



EUROPEAN WOMEN'S  
LOBBY  
EUROPEEN DES FEMMES

# STATEMENT

## Executive Summary

### European Women's Lobby statement Economic policy governance without a women's rights' perspective undermines the inclusive objectives of the Europe 2020 Strategy

The European Women's Lobby (EWL) contributes to the first full-scale national level implementation of the Europe 2020 Strategy and to the first European Semester of economic policy coordination by highlighting the implications that gender-blind policy guidance have for European women who already bear the brunt of the effects of the crisis and austerity measures. The EWL makes three recommendations for the integration of a women's rights and gender equality perspective in the governance and implementation of the 2020 Strategy at EU and national level.

#### 1. Integrate a women's rights and gender equality perspective into economic policy coordination

Women's situation in Europe is getting worse because of the impact of the crisis and of subsequent austerity measures. The policy guidance given by the Commission to Member States for them to implement the 2020 Strategy focuses on further cuts in State expenditure and risks perpetuating this impact. The EWL recommends that the policy guidance given in the Annual Growth Survey takes into account women's needs and situation and that gender impact assessment is part of the assessment of national policies and of macro-economic developments informing this guidance. National Reform Programmes also must take into account women's needs and situation. Women, especially feminist economists should take part in economic policy planning at the European and national level. Binding measures should be taken for the equal representation of women and men in economic decision-making.

#### 2. Address gender inequalities on the labour market and promote the care economy

The labour market reforms proposed under the Europe 2020 strategy and the focus on "cost-effective" measures are not enough to address the longstanding gender inequalities in paid and unpaid work. The EWL recommends that time spent out of paid employment for care reasons must be included in pensions' calculations and that no proposals that further increase the gender pay and pension gap, which put at risk women's economic independence, are proposed under the pretext of fiscal consolidation. Member States must in National Reform Programmes study the job creation potential of the care economy, and actively create new infrastructures and quality employment opportunities in the care sector as well as improve the working conditions in this sector. The Council must adopt without delay the revised directive on maternity leave as proposed by the European Parliament (20 weeks and paternity leave provision both with full pay). New targets on equal pay, care services and women's entrepreneurship should be adopted.

#### 3. Better address women's poverty and social exclusion

Further austerity cuts as proposed in the Annual Growth Survey undermine EU's commitment to reduce poverty by 2020 and will further contribute to the feminization of poverty. The EWL recommends that the "inclusive growth" targets of the 2020 Strategy, in particular the poverty target, are fully integrated into the European Semester process. It must also be ensured that the activities within European Platform against Poverty fully include a women's rights perspective. Finally, it is necessary to guarantee individualised rights with regards to taxation and social protection entitlements and to introduce poverty indicators counted based on an individual and not a household basis, so as to make women's poverty visible and thus, easier to address.



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March 2011

## European Women's Lobby Statement Economic governance without a women's rights and gender equality perspective undermines the inclusive objectives of the Europe 2020 Strategy

The European Women's Lobby (EWL), the largest coalition of women's rights organisations in the European Union (EU) notes that in Spring 2011 the European Council oversees the first steps of the implementation of the Europe 2020 Strategy, and plays a crucial role in the first "European Semester" of economic policy coordination between the EU and the Member States.

The EWL regrets that current debates about the reforms Member States should make so as to reach the 2020 targets focus on short-term economic recovery through further austerity cuts and on a traditional short sighted concept of growth, ignoring the inclusive objectives of the 2020 Strategy. We believe that the priorities chosen this Spring will not only determine where the European economy is heading next year; They will also set direction for the future implementation of the 2020 Strategy and determine where the EU and the women and men living in Europe will be economically and socially ten years from now. **The EWL calls the Spring European Council in its guidance to the Member States and the Member States in their National Reform Programmes to be ambitious and to lay solid foundations for the inclusive and social dimension of the 2020 Strategy to really deliver** for those European women and men who have been worst hit by the crisis.

The EWL expects the Member States to make a strong commitment to promote equality between women and men in the implementation of the 2020 Strategy. Delivering on this commitment will require **acknowledging and redressing the gender impact of the crisis, introducing concrete measures to promote women's rights and equality between women and men, and mainstreaming gender equality in the whole process of implementation of the 2020 Strategy, including its macro-economic and fiscal pillars.**

In the following pages the EWL highlights the implications that gender-blind economic policy guidance has for European women who already bear the brunt of the effects of the crisis and austerity measures. In order to better integrate equality between women and men into the governance and implementation of the 2020 Strategy, the EWL also makes three recommendations relevant for both at the EU and at the national level: (1) Integrate a women's rights and gender equality perspective into economic policy coordination; (2) Address long-standing gender inequalities in the labour market through increased security and the development of a care economy; and (3) Address women's poverty and social exclusion.

### 1. Integrate a women's rights and gender equality perspective into economic policy coordination

The EWL regrets that the **social impact of the crisis and its differentiated impact on women and men is not acknowledged** and redressed in the Annual Growth Survey<sup>1</sup> released by the European Commission on 12 January 2011. Although the full gender impact of the crisis and the ensuing austerity measures are not fully known,

<sup>1</sup> Annual Growth Survey - COM(2011)11 final



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studies already report that women face increased discrimination in the labour market with a subsequent shift to informal work, increased unemployment and wage reductions due to public sector cuts, increased poverty due to cuts in state-guaranteed pensions and social benefits such as reconciliation entitlements, reduced access to services, and rising levels of domestic violence.<sup>2</sup>

**The EWL deplores the fact that the economic policy guidance given to Member States in the framework of the first European Semester further contributes to these detrimental effects on women instead of countering them.** Firstly, encouraging further cuts in public spending as is done in the Survey will disproportionately affect women because, as the main employees in public service sector, they bear the cost of layoffs and wage cuts. Reductions in public expenditure also transfers care work back to households, thus on women and perpetuate the uneven distribution of unpaid care work between women and men. Secondly, specific proposals to reform Member States' employment and social policies such as the idea to tie pensions more closely with contributions and enhance privatisation and to tackle unemployment with a "stick and carrot" approach penalise women because they fail to address the structural dimension of gender inequalities in the labour market and of women's social exclusion. This is also in complete opposition to the *Strategy for equality between women and men 2010-2015* explicitly requires the European Commission itself to promote equality between women and men in the implementation of the Europe 2020 strategy.<sup>3</sup>

The overall focus on further cuts in public spending and on growth represents a bad start to reaching the 2020 targets related to employment and tackling poverty<sup>4</sup> and undermines the EU's Treaty obligation to promote equality between women and men. This approach must be countered without delay by the common effort of the Council and the Member States. The National Reform Programmes that are to be finalised in April 2011 must **redress the effects of austerity measures on women and others most negatively affected by those measures. This should include long-term investments in social infrastructure, including adequate social benefits and pensions, and public services such as care for children and other dependants.**

The European Union cannot afford economic policy coordination that does not assess the impact of the proposed measures on women. To avoid future calamities and to ensure progress toward the inclusive and social objectives of the 2020 Strategy, **the Council must take the initiative to carefully integrate a gender equality perspective into the European semester policy coordination cycle.** Bringing equality between women and men to the heart of structured policy coordination and monitoring between the Commission and the Member States would enable a redressing of structural gender inequalities in a holistic way, helping the EU and the Member States to deliver on their commitments to equality between women and men, and to advance toward another model of society in which equality between women and men is the cornerstone.

The integration of a gender equality perspective into EU level economic governance would eventually contribute to achieving the growth targets of the 2020 strategy: it is estimated that eliminating gender inequalities in the

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<sup>2</sup> EWL and Oxfam joint report 2010: Women's poverty and social exclusion in the European Union at the Time of Recession: An Invisible Crisis?; Paola Villa and Mark Smith 2010: Gender Equality, Employment Policies and the Crisis in EU Member States. Expert report commissioned by and presented to the European Commission Directorate-General Employment, Social Affairs and Equal Opportunities Opportunities, Unit G.1; EAPN 2011: is the European project moving backwards? The Social Impact of the Crisis and of the Recovery Policies in 2010.

<sup>3</sup> (COM2010)491 final, SEC(2010)1079/2.

<sup>4</sup> Forthcoming ETUI research paper assesses that austerity measures already at place threat to comprise possibilities to reach the employment target.



labour market can increase the GDP in EU Member States in average with 27%.<sup>5</sup> This requires **concrete measures, including targets, at the EU and at the national level.**

EWL recommendations:

- Integrate a gender equality perspective into the European semester process by **taking into account women's needs and situation in the policy guidance given in the Annual Growth Survey**, and by integrating a gender impact assessment in the assessment of national policies and macro-economic developments informing this guidance;
- **Assess the impact on women of planned and currently implemented austerity measures** in all Member States and include concrete measures targeted at women to counter these impacts in National Reform Programmes;
- **Include women, especially feminist economists in economic policy planning at the European and national level and take binding measures for the equal representation of women in economic decision-making;**
- Ensure long-term public investment in social infrastructure including care services;
- Use **gender budgeting tools to plan, implement and evaluate all public budgets** to ensure the effectiveness and fairness of public spending;
- Set **qualitative targets in National Reform Programmes** related to closing the gender pay gap, improving women's entrepreneurship, and creating childcare and elderly care (see sections below);
- Set specific **quantitative targets in National Reform Programmes regarding women's employment** in general together with specific measures targeted for groups of women with very low employment rates such as for example young women, older women, migrant women, disabled women, single mothers, and Roma women;
- Ensure **meaningful participation of civil society organisations including women's organisations** in the drafting, implementation, and evaluation of National Reform Programmes;
- **Use consistently the country-specific recommendations to enforce** specific actions to improve women's situation, to point out the gendered impact of proposed policy measures, and to encourage more systematic gender mainstreaming in the NRPs, including in the macroeconomic policies;
- Conduct a **thematic annual review of gender equality aspects of the implementation of the 2020 Strategy** at the EU and at national level to identify gaps; Address these gaps in the next Integrated Guidelines to be adopted in 2014 and in the mid-term review of the 2020 Strategy.

## 2. Address long-standing gender inequalities in the labour market through increased security and the development of a care economy

Labour market reforms under the Europe 2020 Strategy as outlined in the Agenda for New Skills and Jobs<sup>6</sup> focus on adapting workers to increased flexibility in the labour market and on job creation, while the Annual Growth Survey encourages Member States to implement cost-effective reforms and to rapidly tackle unemployment. The EWL reminds all concerned parties that labour market reforms will fail unless they also **advance equality between women and men in employment** as required in the EU Treaty, and **advance women's economic independence** as required in the *Strategy for equality between women and men 2010-2015*. The EWL also questions whether "cost-effective reforms" can address the longstanding gender inequalities in paid and unpaid work.

<sup>5</sup> Report on Equality between women and men 2010. European Commission, p 36.

<sup>6</sup> COM(2010)682.



The EWL notes in particular that strengthening flexicurity policies is put forward as one of main strategies both to reach the 2020 employment target of 75% for women and men, and to tackle unemployment in the short term. Given the strong evidence that **flexicurity policies have failed to address the structural dimensions of women's unequal positioning on the labour market** and women's over-representation in unpaid work,<sup>7</sup> it is alarming that gender equality issues have not been sufficiently taken into account in the recent proposals to strengthen flexicurity policies, or that women are mentioned only as potential beneficiaries of increased internal flexibility for work-life balance reasons.

The EWL points out **that women's work patterns are already flexible and that this flexibility comes with a cost**. The part-time rate for women (32%) is four times the part time rate for men, and part-time work has low career and training opportunities.<sup>8</sup> Women's careers also have more breaks related to care responsibilities that lead to limited labour-related social protection rights. Lower pay and a persistent gender pay gap in turn leads to pension gaps and high at-risk-of-poverty rates. **Flexicurity policies can only be strengthened by ensuring they better take into account women's life-cycle and their differentiated needs for social protection, and by addressing the persistent gender pay and pension gap.**<sup>9</sup>

**Flexicurity policies will not work in practice without addressing the gender inequalities in paid and unpaid work through the issue of care.**<sup>10</sup> Women still shoulder the main responsibility for providing informal care to children and other dependants. In 2008 almost one third of women were inactive or worked part-time involuntarily due to the lack of care services.<sup>11</sup> Given the increase in the number of elderly people in need of care and the effects of planned and already implemented public service cuts this number may increase by 2020. Measures must be taken to encourage men to take an equal share of unpaid care work and to significantly improve reconciliation leave entitlements. In this context, the adoption of the revised Maternity Leave Directive in the form proposed by the European Parliament is crucial.

**Governments must also bear their share of the social responsibility for care**, and answer to the existing and emerging needs by making **long-term investments in adequate, affordable, and high-quality public care services**. The EWL welcomes the references to childcare in the Employment Guidelines<sup>12</sup> and in the Annual Growth Survey and stresses that in the aftermath of the crisis, public spending on care services must be seen as an investment that can create jobs for both women and men, not an expenditure to be cut. In the context of the 2020 Strategy, the care economy complements the green economy as a means of reaching employment and growth targets, and provides a holistic response to demographic changes. Exploring this potential requires **strengthening the care sector**, in which women are over-represented, by increasing its value through higher wages, more infrastructures,

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<sup>7</sup> Jane Lewis & Ania Plomien 2009. Flexicurity as a policy strategy: the implications for gender equality. *Economy and society*, 38 (3). pp. 433-459.

<sup>8</sup> European Foundation for the Improvement of Living and Working Conditions 2011. Part time Work in Europe – European Company Survey 2009.

<sup>9</sup> EWL welcomes some proposals made in *Agenda for New Skills and Jobs* to improve social security systems such as to review pension systems to provide adequate income for those with gaps in their pension savings and to reinforce reconciliation entitlements. However, *Annual Growth Survey* emphasizes flexibility at the cost of security and consequently, at the cost of gender equality. *Annual Growth Survey* and *Joint Employment Report* actually propose to cut reconciliation benefits and to tie pensions tighter to contributions.

<sup>10</sup> Paola Villa and Mark Smith 2010. Gender Equality, Employment Policies and the Crisis in EU Member States. Expert report commissioned by and presented to the European Commission Directorate-General Employment, Social Affairs and Equal Opportunities Unit G.1; Larsen, Trine P. 2010. Flexicurity from the Individual's Work-Life Balance Perspective: coping with the Flaws in European Child- and Eldercare Provision. *Journal of Industrial Relations*; ,Jane Lewis & Ania Plomien 2009.

<sup>11</sup> Report on Equality Between Women and Men 2010, 4.

<sup>12</sup> Council decision of 21 October 2010 on guidelines for the employment policies of the Member States (2010/707/EU).



and professional training. Specific attention must be paid to improving the position and working conditions of female migrant domestic care workers.

EWL recommendations:

- Ensure that the **time spent out of paid employment for care reasons or life-long learning is calculated as pension time**;
- Ensure that **no proposals that further increase the gender pension gap and risk women's economic independence are put forward** under the pretext of fiscal consolidation and of guaranteeing the sustainability of pensions.
- Address the **gender pay gap** as required by the Employment Guideline 7 by introducing a European equal pay target to reduce the gender pay gap by 10% in every Member State for instance.
- Adopt without delay the **Directive on maternity leave**<sup>13</sup> in the form proposed by the European Parliament (20 weeks with full pay and paternity leave provisions<sup>14</sup>) and take other measures to increase reconciliation entitlements as proposed in the Agenda for New Skills and Jobs.
- **Renew the commitment to the Barcelona childcare targets** with a clear timetable;
- Introduce a new EU-level target in relation to care services for dependants other than children, in particular elderly persons, in the mid-term review of the 2020 Strategy, introduce such a target at national level without delay.
- Increase **men's responsibility of care work by setting a target for men's take-up of parental leave** and introducing fully paid compulsory paternity leave.
- Fully implement at national level the Employment Guideline 7 reference to care as a source of quality job creation: **study the job creation potential of the care economy, and actively create new infrastructures and employment opportunities** in the care sector covering the spectrum of care throughout the life cycle.
- **Improve the conditions of migrant care workers by making domestic work subject to regulation** which guarantees that the worker can benefit from the full range of social rights and social protection and develop strategies which aim to facilitate and enable migrant care workers to gain regular employment.
- Enhance the care economy, including developing care infrastructure, providing training, and breaking gender stereotypes, as one of the **key priorities of the new common strategic framework of Cohesion Policy and address it in the next multi-annual Financial Framework that is currently being discussed**.

### 3. Better address women's poverty and social exclusion

The EWL is concerned that the 2020 target to reduce poverty and social exclusion is insufficiently integrated into economic policy guidance that puts emphasis on reducing deficits. While it is acknowledged that the national poverty targets provided in the draft National Reform Programmes are not ambitious enough,<sup>15</sup> the priorities set for Member States' economic and employment policies for the next year will further contribute to the social exclusion of those who already experience poverty.

More women than men face poverty and the gendered impact of the crisis and austerity measures makes addressing women's poverty all the more urgent. **Women are part of every group at risk of poverty and social exclusion, and in most cases, they are affected more strongly.** Women are at risk of poverty across the board, but particularly so when other factors intervene. Whether one considers race/ethnicity, age, disability, class or

<sup>13</sup> Directive on safety and health of pregnant workers 92/85/EEC

<sup>14</sup> European Parliament decision of 20 October 2010 on the revision of the framework agreement on relations between the European Parliament and the European Commission ([2010/2118\(ACI\)](#))

<sup>15</sup> Annual Growth Survey, Annex 1, Progress report on Europe 2020 COM(2011) 11 – A1/2.



geographical origin, women are among the most socially marginalised groups. The EWL reminds concerned parties that Employment Guideline 10 requires that all activities to tackle poverty and social exclusion at national and EU level must be gender mainstreamed, and stresses the need for concrete measures to address the social exclusion of women at large and of the specific groups of women at national level. Such measures are still lacking from the European Platform against Poverty and Social Exclusion.<sup>16</sup>

Proposed further cuts in public spending will **increase women's poverty and social exclusion instead of tackling it**. For example, the public sector cuts that are being encouraged may lead to increased female unemployment as well as undermine women's access to services (quality health services for example), education, and social participation, all vital to avoid social exclusion. The EWL is specifically concerned about recommendations to tie pension benefits more closely to contributions and to develop private pension schemes that will have a negative impact on women whose careers do not follow the male life-cycle model, and will contribute to the increase of the poverty risk of older women.

EWL recommendations:

- Integrate the **“inclusive growth” targets of the 2020 Strategy, in particular the poverty target, fully into the European Semester** process and evaluate how economic policy guidance contributes to achieving this target;
- Ensure that the activities within **European Platform against Poverty fully include a women's rights** perspective by gender mainstreaming all activities and by introducing new targeted actions that address women's poverty and its causes.
- **Develop a Human Rights Framework** to combat poverty and social exclusion which affirms the right of all women, men, girls and boys in the European Union to lead a dignified life, free of poverty and social exclusion;
- Guarantee **individualised rights** with regards to taxation and social protection entitlements;
- Count income poverty **indicators based on an individual** and not a household basis to make women's poverty more visible;
- Guarantee a minimum income for all by developing an **EU Directive on Minimum Income**, building on the 1992 Recommendation<sup>17</sup> and the Active Inclusion Recommendation endorsed by the EPSCO Council in December 2008;<sup>18</sup>
- **Strengthen the Social Open Method of Coordination (OMC)** and continue National Strategic Reports and Action Plans on social protection and social inclusion; organise in the context of the Social OMC a peer review on women's poverty and social exclusion.

<sup>16</sup> European Platform against Poverty and Social Exclusion COM(2010) 758 final.

<sup>17</sup> 1992 Council Recommendation on “Common criteria concerning sufficient resources and social assistance in social protection systems”, 92/441/EEC .

<sup>18</sup> Commission Recommendation on the active inclusion of people excluded from the labour market, Brussels, [30.09.2008] C(2008).