

13. efas-FACHTAGUNG 19./20. NOVEMBER 2015

EUROPA IN DER KRISE

ZUGÄNGE UND ERGEBNISSE DER ÖKONOMISCHEN
GESCHLECHTERFORSCHUNG



efas headquarters
Hochschule für Technik und Wirtschaft (HTW) Berlin
Treskowallee 8 • 10318 Berlin

Austerity and Gender Equality Policy: a Clash of Policies?”

Francesca Bettio

University of Siena – Italy (www.unisi.it)

ENEGE Network (www.enege.eu)

highlights

- Disentangling the impact of the crisis versus that of austerity policy in Europe
- Understanding how and why austerity could be a bigger threat for gender equality than the crisis has been.

I shall look at both issues primarily from a labour market perspective

concepts

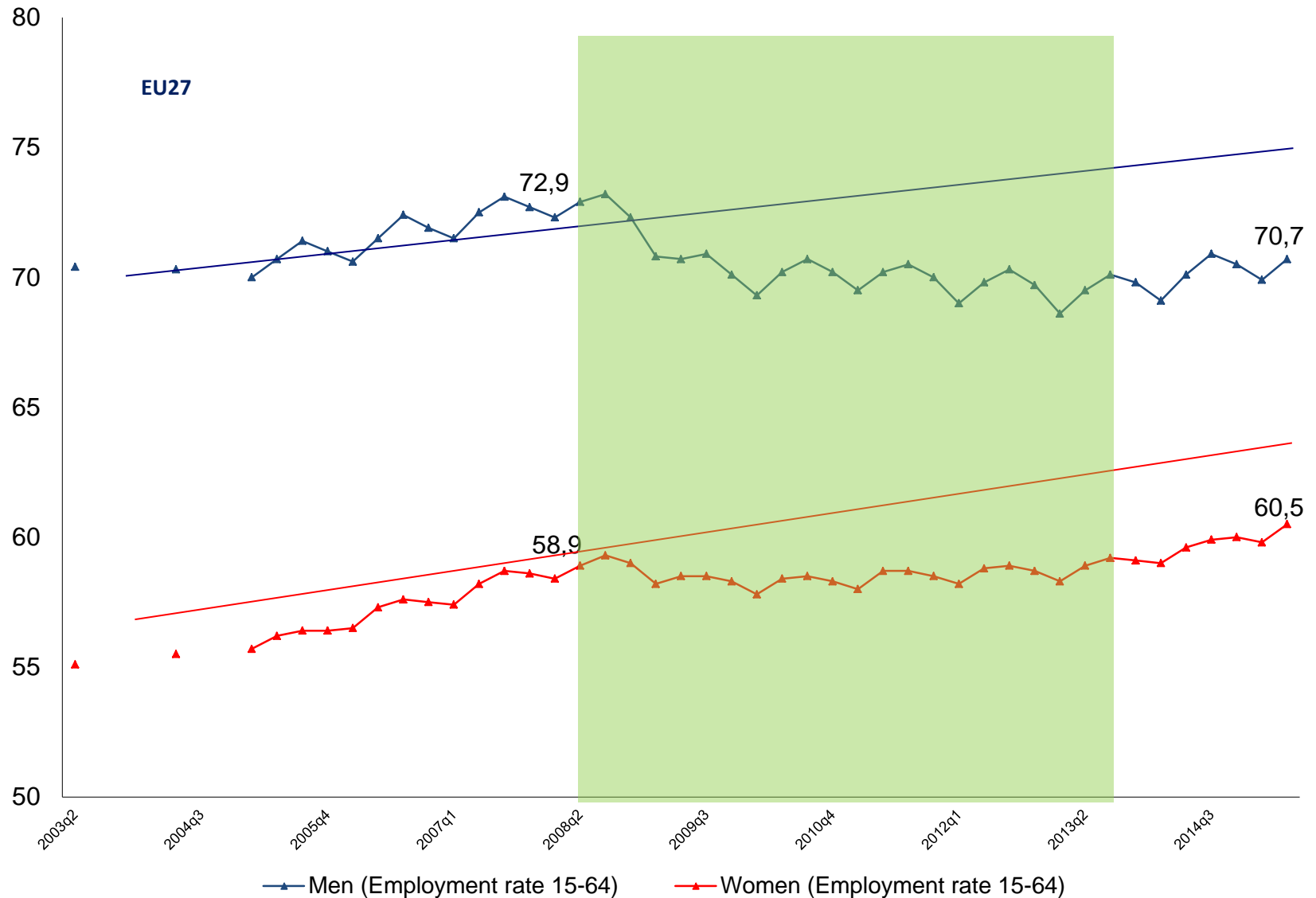
- A widespread narrative is that there is a 'before' and an 'after' for gender equality over the crisis.
- 'Before' and 'after' (implementation of austerity measures) is not the most fecund way to look at gender outcomes over the crisis
- More fruitful distinctions are :
 - between gender gaps and absolute equality targets
 - between countries experiencing large versus limited fiscal consolidation

aggregate gender gaps and the crisis

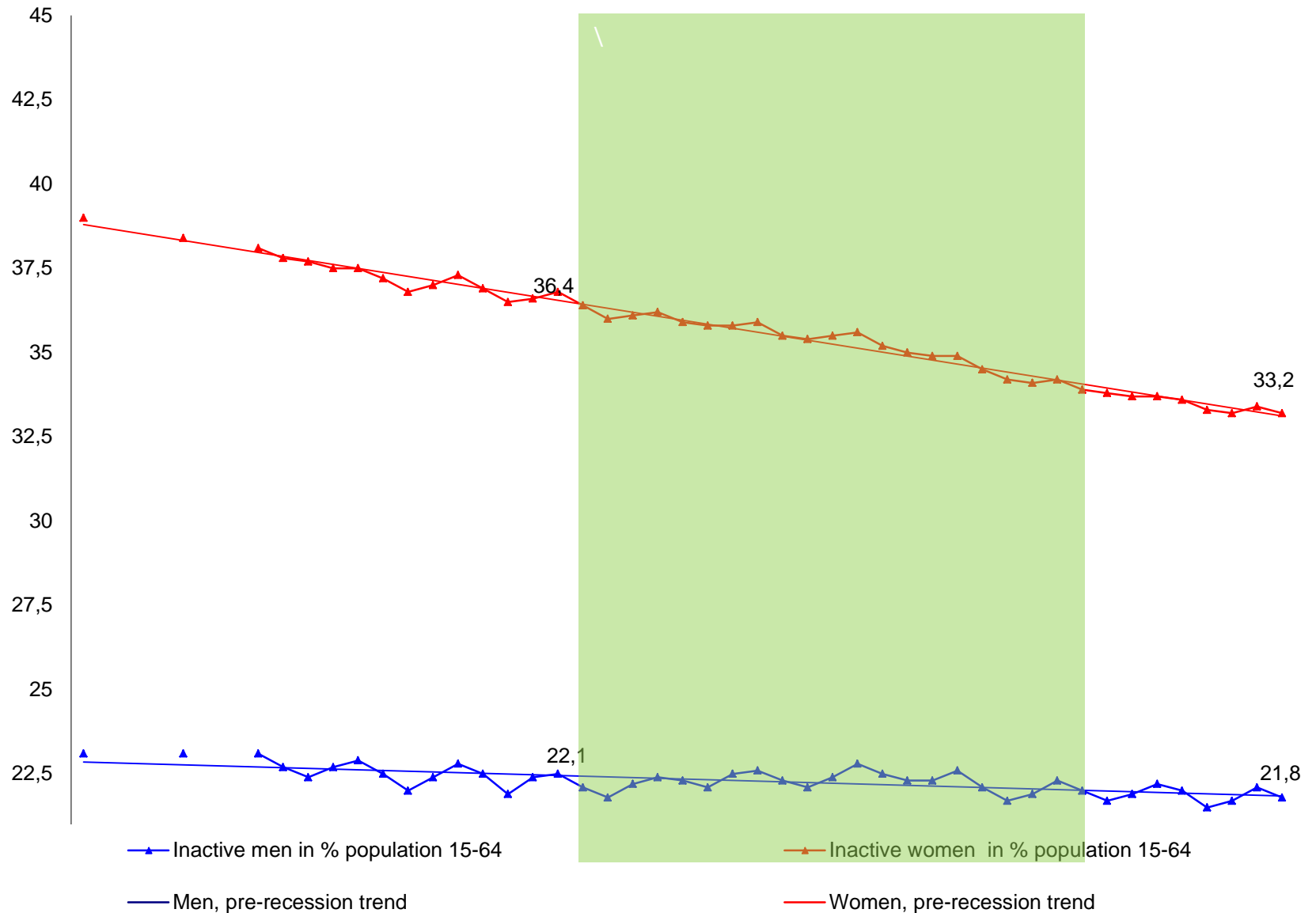
If we look at gender gaps and at Europe as a whole the story is clear :

- The 'main' gender gaps narrowed consistently throughout the crisis.
- They are still narrower than before the crisis set in, although they might widen back again

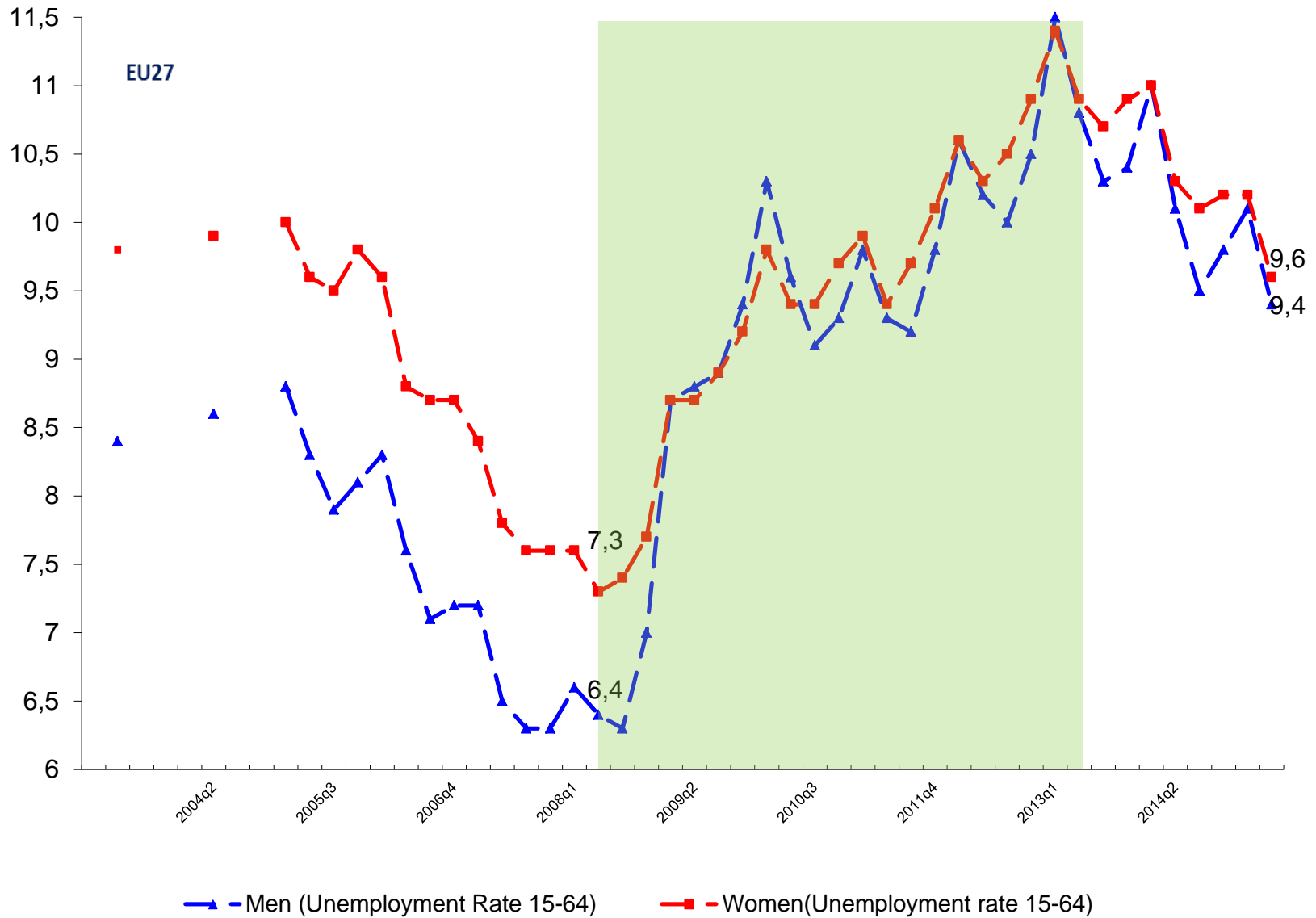
gender gaps in the crisis in the EU: employment rates



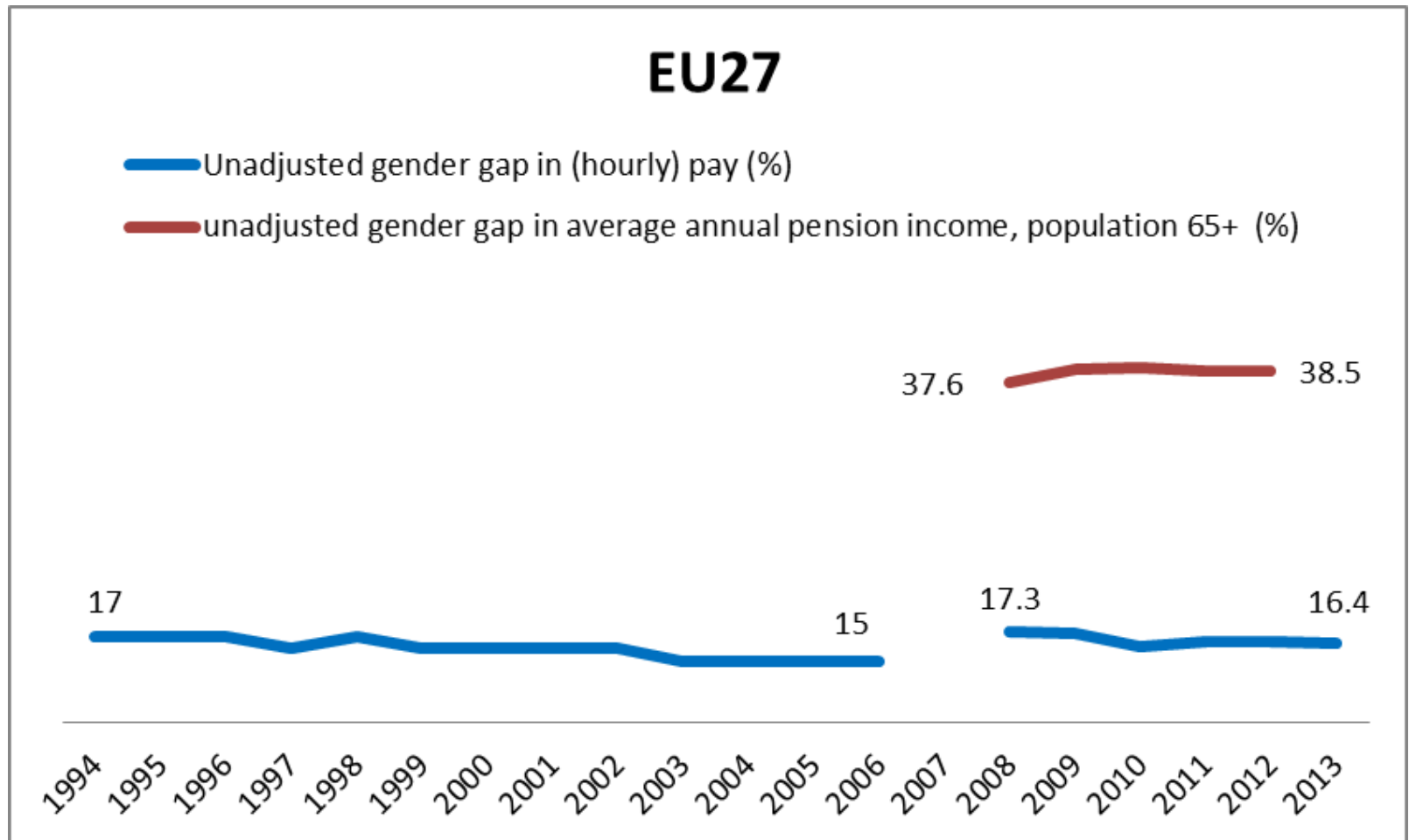
gender gaps in the crisis in the EU: inactivity rates



gender Gaps in the crisis in the EU: unemployment rates



gender gaps in the crisis in the EU: hourly pay and pension income



'hidden gaps': who 'brings home the bacon'?

In 2013 couples distributed as follows in EU28 :

- A. She does not earn, he does (21.4%)
- B. She earns less than him (43.6%)
- C. She earns roughly as much as him (18.0%)
- D. She earns more (12.0%)
- E. She is the sole earner (4.8%)

Types C+D+E increased in all countries between 2008 and 2013 (except Slovenia, Hungary and Germany).

Types D+E increased by 7 to 10 pp. in Cyprus, Greece, Spain, Ireland, Lithuania and Portugal.

a rather different story surfaces ...

- if we look at countries having experienced considerable reduction in government expenditure on account of fiscal consolidation (austerity)
- if we 'measure' gender equality against some 'absolute' equality targets/indicators

EU countries and government expenditure 2009-13

Table 1: Main public expenditure categories net of bank recapitalisation by the public sector, % change from 2009-13 (in current prices and constant exchange rates)

	Share		Percent change in current prices, 2009-13				
	EU28	EU28	Greece, Ireland, Portugal	Italy, Spain	10 other EU15	Baltics 3	10 other CEE
Total expenditure	100	6	-15	-2	9	1	9
Interest expenditure	5	20	10	31	15	167	25
Primary expenditure	95	5	-17	-4	9	-1	8
Social expenditures	43	10	-8	8	12	14	13
Compensation of employees	22	2	-21	-6	7	-8	3
Other current primary expenditure	22	3	-24	-9	7	-6	12
Capital expenditure	8	-13	-31	-41	-1	-13	-8
<i>Memorandum: inflation</i>		10	6	9	9	13	12

Source: Bruegel using AMECO data. Notes: Country groups as described in Figure 1. For the Baltics the 2008-13 period is shown, because fiscal consolidation started earlier in these countries. The aggregates involving countries with different currencies were calculated using constant exchange rates (the average of 2009-13) and therefore exchange rate fluctuations do not affect the values shown.

austerity in practice

The most frequent measures reported by EGGE experts in 19 countries in 2011: AT, BG, CZ, DE, EL, FR, FYROM, HU, IE, IS, LI, LV, NL, MT, PL, PT, RO, SE, UK

On the expenditure side:

- Wage freezes or wage cuts in the public sector (11 countries);
- Staffing freezes or personnel cuts in the public sector (9 countries);
- Pension reforms: postponing retirement and/or bringing the age of retirement for women in line with that for men (8 countries)
- Cuts and restrictions in care related benefits/allowances/facilities(8 countries)
- Reduction of housing benefits or family benefits (6 countries)
- Tightening of eligibility criteria for unemployment and assistance benefits or reductions in replacement rates (5 countries);

On the revenue side:

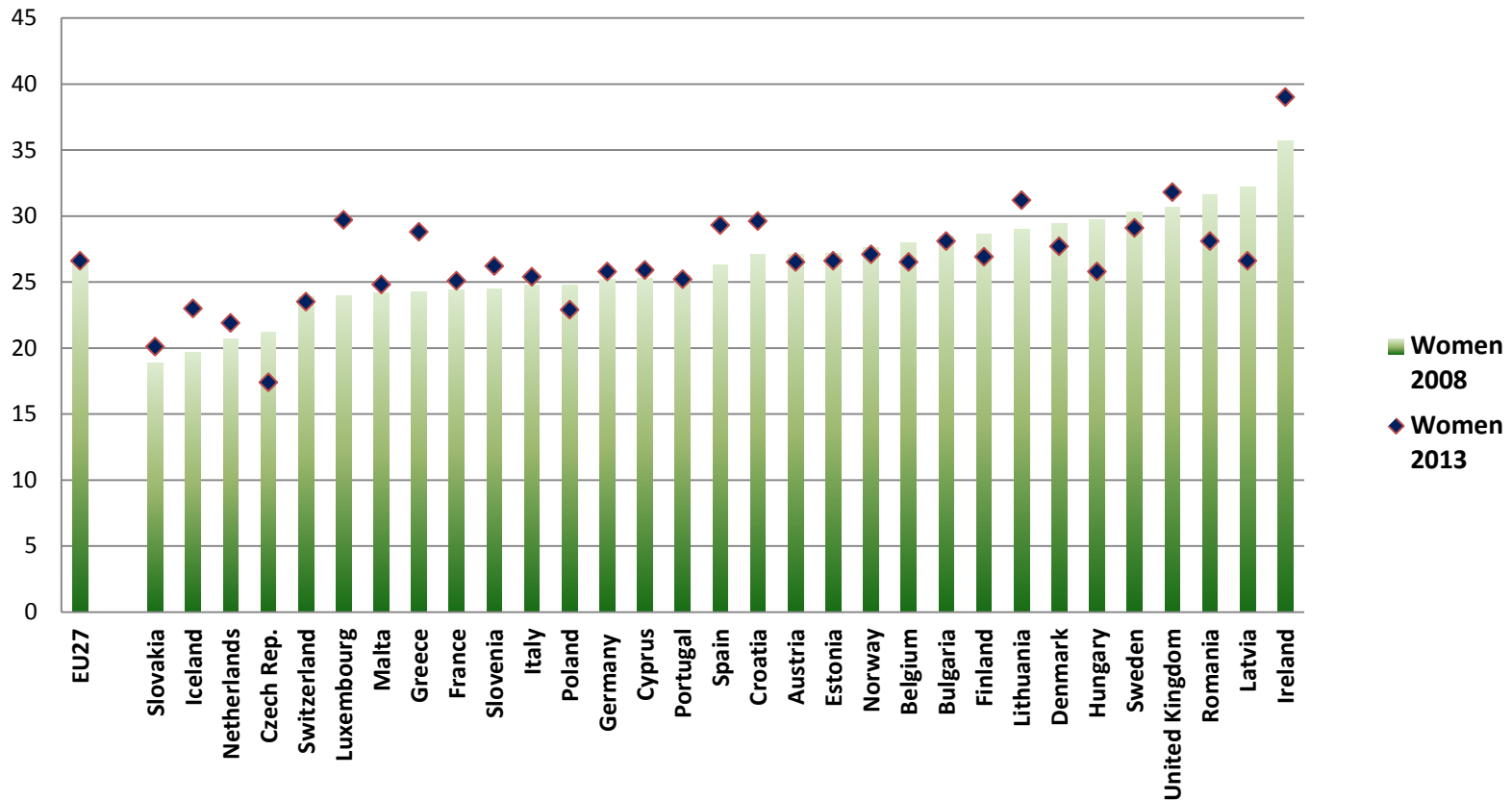
- Tax measures (6 countries);
- VAT increase: (5 countries);
- Increase in fees for publicly subsidized services (health care fees, transport fees, others) (2 countries).

Austerity related 'absolute' risks for women: indicators/targets

- Cuts in poverty-decreasing social transfer :
Poverty is typically higher among women
(% population not at risk of poverty thanks to social transfers)
- Retrenchment in care services
Care provisions externalize the gender conflict over unpaid work . Retrenchment re-privatizes such conflict
(employment in care branches; service coverage rates)
- Public sector wage freezes
highly educated women tend to be disproportionately represented in the public sector Freezing higher pay may increase the wage gap.
(women's earnings)
- Cuts in public sector and welfare related jobs
Women are over-represented in both types of jobs
(female employment in (mostly) public branches)

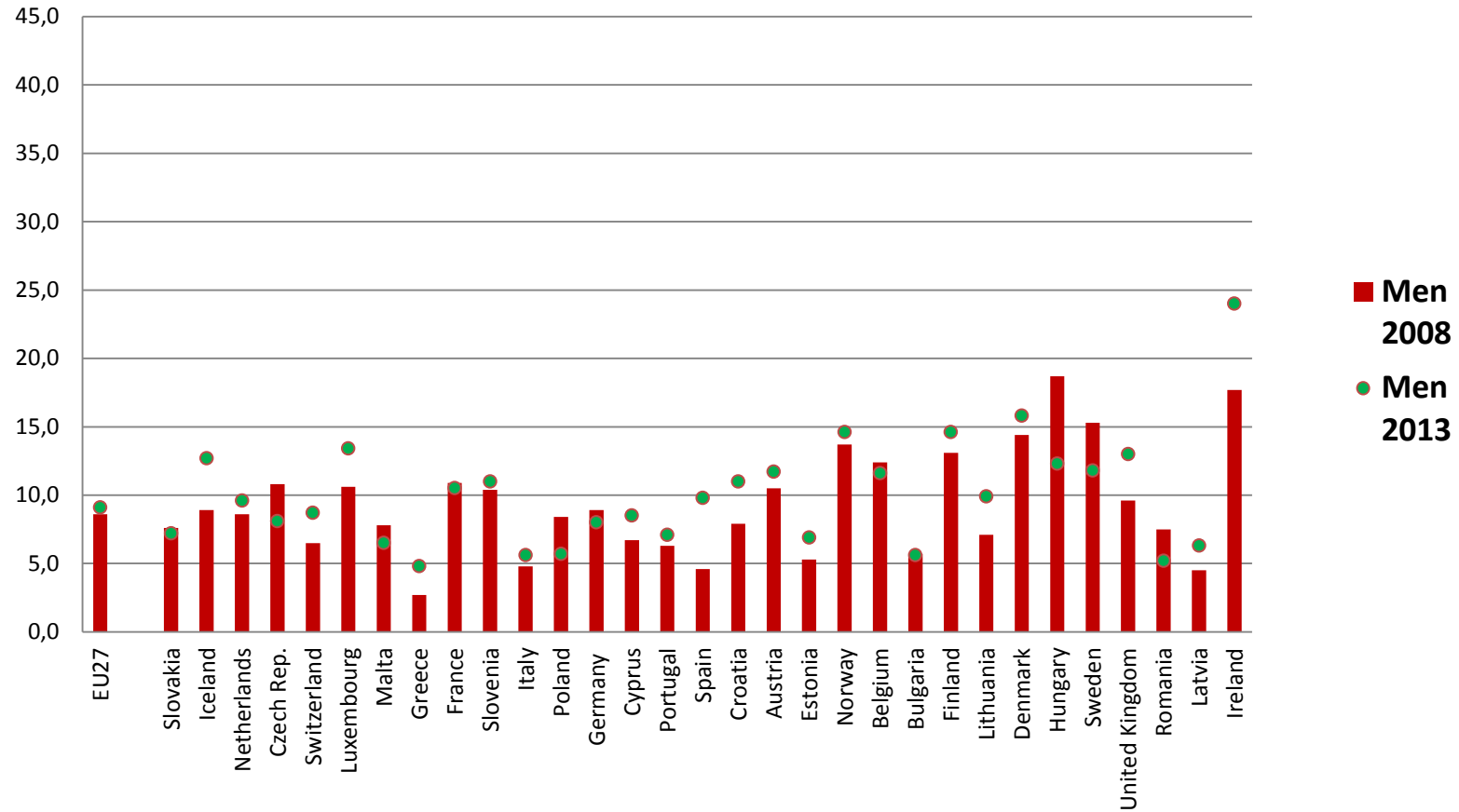
have austerity risks materialized? No evidence of diminished effectiveness of social transfers (1)

Share of population not at risk of poverty thanks to social transfer (%)



have austerity risks materialized? No evidence of diminished effectiveness of social transfers (2)

Share of population not at risk of poverty thanks to social transfer (%)



have austerity risks for women materialized ? Female earnings

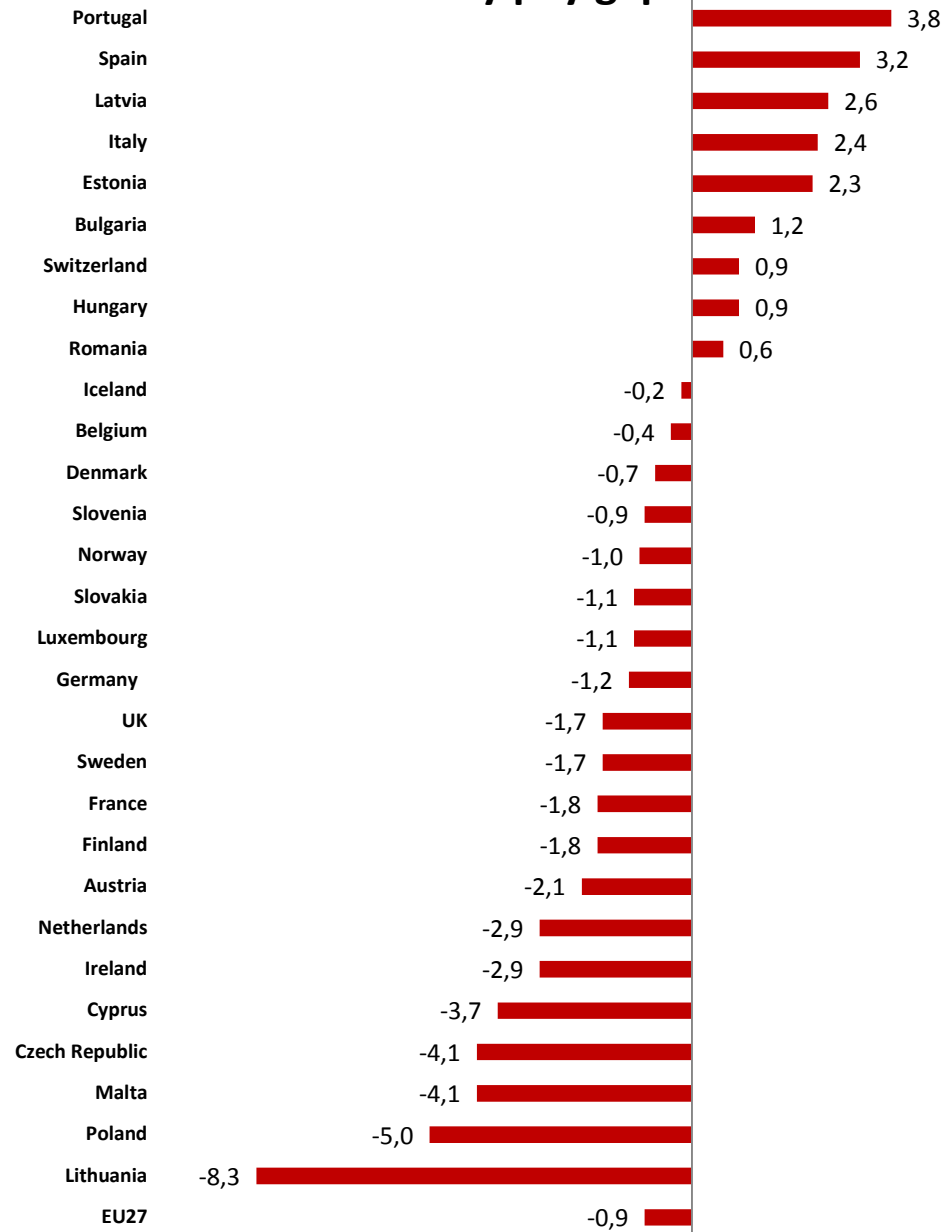
Between 2008 and 2013 the gender pay gap **narrowed** in the EU as a whole.

It widened in **Portugal, Spain, Latvia, Itali, Estonia, Bulgaria, Romania.**

Di Tommaso and Piazzalunga (2015) recently found that **the widening of the gap in Italy is largely accounted for by the earnings freeze in the public sector that was enacted in 2010.**

Is the story similar for the rest of countries with widening gap?

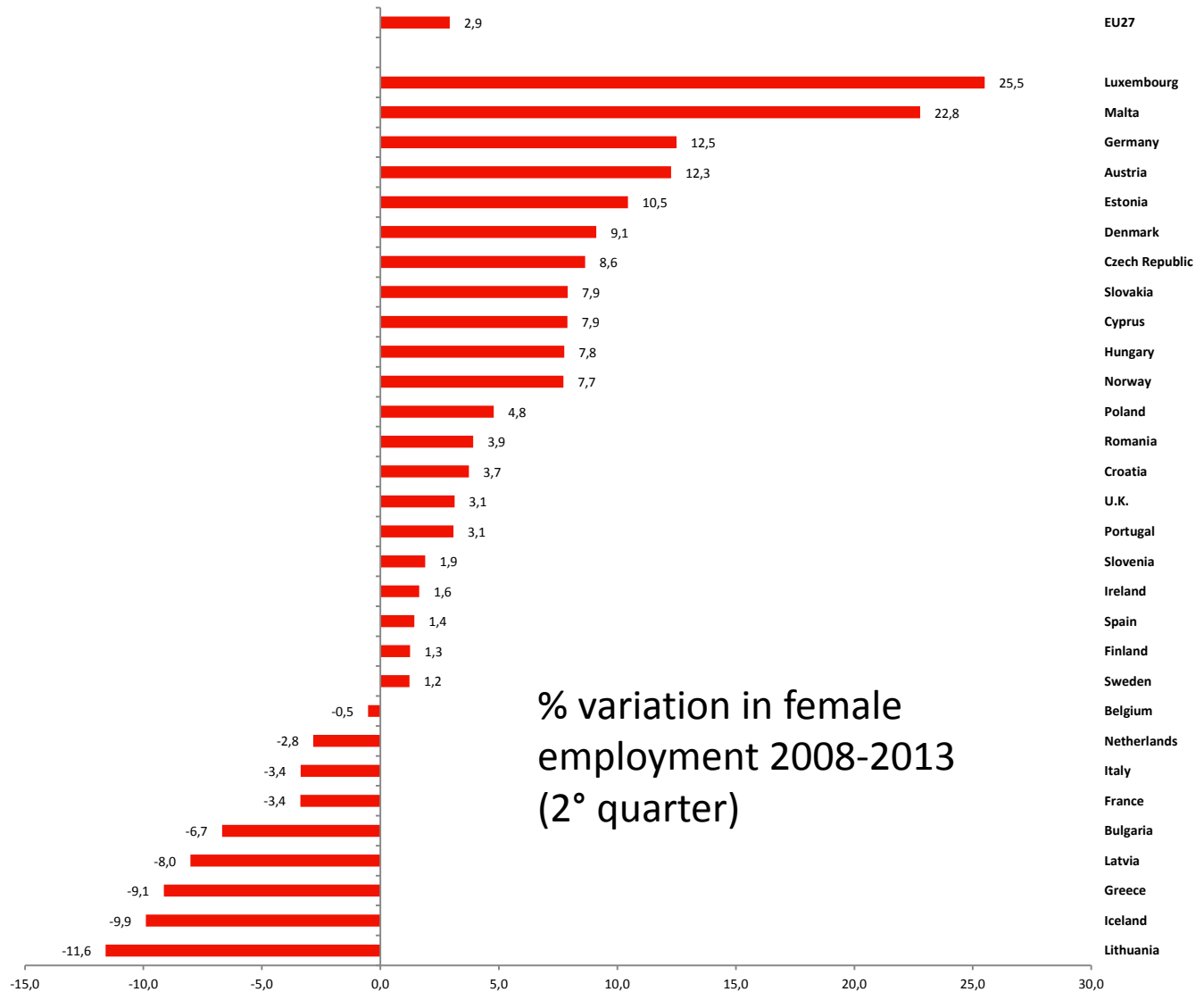
Change 2008-2013 in (unadjusted) hourly pay gap



Have risks materialized?:

female employment in (mainly) public branches 2008-2013

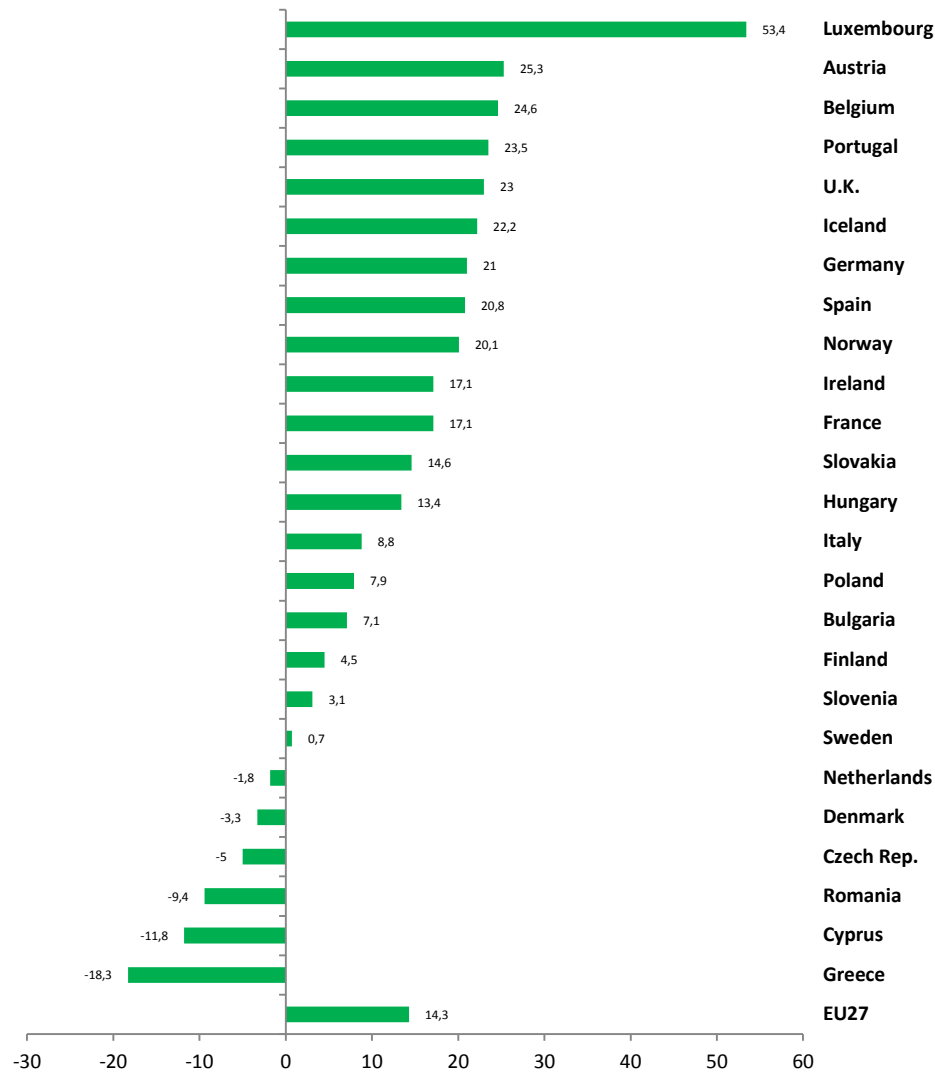
● Employment in public administration, health and education decreased by more than 1% in Italy, France, Bulgaria, Latvia, Greece, Ireland, Lithuania



Have austerity risks for women materialized ?: female employment in child and elderly care (NACE Q87- 88) 2008-2013

% variation 2008-2013
(Q1+Q2)

- residential care activities;
social work activities
(including child day care,
not pre-primary or
primary education)
- employment in these
'care sectors' appears to
have withstood the crisis,
except in
Greece, Cyprus, Romania,
The Czech Republic,
Denmark and the
Netherlands



Have austerity risks for women materialized?: coverage rates for child & elderly care

- ‘Formal’ child care coverage for smallest children **declined slightly** during the crisis (2008-13) in EU27:
 - 28% to 27% children below 3 years old in formal care arrangements (part-time and full-time)
- However the decline was noticeable **in Cyprus, Denmark, Spain, Italy, Romania, UK** (-2 to 8%). In **Greece** the decline dates from 2010.
- Fragmentary evidence of declining, **formal eldercare services in Spain and Italy**

austerity versus equality?

....Summing up

- **social transfers** appear to have been **shielded** from austerity, albeit not uniformly so
- but **austerity** is fuelling a process of **balkanization of gender equality** in the labour market ..
- ... and **re-privatising** the gender **conflict** over **unpaid work**



161056462