this has been relatively modest and provision continues to be uneven between men and women, between high-status and low-status workers, and between the public and private sectors. Corporations are, above all else, pragmatic and profit-focused, and this shapes their social provision. While governments may view employers as an increasingly important means for meeting the welfare needs of citizens, and while they may appeal with increasing frequency to employers to expand their workplace provision, the evidence presented here does not suggest any real eagerness on the part of companies to respond to this call. More work is needed, however, if we are to fully understand the capacity and willingness of firms to provide occupational social provision and the implications of this for a work-based social policy agenda.

Acknowledgements

I am grateful to Ian Gough and anonymous referees for comments on an earlier draft of this paper.

Notes

1. On this the globalization literature is especially pertinent. For a review see Farnsworth (2004) and Swank (2002).
2. The European Foundation was set up by the European Council in 1975 to collect and analyse data in order to inform EU policy-making.

3. Since it is not an obvious form of social provision, paid leave has been excluded from the discussions here. It is interesting to note, however, that paid leave made up around 10 per cent of UK non-wage costs in 2000.
4. Overall, 22 per cent of men had private pensions in 2001 compared with 13 per cent of women (General Household Survey 2001: table 6.1).

References

- Bryson, L. (1992), *Welfare and the State: Who Benefits*, London: Macmillan.
- Callender, C., Millward, N., Lissenburgh, S. and Forth, J. (1996), *Maternity rights and benefits in Britain, 1996*, 67. London: HMSO, Department of Social Security.
- Cully, M., Woodland, S., O'Reilly, A. and Dix, G. (1999), *Britain at Work: As Depicted by the 1998 Workplace Employee Relations Survey*, London: Routledge.
- de Swaan, A. (1988), *In Care of the State: Health Care, Education and Welfare in Europe and the USA in the Modern Era*, Cambridge: Polity Press.
- Dex, S. and Smith, C. (2002), *The Nature and Pattern of Family-Friendly Employment Policies in Britain*, Bristol: Policy Press.
- Farnsworth, K. (2004), *Corporate Power and Social Policy in Global Context: British Welfare Under the Influence?* Bristol: Policy Press.
- Fitzgerald, R. (1988), *British Labour Management and Industrial Welfare, 1846–1939*, London: Croom Helm.
- Forrest, R., Murie, A., Doogan, K. and Burton, P. (1991), *Employers and Housing Costs*, Bristol: SAUS.
- Forth, J., Lissenburgh, S., Callender, C. and Millward, N. (1996), *Family friendly working arrangements in Britain, 1996*, 16, London: HMSO, Department for Education and Employment.
- Gordon, C. (1991), New deal, old deck: business and the origins of social security, 1920–1935, *Politics and Society*, 19, 2: 15–207.
- Government Actuary (1994), *Occupational pension schemes, 1991*, Ninth, London: HMSO.
- Graebner, W. (1980), *A History of Retirement: The Meaning and Function of an American Institution*, New York: Yale University Press.
- Green, F., Hadjimatheou, G. and Smail, R. (1985), Fringe benefits distribution in Britain, *British Journal of Industrial Relations*, 23, 2: 261–80.
- Green, F., Hadjimatheou, G. and Smail, R. (1984), *Unequal Fringes: Fringe Benefits in the United Kingdom*, London: Bedford Square Press.
- Jones, H. (1983), Employers' welfare schemes and industrial relations in inter-war Britain, *Business History*, 25, 1: 61–75.
- Mann, K. (1989), *Growing Fringes: Hypothesis on the Development of Occupational Welfare*, Leeds: Armley Publications.
- May, M. and Brunson E. (1994), Workplace care in the mixed economy of welfare, *Social Policy Review*, 6: 146–69.
- Murlis, H. (1978), *Employee Benefits: A Survey of Practice in 400 Companies*, London: British Institute of Management.
- Papadakis, E. and Taylor-Gooby, P. (1987), *The Private Provision of Public Welfare: State, Market and Community*, Sussex: Wheatsheaf.
- Quadagno, J. S. (1984), Welfare capitalism and the Social Security Act of 1935, *American Sociological Review*, 49: 632–47.
- Rein, M. (1996), Is America exceptional? The role of occupational welfare in the United States and the European Community. In Michael Shalev, *The Privatization of Social Policy*, London: Macmillan Press, pp. 27–43.

- Russell, A. (1991), *The Growth of Occupational Welfare in Britain*, Aldershot: Avebury.
- Swank, D. (2002), *Global Capital, Political Institutions and Policy Change in Developed Welfare States*, Cambridge: Cambridge University Press.
- Tachibanaki, T. (1989), *Non-Wage Labour Costs: Their Rationales and the Economic Effects*, London: London School of Economics.
- Titmuss, R. M. (1958), *Essays on "the Welfare State"*, London: Unwin Books.