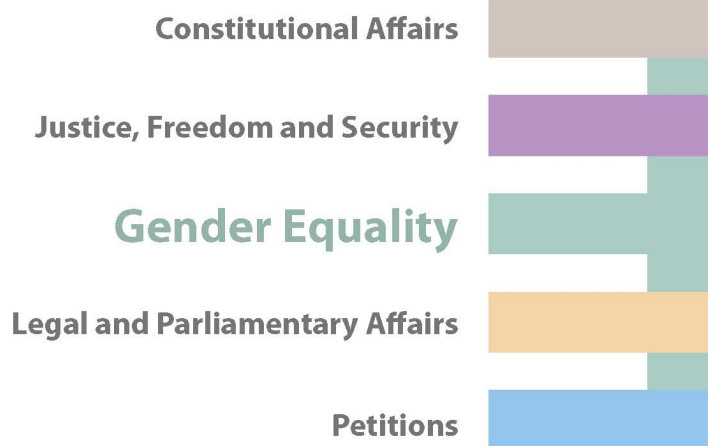


DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **C**
CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS



Gender aspects of the effects of the economic downturn and financial crisis on welfare systems

STUDY



DIRECTORATE GENERAL FOR INTERNAL POLICIES

**POLICY DEPARTMENT C: CITIZENS' RIGHTS AND
CONSTITUTIONAL AFFAIRS**

GENDER EQUALITY

Gender aspects of the effects of the economic downturn and financial crisis on welfare systems

STUDY

Abstract

This study explores the impact on women of the economic and financial crisis of 2007/8 and 2009/10, in terms of social welfare systems across the EU. It reviews EU level statistics and provides six in depth case studies of EU Member States, which explore the gender impacts of reforms introduced as a result of the crisis.

This document was requested by the European Parliament's Committee on Women's Rights and Gender Equality.

AUTHOR(S)

OpCit Research

Katie McCracken
Matteo Jessoula
Antigone Lyberaki
Will Bartlett
Ewa Kusidel

RESPONSIBLE ADMINISTRATOR

Ms Erika Schulze
Policy Department C - Citizens' Rights and Constitutional Affairs
European Parliament
B-1047 Brussels
E-mail: poldep-citizens@europarl.europa.eu

LINGUISTIC VERSIONS

Original: EN
Executive summary translated into DE, FR

ABOUT THE EDITOR

To contact the Policy Department or to subscribe to its monthly newsletter please write to:
poldep-citizens@europarl.europa.eu

European Parliament, manuscript completed in February 2013.
© European Union, 2013.

This document is available on the Internet at:
<http://www.europarl.europa.eu/studies>

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorized, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

CONTENTS

LIST OF ABBREVIATIONS	6
LIST OF TABLES	7
LIST OF FIGURES	7
EXECUTIVE SUMMARY	9
EXECUTIVE SUMMARY	9
1. INTRODUCTION	17
2. LITERATURE REVIEW FINDINGS: GENDER AND WELFARE IN TIMES OF 'CRISIS'	18
2.1. What is a welfare system?	19
2.1.1. The types of social risks that are covered by social transfers or 'benefits'	19
2.1.2. Historical development of unemployment benefits	19
2.1.3. Extent and nature of women's rights and roles and public debate on this subject	19
2.2. Welfare retrenchment theories and evidence	20
2.3. How might retrenchment affect women?	21
2.4. Family policy and social expenditure in response to crises	22
2.5. Care giving in the family and social protection	23
2.6. What might influence social welfare cuts in the future?	23
3. EU-LEVEL TRENDS AND PATTERNS	25
3.1. Changes in relative unemployment rate of women to men from 2001 to 2010	27
3.2. Changes to social expenditure in the EU 27: Details	28
3.2.1. Changes in social protection expenditure in percentages of GDP	30
3.2.2. Changes in expenditure by social protection type	31
3.2.3. Income from social protection transfers	31
3.3. Changes in women's risk of poverty compared to men	32
3.4. The structure of women and men's earnings	34
3.5. Female participation in life long learning	34
3.6. Child care	34
3.7. Conclusions	35

4. GENDER IMPLICATIONS OF ANTI CRISIS RESPONSES	36
4.1. Overview of crisis response measures across the EU	36
4.1.1. States' investments and austerity measures since 2008	36
4.1.2. Developments since 2010	38
4.2. Gender and the welfare state: important factors concerning women at times of welfare reform and austerity	39
4.2.1. Pensions	39
4.2.2. Unemployment: Income replacement and income maintenance	40
4.2.3. Family benefits and services	42
4.2.4. Education	45
4.2.5. Health	46
4.2.6. Public protection and justice	48
4.3. Conclusion	48
5. LESSONS FROM CASE STUDIES: GENDER IMPLICATIONS OF THE FINANCIAL CRISIS AND THE IMPACT ON SOCIAL WELFARE SYSTEMS	49
5.1. Case Study one: Greece	49
5.1.1. Background and context	50
5.1.2. Greece's response to the economic crisis	51
5.1.3. Automatic risks: How are Greek women potentially vulnerable to welfare reform?	52
5.1.4. The actual gender impacts of crisis response measures to date	53
5.1.5. Conclusions	55
5.2. Case Study two: Ireland	56
5.2.1. Background and context	56
5.2.2. Ireland's response to the economic crisis	58
5.2.3. Automatic risks: How are Irish women potentially vulnerable to welfare reform	59
5.2.4. The actual gender impacts of crisis response measures to date	59
5.2.5. Conclusions	64
5.3. Case Study three: Italy	66
5.3.1. Background and context in Italy	66
5.3.2. Italy's response to the economic crisis	68
5.3.3. Automatic risks: How are Italian women potentially vulnerable to welfare reform?	68
5.3.4. The actual gender impacts of crisis response measures to date	70
5.3.5. Conclusions	73
5.4. Case Study four: Poland	74
5.4.1. Background and context	74
5.4.2. Crisis response measures in Poland	75

5.4.3. Automatic risks: How are Polish women potentially vulnerable to welfare reform?	76
5.4.4. Observed gender impacts of crisis response measures to date	78
5.4.5. Conclusion	82
5.5. Case Study five: Sweden	83
5.5.1. Background and context	83
5.5.2. Sweden's response to the economic crisis	86
5.5.3. Automatic risks: How are Swedish women potentially vulnerable to welfare reform?	86
5.5.4. The actual gender impacts of crisis response measures to date	87
5.5.5. Conclusions	95
5.6. Case Study six: United Kingdom	97
5.6.1. Background and context	97
5.6.2. The United Kingdom's response to the economic crisis	98
5.6.3. Automatic risks: How are UK women potentially vulnerable to welfare reform?	99
5.6.4. The actual gender impacts of crisis response measures to date	100
5.6.5. Conclusions	106
6. SUMMARY AND CONCLUSIONS	107
6.1. The emerging picture: Towards a more gender equal welfare state?	107
6.1.1. The introduction of labour activation methods are potentially beneficial for women as long as child care facilities are available	107
6.1.2. Lack of inclusion: Security for insiders and even harder times for outsiders	108
6.2. Women's relationship to welfare systems mean that they may be more vulnerable to planned welfare reductions and reform	109
6.3. Violence against women and girls	109
6.4. Gender equality policy challenges and opportunities identified in case study work	110
6.4.1. Greece	110
6.4.2. Ireland	110
6.4.3. Italy	111
6.4.4. Poland	111
6.4.5. Sweden	112
6.4.6. United Kingdom	112
6.5. Recommendations	113
7. REFERENCES	115
Appendix 1: Methods	122
Appendix 2: Additional figures and tables	124

LIST OF ABBREVIATIONS

EP	European Parliament
EU	European Union
FEMM	EP Committee on Women's Rights and Gender Equality
GDP	Gross Domestic Product
JSA	Job Seekers Allowance
LA	Local Authority
NHS	National Health Service
OECD	Organisation for Economic Cooperation and Development
ROL	Republic of Ireland
UC	Universal Credit
UK	United Kingdom
VAWG	Violence Against Women and Girls
WFTC	Working Families Tax Credit
WHO	World Health Organisation
WTC	Working Tax Credit

LIST OF TABLES

Table 1:	Summary of crisis management measures by 27 EU States	37
Table 2:	Social protection expenditure by sector, as % of total social expenditure	67
Table 3:	Percentage of people with unmet needs for medical examination in Italy: Changes over time (years 2004-2009)	72

LIST OF FIGURES

Figure 1:	General public social expenditure as % of GDP in Europe	26
Figure 2:	Tax receipts in EU Member States in Millions of Euros	27
Figure 3:	Changes in unemployment rates for males and females in the EU over time, as percentage of the labour force	27 28
Figure 4:	Overall social protection expenditure by function total EU 27, as % of GDP, 2010	29
Figure 5:	Changes in social protection expenditure % GDP, 2007 to 2010	30
Figure 6:	Changes in expenditure by social protection type, Euros per inhabitant	31
Figure 7:	Income from social protection transfers over time for two-parent-families with 2 children at 50% of average wage, as percentage of average wage	31
Figure 8:	Income from social protection transfers over time for a two-parent-family with 2 children at 50% of average wage, in Euros	32
Figure 9:	Changes in gender difference in at-risk-of-poverty rate, 2007-2010 (percentage points)	33
Figure 10:	Formal child care over 30 hours per week; children between 3 years and compulsory education (% of age group) (2008-10), percentage change	35
Figure 11:	Development of maternity leave in EU-15 and Norway	43
Figure 12:	Net replacement rates of benefits after initial period of unemployment, for different family types as % of previous earned income at 67% of average wage earnings level (families not qualifying for additional social assistance 'top ups')	44
Figure 13:	Net replacement rates of benefits after initial period of unemployment, for different family types as % of previous earned income at 67% of average wage earnings level (families qualifying for additional social assistance 'top ups')	44
Figure 14:	Social protection expenditure in Greece (% of GDP) 1980-2009	50
Figure 15:	GDP in Greece	51
Figure 16:	Unemployment rates Republic of Ireland (1000s)	57
Figure 17:	Long term unemployment rates (>1 year) for males and females in Republic of Ireland (1000s).	57
Figure 18:	Social expenditure in Ireland and 21 EU countries as a percentage of GDP	58

Figure 19: Structure of women and men's earnings in Ireland as % of all earned incomes for individuals aged 15-84 (excluding pensions), 2011	61
Figure 20: Current child care arrangement in Ireland (% of all children)	62
Figure 21: Social funds resources in Italy 2006-2012 (million Euros)	71
Figure 22: Poland's budget deficit (as % of GDP)	75
Figure 23: Change of social expenditure (%GDP)	78
Figure 24: Expenditure on family benefits by type (in euro per habitant)	79
Figure 25: Unemployment rates by gender in Poland (in%)	80
Figure 26: Changes to health care expenditure (%GDP)	81
Figure 27: Overall public social expenditure as % of GDP, Sweden and 21 EU countries (1980 to 2012)	84
Figure 28: Pensions expenditure in Sweden as a percentage of GDP (1980 to 2012)	85
Figure 29: Below shows social expenditure by type in Sweden (excludes unemployment insurance and pensions)	85
Figure 30: The Swedish pension system	87
Figure 31: Earned incomes for men and women in Sweden	88
Figure 32: Share of parents sharing the parental leave equally (40-60 %) in Sweden, %* by year in which their child was born.	89
Figure 33: New sickness benefits claimants	93
Figure 34: Diagnoses of sickness benefits claimants in 2011	94
Figure 35: Overall public spending as percentage of GDP in the UK	98
Figure 36: Recipients of out of work benefits by gender in the UK, 2012 (1000s)	99
Figure 37: Non-couple households receiving child and working tax credit by gender of the recipient in the UK, 2012	102
Figure 38: Households in couples receiving child and working tax credit by gender of the worker in the UK, 2012	102
Figure 39: Net 'childcare costs' for two children aged two and three in full-time care, as a % of net family income, in 2008 and 2012	104
Figure 40: Funding for violence against women services administered through local authorities (£GBP)	106

EXECUTIVE SUMMARY

KEY FINDINGS

- Following the financial crises, there have been severe reductions in social welfare services and benefits, whilst overall expenditure has increased as a result of increasing need.
- Where austerity measures have been pursued, there has been little consideration in the short term, of the need for deeper, structural reform.
- In particular, the gender impacts of welfare changes or welfare retrenchment appear to have been given little consideration.
- Member States have been reluctant to introduce measures that require significant investment and the priority has been on achieving savings.
- Reductions in expenditure have been made in key state services that women rely on or are indirectly affected by, including benefits for out of work families, benefits for lone parents, housing support and sickness benefits and child, and social care.
- Reductions in expenditure have been made to previously universal benefits such as child benefit, which particularly affects women's ability to afford child care.
- Reductions in state benefits and services make it more difficult for women to work, as they try to balance work with caring responsibilities at the same time.
- Many Member States have introduced labour activation policies, which place greater conditions on out of work benefits, many of these conditions will be difficult to fulfil for women with children.
- Whilst women may benefit in the medium term from greater participation in the labour market, this will only be achieved if there are supportive investments in child and other care services. We found little evidence that such investment has taken place.
- Overall, cuts in state funded services present a double jeopardy for women in that *a)* women depend upon these services to provide care that they are otherwise culturally expected to undertake *b)* this means that women are less able to participate in the labour market and to improve their economic position.
- Cuts to social protection benefits will affect a large number of women in worse ways, compared to men, as women, particularly lone mothers, are the most dependent on such benefits.
- The literature review reveals that a second phase of the economic crisis commenced in 2010, characterised by new budgetary constraints and 'increasingly sharp distributional conflicts' (Vis et al, 2011). The share of the burden shouldered by women may become more apparent as these distributional conflicts become shaper.

Background

Welfare states have been responding since the 1970s to increased social pressures, particularly population ageing and globalisation. This has encouraged policy makers, generally, to pursue cost containment in social expenditure causing the era to be known as the 'era of permanent austerity' (Pierson, 1998). Member States' reactions to the economic crisis are shaped by the extent to which they had already reformed social welfare since the 1970s – some Nordic welfare states have experienced less 'retrenchment' than more 'liberal' market states such as the UK and Ireland.

The economic crisis facing EU Member States began in 2007/8 following the collapse of the Lehman Brothers bank and American Housing market. There was a second phase of the crisis marked by a downturn in economic activity in the US which led to a global recession. The second phase, which largely commenced in 2010, was marked by a Sovereign Debt crisis in Europe, the effects of which are still significant today.

Aim

The aim of this study is to highlight how reforms and crisis response measures, introduced following the economic crises, have affected women and gender equality, with specific reference to social welfare systems.

First, the study provides a description of welfare systems and the mechanisms that may lead to retrenchment. The study goes on to describe population level patterns and trends at the EU level through an examination of EU level data sets. Then, through six in-depth case studies, the study provides a description of crisis response measures affecting social welfare systems in practice and how these have or may potentially affect gender equality.

EU-level trends and patterns

An examination of EU-level data sets on social expenditure and social outcomes (such as poverty) was conducted to identify broad gender dimensions of welfare spending and reform since 2007/8. This finds that women have higher unemployment rates compared to men across the EU, although this gap is reducing. The largest expenditures in 2010, in terms of percentage of GDP, are for old age, including pensions, followed by sickness and health care benefits. Between 2007/8 and 2009/10 all 27 Member States reported an increase in social protection expenditure including unemployment; sickness and disability; old age and survivors (pensions); family and children; housing; and social exclusion. This is likely to be as a result of increases in those needing unemployment protection and income maintenance.

However, the data on social expenditure suggest that post 2007/2008, whilst Governments have maintained the value of unemployment benefits, expenditure on other benefits have been subject to retrenchment in order to address fiscal challenges. As women are key recipients of these other forms of social protection, they are likely to be affected by changes to generosity of these benefits.

The global economic crisis brought about significant changes in the gender difference in poverty rates. In some countries, the change reflected a relative worsening of the position of women; in other countries it reflected a relative worsening in the position of men. However, the impacts of structural reforms and retrenchments to social protection

systems as well as projected changes in unemployment for women since 2011, may further affect women's at risk of poverty rate.

Overview of crisis response measures across the EU

The crises of 2007/8 and 2009/10 has pushed up overall social protection spending as a percentage of states GDP, due to increasing demand for unemployment benefits and social assistance, while at the same time there have been decreases to the generosity of individual benefits payments and services, as Member States seek to contain their social expenditure costs.

Since 2007/8 a series of cuts to public spending and service reforms have been introduced throughout Europe, more severe in some Member States than others. These may be summarised as:

- A deterioration in universal welfare coverage.
- A renewed emphasis on labour activation policy.
- Caps in benefits entitlements.
- Structural reforms to the administration of means tested benefits.
- Structural reforms to unemployment and sickness insurance systems and to pensions systems.

To a large extent, the reforms introduced have reflected the policy direction taken by Member States since before the crisis but have been accelerated due to the crisis.

Overall, Member States pursued a strong inclination towards so called 'labour activation' policies across Member States. These policies are designed to strongly encourage benefit recipients to take up paid work. Overall, there is a tendency among Member States to reduce many out of work cash payments, including pensions, accelerated the privatisation of health services, decreased access to and level of health services. There have also been investments in 'in-work' benefits. Together, the picture is of a stronger focus on means tested in work benefits and reductions in coverage of funded services.

Gender and the welfare state: Important factors concerning women at times of welfare reform and austerity

The twin challenges of ageing population and globalisation have offered both opportunities and threats for women's social protection and welfare. On the one hand, globalisation and de-industrialisation has brought about greater female participation in the labour market which affords women greater access to wealth and insurance. However, this is not automatically accompanied by increased public expenditure to cover increased child care costs or maternity pay (Koole and Vis, 2012). Similarly, welfare states associated with work-oriented social protection systems such as the UK and Ireland are also found to encourage 'male breadwinning and female caring' roles (ibid, 2012).

Thus, women tend to be less engaged in the labour market than men, less 'covered' by social protection insurance systems, and more dependent on means tested benefits which are more vulnerable to cuts. At the same time, underinvestment in many Member States in child and elder care means that women's caring responsibilities prevent their further engagement in the labour market. A key risk to women during times of austerity is that investments will not be made in care services and indeed, such services may be cut, so that women's position in the labour market is not improved and dependency either on low level benefits or husbands' income may be exacerbated. Without sufficient analysis or understanding of the gender implications of reform during current times of austerity, these impacts are more likely to be realised than avoided.

Lessons from case studies: Gender implications of the financial crisis and the impact on social welfare systems

Greece

The introduction of means tested benefits across all areas of Government spending, is intended to create a more progressive system and address the insider/outsider dualism of the existing Greek welfare and employment system. This could benefit women. However, gender implications of the reforms have not been thoroughly analysed in Greece. The immediate effect of pension reforms in Greece was to accelerate retirement, particularly among women aged 50+. This increases fiscal strains and creates a new group of future low-income pensioners, widening the income gap between women and men. In the longer term, projections make clear that pensions will be made more sustainable through: (a) a reduction in pension coverage – i.e. in the ratio of pensioners to population and (b) a reduction in the benefit ratio, i.e. in the extent that pensions replace earnings. In both these women take the biggest 'hit'.

Greece, as in Italy (see below), is faced with a potential opportunity to reform its system which has tended to favour insiders at the expense of 'outsiders', largely to the disadvantage of women. However, austerity measures have emphasised reductions in state services that have assisted women to reconcile work and family life (such as state provision of elderly and child care), thus, the opportunity for 'gender friendly' welfare reform may be missed.

Ireland

In Ireland huge cuts in public spending need to be found in the near future. However, longer term reforms which are more structural in nature centre on increased labour activation policies which will particularly target lone parents (mostly mothers) on income support. Other changes to social protection include reducing the generosity and increasing the conditions of entitlement to unemployment, sickness and disability benefits.

Changes to lone parent income support have been introduced in Ireland which are very similar to changes introduced in the UK. However, as with the UK, little additional investment has been made, overall, in the provision of affordable child care. This means lone parents who are 'moved' off income support as a result of reductions in entitlement will have new requirements to make them 'available' for work but little has been done to address their child care needs at the same time. As for the UK, the consequences of the changes to lone parent income support will become apparent in the coming months.

Italy

Social policies adopted in Italy in the last five years, mostly as a response to the crises that affected the country since 2008, have mainly consisted of austerity cost containment measures. These have and are likely to continue to significantly impact on women's entitlements in various policy fields.

Pensions have been subject to some of the most profound reforms and this has had significant unequal gender impacts as women's effective pensionable age has been increased more than men and stricter contributions requirements are particularly detrimental for women.

Also, a long term underfunding in social care (child and elderly care) in the Italian welfare state, means that women are especially under pressure to make up for gaps in social service provision. Following the economic crisis, there have been severe cuts to child and elderly care which seriously diminishes women's opportunities to participate in the labour market.

As in Greece, the economic crisis also presented an opportunity to address imbalances in the Italian welfare state so that it is distributed in a fairer way, which would have advantaged women. However, given the cuts to essential care services, this opportunity would appear to have been missed so far.

Poland

Although the economic crisis impacted on the Polish labour market relatively late, Poland is not immune and a number of reductions in social expenditure have been planned in order to reduce the cost of Poland's public debt. Poland traditionally favours a male breadwinner model, and this means a potential risk for women, during times of austerity, is that they will be under pressure to provide care when state care services are reduced. In Poland, it is women, not men, who drop out of work in the case where it cannot be reconciled with the care of the child (and sometimes of other family members).

Whilst there have not been significant reductions in the overall social welfare expenditure including to services likely to affect women the most (i.e. family benefits and child care), neither have there been investments or improvements that might encourage more women to participate in the labour market. Thus, the economic crisis is likely to exacerbate women's lower participation in the labour market.

Some positive lessons have been learned from Poland's use of EU funding which has provided a number of programmes and initiatives aimed at promoting gender equality and women's rights, including projects to help women access the labour market. It was felt by some interview respondents that the EU funding has helped to offset some of the reductions experienced in social welfare expenditure for women. However, respondents also feared that these projects are vulnerable to withdrawal of EU funding and are unlikely to continue to be supported if EU funds are withdrawn.

Sweden

Welfare reform in Sweden is not significantly linked to the global economic crisis or particularly as a result of an 'austerity' programme¹. However, a number of issues are present in Sweden which have gender implications. There is currently significant public debate about whether parental leave rights may be transferred between parents. The Swedish model is a strong universal breadwinner one and encourages women to access the labour market as much as men. The debate about the ability to transfer parental leave, as well as the recent liberalisation of the elderly care market, articulates strongly opposing voices within Swedish society about who should be doing the caring within families.

Another key issue in Sweden currently, and perennially, is the increasing numbers of people claiming sickness benefits. The large majority (around two thirds) of claimants are women. Policy makers are as yet unsure as to why such large numbers of claimants are women and research is currently underway to identify the causes.

Sweden remains a strong example of a universal breadwinner model and female labour market participation is among the highest in the EU. This is achieved through state funded child care and generous parental (not just maternity) leave. Swedish social protection is organised 'through' employment so that pensions, unemployment benefits and sickness benefits 'entitlements' are built up through employment-based contributions. As women participate to a great extent in the labour market, they are 'covered' by social protection in similar ways to men. The relatively high labour market participation rate amongst lone parents (predominantly mothers) in Sweden, even though lower than women without children and women in couples, indicates that comprehensive family policies which help to reconcile work and family life (including care services as well as generous income tax credits) help prevent benefit dependency and low income existence for this group.

United Kingdom

In the UK, strong labour market activation policies accompany large proposed cuts to the overall welfare budget, especially through unemployment benefits cuts and cuts to universal benefits which will hit middle income families particularly. In addition, there is very poor provision of affordable child care which makes the marginal benefit of a second income very small and may deter many women from entering the labour market. With decreases in the child care element of child benefit for some families, the deterrent effect will be made worse for many women. There has also been a serious move to consolidate existing means tested benefits into one Universal Credit, which will be subject to absolute overall caps. These caps do not take account of variations in housing costs, with the effect that many low income families, of which female headed ones form a majority, will not be able to afford to remain in their current home.

Reductions in coverage of the lone parent income support benefit will see many lone mothers 'moving' from income support to means tested 'Job Seekers Allowance' (JSA). Means tested JSA is only payable to recipients who make themselves 'available for work' and available for training programmes as directed by officials. Many interview respondents suggested that child care needs are not fully taken into account of those

¹ Although some respondents in our case studies suggested that the global economic crisis may have provided justification for those wishing to reduce state social expenditure out of political conviction.

lone parents moving to JSA however. The consequences of the changes to lone parent income support will become apparent in the coming months.

At the time of writing, there has been significant debate amongst politicians in the UK about improving the affordability of child care. If this is achieved, it could improve the situation of many women who are currently unable to work (particularly lone mothers) or for whom the costs of child care outweigh the benefits of joining the labour market.

Conclusion

The emerging narrative from this study is that where austerity measures have been pursued², there has been little consideration in the short term, of the need for deeper, structural reform to social welfare systems. In particular, the gender dimensions of welfare changes or welfare retrenchment appear to have been given little consideration.

Evidence from our case studies and from the literature reviewed suggests that labour activation policies could potentially improve the situation of women by improving their engagement in the labour market. However, unless there is sufficient child care and support for other caring responsibilities, women will not be able to participate fully in the labour market and will be key losers in welfare reform, especially when reductions in out-of-work benefits are introduced at the same time.

Evidence from the case studies on the impacts of policies that have already been introduced suggests women's child care and other caring responsibilities have not been fully considered in crisis response measures. Indeed, evidence suggests that investments are being withdrawn from care services rather than put into it.

The two parent family model, in which one works and the other 'cares', is far from a reality for a good number of households. Thus, both male and female parents need to be able to access work if the state wishes to avoid benefit-dependent lone parent households or inadequately 'covered' (in terms of social protection/pensions) individuals.

Recommendations

Following the evidence from our case studies and other analyses, further research and policies are recommended in the following areas, either at the national and/or the European level, with greater consideration of the gender implications of each policy reform at all levels.

- Government Departments should be better trained, informed and encouraged to identify the economic case for better investment in care, particularly child care;
- Government Departments should be better challenged to conduct gender impact assessment which help to identify factors that could confound policies and could result in counterproductive outcomes;
- The European Commission via EU policy tools such as the Open Method of Coordination and the European Semester Process obliging Member States to produce National Reform Programmes could assist Member States to take more

² Not all EU countries have introduced such measures, (Sweden is a notable exception) as the financial crisis has not, as yet, had an impact on public finances as it has in other EU Member States.

notice of the economic impacts of underinvestment in child and other care services;

- Labour activation policy should be considered from the outset with regard to child care needs; given that single parents constitute a large proportion of benefit recipients, it is essential that child care needs are taken account of when assessing individual action plans aiming at the integration into the labour market;
- Labour activation policies should continue to support people once in work so that employment serves as genuine route to self-improvement and higher income; this will ensure that work will be 'made to pay' in the longer term and may mitigate some cliff effects which can deter people from taking on extra hours, or earning more money;
- A promising strategy to implement "gender friendly" welfare state reform would be through a formal link (i.e. through laws) between savings in high-expenditure sectors, such as pensions, and resources invested in traditionally underdeveloped sectors: so called 'direct recalibration'. The feasibility and potential impacts for such a policy should be researched further;
- Parental leave policies should be considered as part of labour activation policy, and not in terms merely of gender equality. Greater participation of fathers in their children's upbringing may not only fosters closer family relations and stability but makes an additional resource available to perform care; and
- Policy actors require better engagement and communication in times of austerity; there is some evidence to suggest that non Governmental organisations such as women's interest groups, lobbies and charities have been shut out of policy negotiations during difficult economic times which presents a risk that valuable insights are missed when designing policy.

1. INTRODUCTION

This study was commissioned by the European Parliament Committee on Women's Rights and Gender Equality (FEMM). The purpose of the study is to assess the actual and potential gender aspects of the financial crisis of 2008 and its aftermath, with specific reference to social welfare systems. Social welfare systems cover a wide range of Government spending including unemployment, sickness and old age benefits but also services such as health, social care and education. This study examines the potential gender implications of changes in all these domains.

The findings are based on analysis of EU level statistical data from 2001 up to the most recent available data at the time of writing. Also included is evidence from six case study countries: Ireland, Greece, Italy, Poland, Sweden and the United Kingdom. This data includes analysis of country level statistics as well as data from qualitative semi structured interviews with key policy actors including women's organisations, independent experts and analysts and Government services or departments.

The methods are explained more fully in Appendix One. In summary however, methods involved:

- A semi-systematic literature review;
- Analysis of cross national data sets on relevant outcomes;
- Qualitative interviews with three groups of respondent in each case study country: Government Agency respondents, Independent Expert Respondents and those working as advocates or social partners with an interest in women's rights; and
- Analysis of data for each of the six case study countries, using country-level statistics.

Structure of the report

This report is organised in the following sections:

- [Section One](#)) sets out the background and context to welfare reform and potential challenges for gender equality. This section reports findings from a thorough literature review.
- [Section Two](#)) set out a number of trends and patterns affecting the population of women and men at the EU level, including data on people's standards of living and conditions as well as Government expenditure.
- [Section Three](#)) describes the 'automatic risks' that women and girls face during times of welfare retrenchment, drawing upon our case studies and evidence from the literature review.
- [Section Four](#)) provides detailed findings from each of the case studies.
- [Section Five](#)) summarises the findings of the study and suggests recommendations for policy makers at both the national and EU level.

Throughout this report, a short summary is provided for each section in turn. More detailed summaries and conclusions are provided at the end of each section.

2. LITERATURE REVIEW FINDINGS: GENDER AND WELFARE IN TIMES OF 'CRISIS'

KEY FINDINGS

Economic crises and retrenchment: Historic patterns

- Welfare states have been responding since the 1970s to increased social risks, particularly population ageing and globalisation which reduces citizens' bargaining power. This is known as the 'era of permanent austerity' (Pierson, 1998).
- Member States' reactions to the economic crisis are shaped by the extent to which they had already reformed social welfare since the 1970s – some Nordic welfare states have experienced less 'retrenchment' than more 'liberal' market states such as the UK and Ireland.
- However, economic crises push up overall social protection spending, due to increasing demand for unemployment benefits and social assistance. At the same time, the generosity of some benefits is decreasing.

Likely influencers of public spending decisions affecting women

- Public support for austerity measures strongly influences social protection spending and, therefore, public discourse about women's entitlements will influence how women are impacted by welfare reform (Vis et al, 2011, Chung and Thewissen, 2011).
- The extent to which women's employment is important for household income will affect public support for funding in child care services (Greve, 2011, Maino and Neri, 2011, Harkness and Evans 2011).
- Negotiations for social protection coverage take place within the political arena and women's representation here has an significant impact (Bolzendahl and Brooks, 2007 and Koole and Vis, 2012).

This section provides the findings from review of current academic literature on welfare systems, economic crisis in relation to issues of gender equality in Europe. The purpose is to set out the key areas of enquiry for this study.

The first important finding from the review was a notable shortage of literature which specifically examines gender aspects of welfare state retrenchment in Europe. Of the 50 studies included, only 21 provide detailed analysis of gender aspects. The majority of the literature assessed welfare retrenchment more generally, including by comparing recent cuts in social spending to previous cuts since the 1970s, which, nevertheless, have important implications for women and men.

2.1. What is a welfare system?

The literature presented three main concepts for understanding the gender implications of the financial crisis on social welfare systems: 1) The types of social risks that are covered by social transfers or 'benefits'; 2) the degree to which EU citizens are dependent on their employment both as a means of entitlement to benefits and as the means by which they are able to feed, clothe and house themselves and 3) the extent and nature of women's rights and roles and public discourses on this subject.

2.1.1. The types of social risks that are covered by social transfers or 'benefits'

The first feature concerns the level of protection provided to individuals by society from the 'slings and arrows' of life's risks, particularly unemployment and risks associated with old age and sickness. Such social protection pools individuals' risks to insure individuals against these risks. Social protection benefits under this category include unemployment benefit, state funded health care and old age pensions. Social protection also insures against the risk of income loss throughout life stages, which are not necessarily associated with misfortune, such as maternity and paternity and, some would argue, the cost of educating the young. The extent to which an individual is insured by society – how generous the pay-out and what risks are covered – describes the size and nature of the Welfare state.

2.1.2. Historical development of unemployment benefits

The second feature of modern welfare systems concerns the level of social support given when employment is lost. Early welfare states were designed to replace some income lost during times of unemployment until alternative employment was found. The political economy of labour market policy has always involved a balance between the cost of insuring the risk, (borne by tax payers, the employer and the employee) and the need for flexibility in the labour market. Traditional unemployment insurance schemes provide benefits of variable generosity at times of unemployment and entitlements to such benefits also vary according to the time spent in paid work. It is important to note that earlier unemployment 'insurance' and benefit systems were designed at a time when the typical male role in the family was to earn money whilst the typical female role was to raise children and care for other family members.

2.1.3. Extent and nature of women's rights and roles and public debate on this subject

The third feature concerns the extent to which a citizen is assured a level of inclusion in social life. Examples of these types of policies include guaranteeing a minimum household income, minimum wage or minimum standards of care in old age. The development of norms and standards of living is driven, in part, by a rights based approach to social policy, particularly since the expansion of the European Union's Social Europe project. An important aspect of Social Europe is in its approach to equality. Equality policy, for example ensuring that women are compensated for a loss of employment due to childbirth, derives from both an anti-discrimination perspective as well as from labour market policy which aim to remove barriers to women's participation

in the labour market. The extent to which social rights are stamped into state-funded welfare systems also impacts on how families and civil society (such as the church or charity) are expected to shoulder the burden of social risks such as old age, child rearing and sickness. The history of welfare state development is frequently one of push and pull between what is expected of families, in particular women as care givers, and what the state is expected to provide (Maino and Neri, 2011).

The welfare state has been challenged since the Second World War by de-industrialisation, globalisation and demographic changes. The post industrial labour market meant more jobs for women but it also meant a decline in steady lifetime jobs and increased polarisation between the rich and poor. With it, changing family structures and gender roles, meaning longer education spells, later childbirth and single parenthood, created new tensions between work and family life and raised new demands for care for children and the frail elderly (Hemerijck and Vandenbroucke, 2012).

2.2. Welfare retrenchment theories and evidence

In the decades after World War Two, welfare states followed a similar pattern of expansion and contraction across Europe. Although there is some variation between Member States, similar pressures have been experienced. This pattern began with a 'golden era' of the welfare state lasting up to (broadly) the 1970s, after which time there began a scaling back of social welfare, particularly of social protection coverage (such as unemployment or sickness benefits). This scaling back reverses the original intention of welfare states which was to provide citizens with a level of material and moral wellbeing regardless of their value to the labour market (so called, 'de-commodification') (Clasen and Siegel, 2007). Many welfare states, instead, evolved towards social welfare systems of last resort - a final safety net for those excluded from employment (so called 're-commodification').

In the literature reviewed, the 'de-to-re-commodification' transition is seen as "irresistible" (Pierson, 1998) to varying degrees. The 'irresistible' explanation sees social welfare retrenchment as an inevitable consequence of an ageing society and globalisation. Also known as the 'permanent austerity' (Pierson, 1998) theory, it describes a relentless pressure to make savings and cuts due to the lack of sufficient public resources available to support an ever-growing population of needy people. Cuts and retrenchment in spending is frequently linked to structural changes to welfare systems which, broadly, make lack of employment less, and work more attractive. Examples are welfare to work type schemes and the closer management of sickness benefits. Other authors emphasise, how welfare systems have changed as a function of structural inequalities within societies, connected to political power, and the mobilisation of interest groups.

Much of the literature explores welfare retrenchment by comparing Governments' responses to previous financial crises, including the 1970s 'oil shock' crisis, the debt crisis of the 1980, and the global recession of the early 1990s, to those of post 2008 (Amable and Gatt, 2007, Yerkes and van der Veen, 2011, Suss, 2011, Maino and Neri, 2011, Dukelow, 2011). Overall, these studies broadly confirm the 'convergence' of welfare models or the 'permanent austerity' argument but show that the phenomenon has affected states to different extents. For example, in examining 18 'developed democracies', Amable and Gatt (2007) find that a strong economic shock leading to

structural change in the economy, by itself, pushes up overall social expenditure. However, the generosity of social protection (indicated by net replacement rates of unemployment and sickness benefits) reacts much less mechanically to changes in the economic environment. The authors' explanation for this is the tendency of political parties either to favour or avoid reductions in welfare entitlements. Yerkes and van der Veen (2011) find that social rights embedded within Dutch institutions preserved welfare state generosity following the crises of the 1970s and 1980s.

However, the 2008 (onwards) crisis, in combination with previous incremental reforms 'creates the potential for an even greater transformation of social rights' with different effects in the Member States. Changes in the German model of welfare are found to be 'follow the same path as previous recent reforms throughout the 1970s and 1980s ('the problem solving patterns of social policy remained remarkably stable') although fiscal consolidation and budget cuts characterised this period (Suss, 2011). In Italy, although pressure to spend was constrained by budgetary cuts and efficiency reforms, social care spending increased since the 1980s as a result of population ageing, the weakening of family networks, and an increased demand for child care due to greater female participation in the labour market (Maino and Neri 2011). Further reforms of the welfare system in Italy have been removed from the political agenda due to social tensions and rising unemployment following the 2008 crisis. For Ireland, Dukelow (2012) finds a greater degree of welfare retrenchment in recent years compared to the previous crisis of the 1970s, due to the deepening influence in Ireland of globalization and the economic liberalisation of the 1980s.

2.3. How might retrenchment affect women?

Independent from preferences for one or the other description or explanations of states' welfare policies mentioned above, it has to be noted that the containment of welfare spending has been widespread across Europe. A key question for the study is 'how has the burden of welfare cuts been distributed among women and men in different EU member states?' The literature provides a variety of answers to this question including explanations based around the importance of differences in family and kinship structures and social protection infrastructure.

The twin challenges of ageing population and globalisation have offered both opportunities and threats for women's social protection and welfare. On the one hand, globalisation and de-industrialisation has brought about greater female participation in the labour market which affords women greater access to wealth and insurance. However, this is not automatically accompanied by increased public expenditure to cover increased child care costs or maternity pay (Koole and Vis, 2012). Similarly, welfare states associated with work-oriented social protection systems such as the UK and Ireland are also found to encourage 'male breadwinning and female caring' roles (ibid, 2012). The research literature suggests that in 'liberal male-breadwinner states', women are entitled to work but they are not necessarily compensated for the associated additional costs of child care resulting in these welfare systems typically having more women in part time work (Koole and Vis, 2012, Dukelow, 2012). In contrast, Nordic states such as Sweden and Denmark have historically high relative levels of maternity and paternity pay, state provision of child care and elder care and high female labour market participation in full time work. These states, therefore, reflect both modern

labour forces as well as strong social coverage of care 'burdens' (that would likely otherwise affect women).

The delivery mechanism for social welfare will also impact on women's choices regarding employment and child care. For example, protection paid to 'household units' rather than to individuals, such as the UK's Working (Family) Tax credit, implies that the choice to participate in the labour market is made on the basis of household requirements and resources, rather than of the individuals' choice (Macleavy 2011). This is because in dual earner families with a median income, 'primary carers' (almost universally women) are subject to a high marginal tax on their contribution to the household finances. By contrast, in France, it can be observed that the vast majority of women combine paid work with raising children. The French welfare state directs its support at the individual rather than family unit, similarly to the case of Sweden (Grandits and Heady eds., 2010) where maternity and child care services are more generously covered by the state.

2.4. Family policy and social expenditure in response to crises

The ageing population is a challenge for all EU Member States, although it will affect some states sooner than others, and implies a rising cost of health and social care. The economic crisis and associated Government budget deficits have created difficulties for Member States to meet the costs of elder care, and the implicit contract between families and the state to share this burden has become strained. In Sweden and Italy for example, financial transfers and care provided within the family has become more common as social expenditure is subject to reductions (Grandits and Heady eds. 2010).

In the two decades leading up to the mid-2000s, average family incomes grew in every OECD country and many Governments in Europe and abroad developed or extended their family policies (Richardson, 2010). After the 2008 crisis, generally across Europe – although with variation – families' financial positions become dramatically worse due to increases in unemployment. Two studies report expansions in the level of Member States' support for specific family and child policies between 2007/2008 and 2009/2010 (Richardson, 2010; Gauthier, 2010). These show that Member States' responses included both stimulus measures, such as the increased provision of free child care services and (temporary) increases in child or family allowances. In some Member States, entitlement to parental leave has been cut and duration has been reduced (Richardson, 2010). Indirect benefits paid to households and therefore affecting families (including single households) have generally been increased in scope and coverage. Changes in family and child policy since 2008 have included both structural and crisis response measures. Whilst the former tries to reconfigure the welfare system towards longer term outcomes (such as incentivising work) the latter are driven by budget constraints and, in theory, short term in scope. Crisis response cuts observed across Europe include reductions in maternity allowance, cuts to child benefits and measures to cut demand for child care services. Such measures are noted in eight Member States (Gauthier, 2004). Whilst Richardson reports that increases and cuts in family social welfare 'broadly balance out', more research is needed to identify how many families and which ones have been most affected. It is also not known how households have negotiated the impact of cuts between male and female earners; how, for example, will cuts in child care services be dealt with by families, for example, will this impact on the mothers' working hours? Moreover, Richardson notes that from 2010 further austerity

measures are planned across all EU Member States which will make these negotiations more difficult.

2.5. Care giving in the family and social protection

A number of studies asked how the gap left by cuts in social protection will be filled. On this issue, policy makers have begun to consider the role of the family in mitigating risks and sharing the burden of care. Grandits and Heady's 2010 study notes that the historic increases in social risks and globalisation that preceded the 2008 crisis coincided with increased female participation in the labour market and therefore in a reduction in available 'free' care for dependent relatives provided by women. This, in turn, coincided with state provision of care services for both children and elderly relatives. Emerging research now shows how this pattern may be reversing so that care is becoming 're-familiarised' following cuts since 2008 (Greve, 2011). The KASS authors report significant variation across EU States in how much care responsibility the family, almost universally women, are expected to take on. For example, in Germany and Austria, women seem to prefer to provide care at home or remain childless if they are working. Meanwhile in France, the majority of women combine paid work with child rearing and prefer using state provided child care facilities to family provided ones. An important finding is that with reductions in welfare services, the family will become more important in the provision of care. However, whilst in some post communist states, cuts in services result in working age women being encouraged to stay at home to look after children, in Italy and Sweden older women are expected to take on this role. The informal role of grandmothers has become essential and is likely to become more important as services are cut. Maino and Neri (2011) also identify the growing burden on families of care for the elderly in Italy, which is difficult to meet as more women are working and family networks weakening since the 1980s. Historic underfunding coupled with the current economic crisis has pushed the problem to a breaking point (ibid, 2011).

2.6. What might influence social welfare cuts in the future?

In summary, the literature highlights the following mechanisms that affect the outcome of welfare spending decisions. These all have potential gender implications:

- The extent to which women's voices are mobilised and involved in decision making processes;
- The amount of 'fiscal space' available to policy makers;
- Public support for spending decisions; and
- Viable alternatives to existing social protection approaches, including informal transfers within households.

Eight studies discuss the nature of the prioritisation of social welfare spending between socio-economic groups. Three of these studies specifically discuss how women's interests may be defended during these 'negotiations'. Individuals' entitlement to social protection

is based on both, institutional structures or 'automatic stabilizers'³ (such as unemployment benefit) and discretionary action by Governments. Basso and colleagues (2011) argue that, in response to economic shocks, both, automatic stabilizers and discretionary action, lead to an 'unequal distribution of economic risks associated with the crisis across socio economic groups', including women.

Automatic stabilisers are typically biased in favour of the core labour force, i.e. workers with specific skills and substantial tenure, which typically exclude women (ibid, 2011). Discretionary measures have tried to extend the protections of automatic stabilisers to previously 'unprotected' workers such as part-timers and contractors. However, in the main, such measures are dominated by labour market activation policies such as workfare training programmes. These, the authors argue, are probably not sufficient to 'absorb the asymmetric impact of the crisis on the weakest groups of the labour force and of society', meaning that discretionary measures did not help excluded groups such as women (Sacchi et al, 2011 and Basso and colleagues 2011).

Macleavy (2011) extends the analysis further by showing that labour market-linked social protection creates a separation between better and worse-protected groups. The division is due to perceived unfairness in the system. The example given is middle class women who work and struggle to reconcile work and family life particularly following cuts to in-work tax credits, who see it as unfair that unemployed single mothers are able to spend more time with their children. The separation reduces mothers' ability to influence policy making by identifying between themselves as a single 'group'.⁴

Taking the theme of influence, Bolzendahl and Brooks (2007) and Koole and Vis (2012) show evidence of a strong positive link between women's representation in national legislatures and levels of spending on 'equality' policy including child care and maternity pay. In reviewing the supporting literature for their study, Koole and Vis find that States may be categorised according to 'strong male-breadwinner states' (e.g. UK, Ireland), modified male-breadwinner states (e.g. France) and weak male breadwinner states (e.g. Sweden). The different state types have substantial differences in their provisions for paid and unpaid work by women. However, the link between provision of support for working mothers and public discourses or cultural values about working mothers is under researched. One study suggests the complexity of this link. Gradits and Heady's study of working women in Germany - a 'modified male breadwinner' state - found a large proportion of working women remaining childless owing to 'conservative family ideals' that obstruct women's abilities to pursue paid work once they have children (Gradits and Heady, 2010). In summary, the studies show that public attitudes, institutional infrastructure (of welfare systems), and women's representation are intricately and complexly linked.

³ Automatic stabilizers are social and budgetary policies which 'automatically' provide security in the event of fluctuations in national productivity, examples include unemployment benefits paid out to those who lose work but also income taxes which naturally fluctuate depending on GDP.

⁴ This finding reflects Michelle Egan's 1998 argument that women's rights politics have '*failed to expand the scope of conflict beyond market commodification*'.

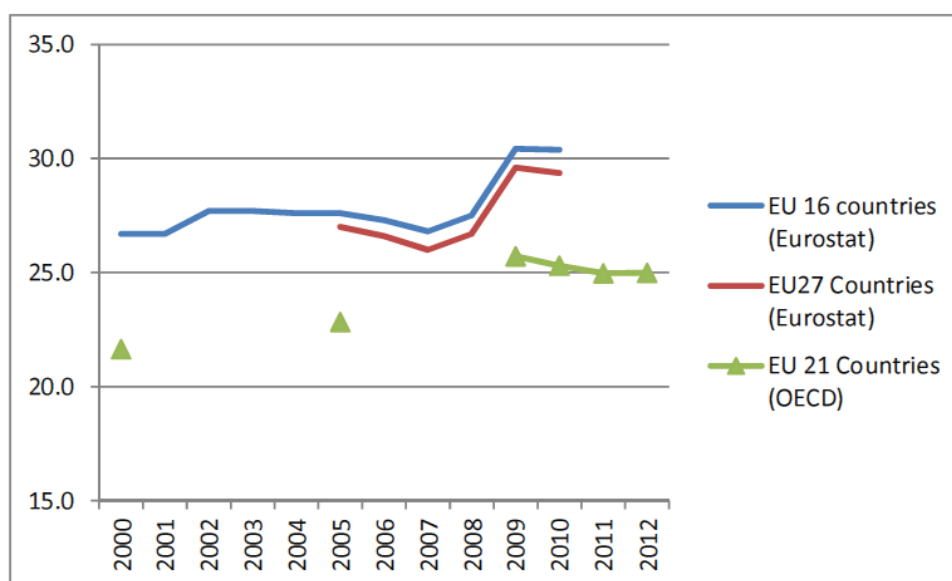
3. EU-LEVEL TRENDS AND PATTERNS

KEY FINDINGS

- Social expenditure, including social protection benefits, have declined proportionately, reflecting cuts on these expenditures.
- Social expenditure, generally, has increased as automatic stabilisers such as unemployment benefits 'kick in'.
- Female unemployment rates are converging with men's. However, women are significantly less engaged in the labour market.
- At the EU level, the largest expenditures in 2010, in terms of percentage of GDP, are for old age, including pensions, followed by sickness and health care benefits.
- Overall, the relative risk of poverty for women, compared to men, slightly worsened up to 2010. It is likely to worsen as the effects of public sector job cuts, which mainly employ women, and reductions in social protection are recorded.
- Overall in the Euro Area of 16 Member States, there was no change in female participation in life long learning. However, there was wide variation between Member States, with some notable declines, in participation rates.

This section presents headline statistics on recent trends on key variables of interest. Data are analysed from the pre- and post-2007/8-crisis points with consideration of an additional benchmark at 2010 when the sovereign debt crisis began to unfold (the period 2010-2011).

Figure one below shows the overall trend in social expenditure as a percentage of GDP- Data from 21 EU Member States. All trends show Government expenditure increasing as a share of GDP between 2007 and 2009. Whilst the chart shows falls in expenditure as GDP percentage after 2010, this is mainly due to improvements in GDP growth (Adema et al, 2011) and levels remain historically high.

Figure 1: General public social expenditure as % of GDP in Europe⁵

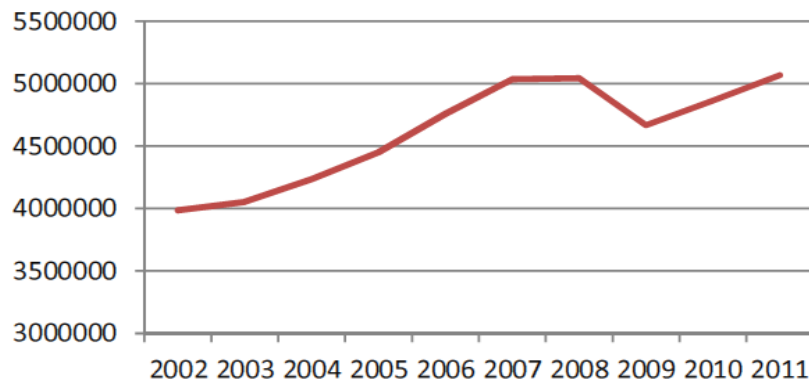
Source: Eurostat, 2012 (online data code gov_a_main)

As the global economic crisis turned into the euro zone debt crisis starting in 2009/10, Governments in the EU27 began to introduce austerity programmes. This was done in order to comply with bailout packages in some countries, in others to avoid the having to apply for a bailout. The EU fiscal pact, negotiated in 2011, required countries to gradually reduce their Government budget deficits to a balanced budget. Thus, whereas prior to 2010 social programmes and public employment had been protected, since 2010 these have been subject to cuts.

Figures one and two show changes to expenditure and tax receipts during the different phases of the economic crisis. There were sharp falls in tax receipts available to EU Member States in 2008/9. These improve after 2009 both in terms of total revenue and in line with improving GDP. However, in 2011 tax revenue as a percentage of GDP begins to increase as a result of austerity tax increases (Eurostat, 2012a). At the same time, in 2011, total Government expenditure (including social expenditure) decreases. This change, read in conjunction with increases in tax revenue as a percentage of GDP, reflects policy decisions across the EU aimed at reducing public spending deficits.

⁵ EU countries included in OECD data: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom

16 EU countries include in Eurostat data: Belgium (BE), Spain (ES), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Germany (DE), Finland (FI), France (FR), Austria (AT), Portugal (PT), Greece (EL), Slovenia (SI), Cyprus (CY), Malta (MT), Slovakia (SK)

Figure 2: Tax receipts in EU Member States in Millions of Euros

Source: Eurostat 2012 (online data code gov_a_main)

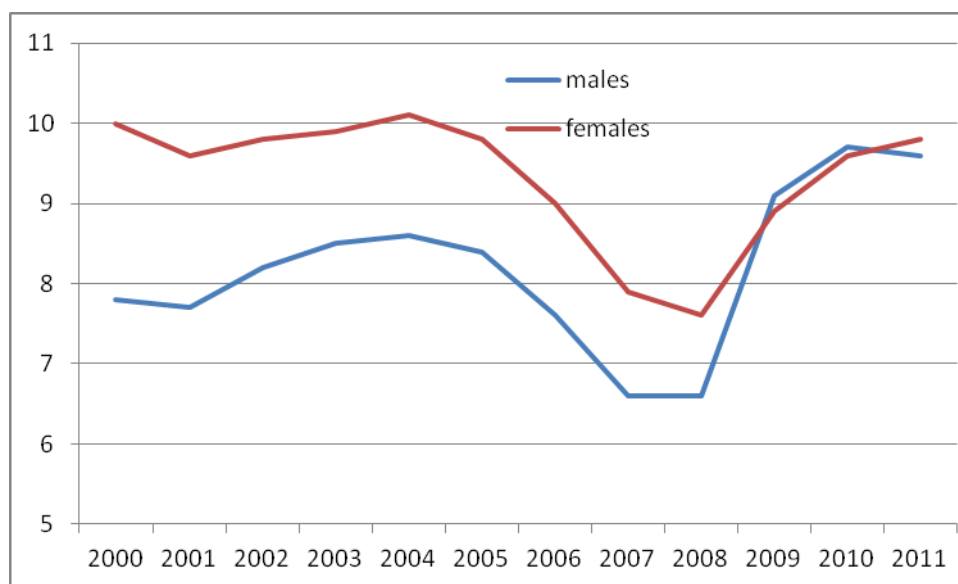
In some cases, social expenditure decreases, including cuts to social programmes and public sector employment, coincides with deterioration in the economic and social position of women. Since women benefit disproportionately from social programmes, and are also disproportionately represented in some types of public employment, women are likely to be hit harder by cuts in these types of expenditure. The remaining chapter explores changes in public expenditure in more detail up to the most recent data available and highlights the potential implications for women.

3.1. Changes in relative unemployment rate of women to men from 2001 to 2010

In order to understand the distributional differences in social welfare following the economic crisis, it is necessary to briefly review the impact on unemployment by gender, as unemployment benefits constitute a significant, although not the largest, element of social welfare expenditure.

Figure three below shows that women have higher unemployment rates compared to men across the EU, although male and female unemployment rates converged between 2010 and 2011. Between 2001 and 2010, increases in unemployment occurred for both women and men. For men, increases in unemployment, as a percentage of the labour force, are 0.59% and for women 0.54%, with wide variation between countries (See tables A1 and A2 in Appendix two). For example, Greece experienced the highest increases in unemployment for both women and men.

Figure 3: Changes in unemployment rates for males and females in the EU 27 over time, as percentage of the labour force



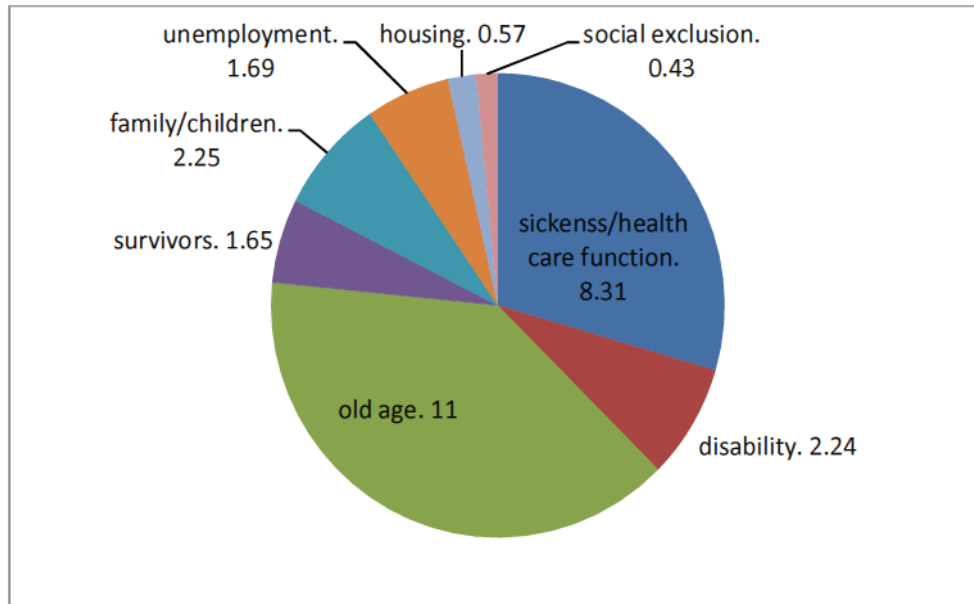
Source: Labour Force Survey, 2012

There were, overall, large increases in part time employment as a percentage of total employment, at the same time as overall unemployment increases. Even for those in employment, working hours are reduced. Interestingly, where declines in part time work, as a proportion of all employment, increases, it is in women's part time work in three of the four countries where a decline is detected (see figure A3 in Appendix two).

3.2. Changes to social expenditure in the EU 27: Details

Expenditure on Social Protection, which includes direct payments to individuals or to households based on their needs, is broken down in figure four below. The figure shows that the largest expenditures in 2010, in terms of percentage of GDP, are for old age, including pensions, followed by sickness and health care benefits.

Figure 4: Overall social protection expenditure by function total EU 27, as % of GDP, 2010



Source: ESSPROS

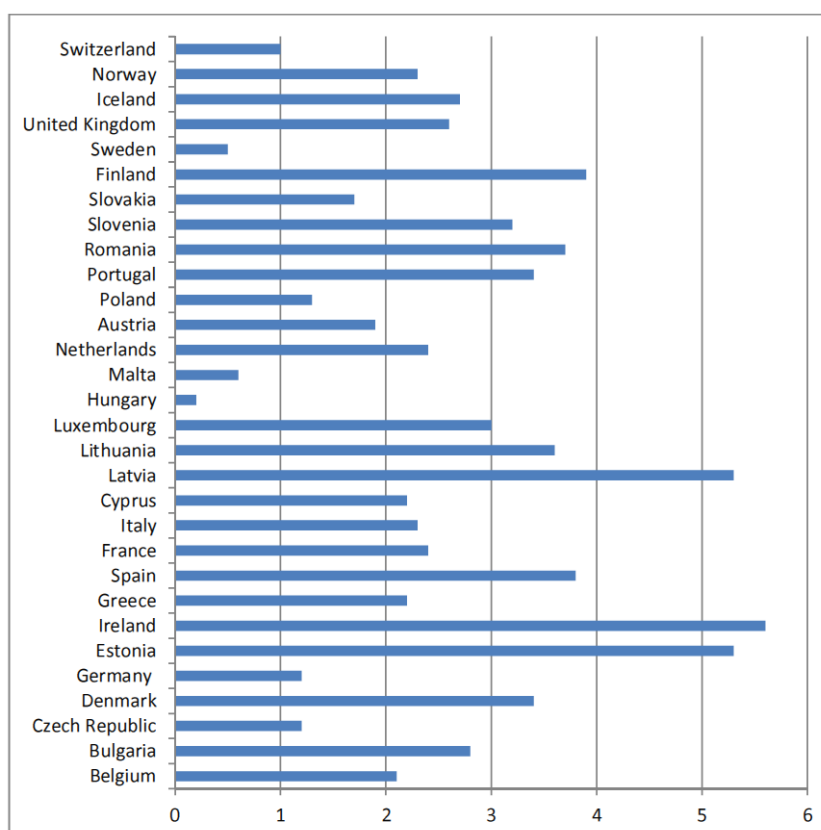
The following should be highlighted from 2010 Eurostat social expenditure data:

- Social protection (figure four) accounted alone for 39.4 % of the total social expenditure and 19.9 % of EU-27 GDP in 2009.
- The highest spending on social protection was found in Denmark (25.4 %), France (24.2 %) and Finland (23.9 %). Sweden, which had nearly the highest share in 2009 (23.1 % of GDP), decreased spending on social protection by 1.5 percentage points (pp) in 2010.
- The lowest spending on social protection took place in Slovakia (12.3 %) and Cyprus (11.7 %)
- Compared to 2002, social protection as a percentage of GDP decreased in 2010 in only five countries: Slovakia (-2.6 pp), Sweden (-1.5 pp), Poland (-1.4 pp), Germany (-0.6 pp), and the Czech Republic (-0.3 pp). However, it significantly increased in Ireland (+7.6 pp), Portugal (+5.6 pp), Romania (+4.8 pp) and Estonia (+4.7 pp).
- In Ireland, the increase in social protection-related public expenditure between 2002 and 2010 is related to higher outlays in the areas of 'sickness and disability' and 'unemployment'.
- At EU level, nearly 90% of expenditure for social protection concerns social benefits and transfers which are redistributed to households, except in Scandinavian countries where the percentage devoted to compensation of employees is higher than 10 %.

3.2.1. Changes in social protection expenditure in percentages of GDP

Figure five below summarises key changes in overall social protection expenditure between 2007 and 2010 by Member State.

Figure 5: Changes in social protection expenditure % GDP, 2007 to 2010



Source: Eurostat, 2012

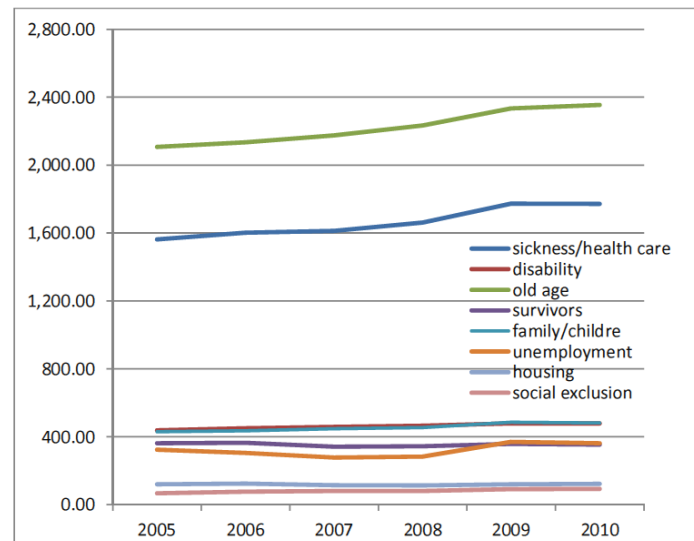
Between 2007/8 and 2009/10 all 27 Member States reported an increase in social protection expenditure including unemployment; sickness and disability; old age and survivors (pensions); family and children; housing; and social exclusion.

Over the period from 2007 to 2009, expenditure on unemployment benefits increased in all countries, the most in Spain and Ireland, which were badly affected by the initial effects of the global economic crisis. Unemployment benefits increased hardly at all in some other countries such as Poland and France during this period (see figure A4 in Appendix two).

Access to work provides a person with an important means of subsistence and, as social protection declines income from employment plays an even more important role for individuals and families. Figure six below shows significant increases in 2007/8 in spending on old age, unemployment and sickness/disability, however there is little increase or decrease in expenditure for other types of social protection. Thus in times of economic stress, 'automatic' stabilisers such as unemployment benefits are deployed, yet there are no similar increases in other forms of income maintenance such as family or child care support or social exclusion spending.

3.2.2. Changes in expenditure by social protection type

Figure 6: Changes in expenditure by social protection type, Euros per inhabitant

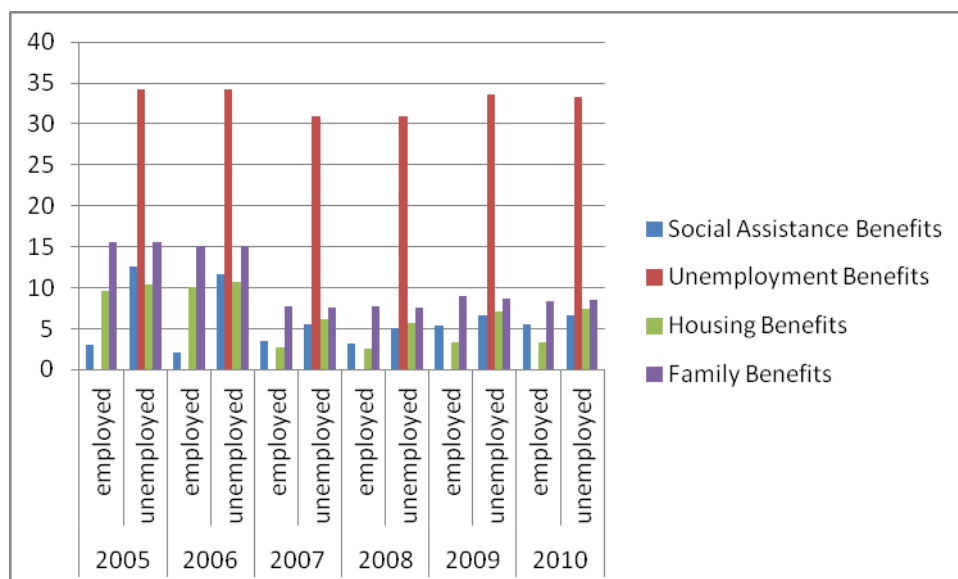


Source: Eurostat, 2012

3.2.3. Income from social protection transfers

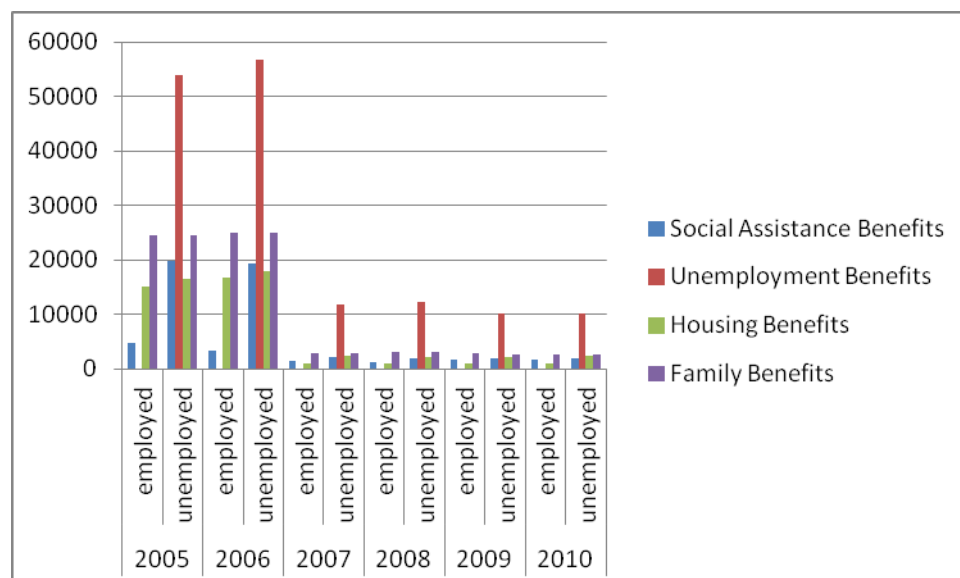
Figures seven and eight show changes over time to the value of certain benefit types for families with two children, living on 50% of the average income in EU Member States. The figures show that whilst unemployment benefits increase, other benefits have decreased in value over time.

Figure 7: Income from social protection transfers over time for two-parent-families with 2 children at 50% of average wage, as percentage of average wage



Source: OECD Tax and Benefit Data, 2012

Figure 8: Income from social protection transfers over time for a two-parent-family with 2 children at 50% of average wage, in Euros



Source: OECD Tax and Benefit Data, 2012

The data on social expenditure suggest that post 2007/2008, whilst Governments have maintained the value of unemployment benefits, expenditure on other benefits have been subject to retrenchment in order to address fiscal challenges. As women are key recipients of these other forms of social protection, they are likely to be affected by changes to generosity of these benefits.

Changes to expenditure on benefits to children and families per head between 2007 and 2011 are varied across the EU 27 countries (Eurostat, 2012). The largest decreases are detected in the United Kingdom and Malta, although smaller decreases are also detected for Switzerland, Norway, Czech Republic and Poland.

Meanwhile, large increases in benefits for families and children are shown in Ireland, Netherlands and Portugal. Family and child benefits include cash and other payments for services provided in the home as well as income maintenance benefits for families with children and discrete 'hardship' payments. They also include 'universal', non-means-tested benefits such as parental leave benefit.

The variation in changes to these benefits across Member States is partly reflected by the range of benefits included in this category. Whilst increases in expenditure will be a result of increasing need for those out of work, for example in Ireland and Greece, decreasing expenditure may result from structural reforms to these payments for example in the UK and in Sweden which have reformed universal child benefits and parental leave policy respectively.

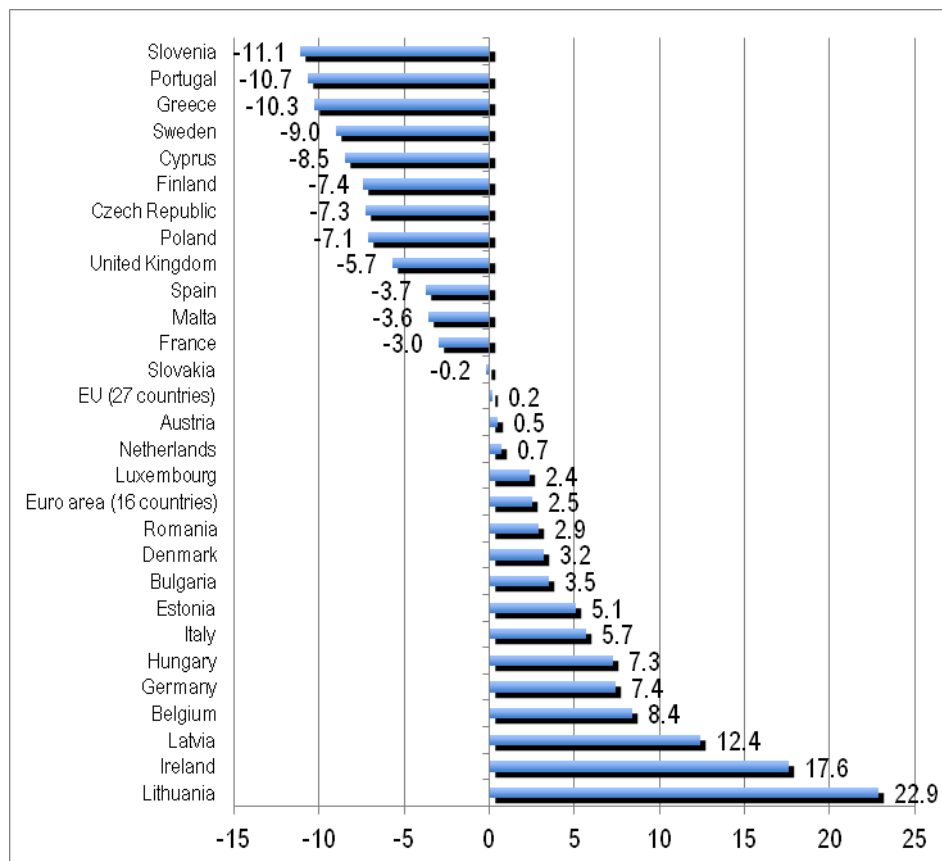
3.3. Changes in women's risk of poverty compared to men

Gender difference in the 'at-risk-of-poverty' rate varied greatly across EU-27 in 2010. Negative values of the indicator show that the female poverty rate is higher than the male poverty rate. The greatest difference in poverty rates in 2010 was in Slovenia

where female poverty rates were 32.5 percentage points above the male rate. There were six countries in which the male poverty rate was above the female poverty rate, including one of our case study countries, Ireland, where the difference was 5.9 percentage points.

The global economic crisis brought about significant changes in the gender difference in poverty rates. Figure nine shows changes in the relative 'at risk of poverty' rate by gender. In some countries, the change reflected a relative worsening of the position of women; in other countries it reflected a relative worsening in the position of men. A negative value of this indicator shows that the relative position of men has worsened compared to that of women, in terms of poverty, while a positive value indicates that the relative position of women has worsened. Overall, the relative risk of poverty for women slightly worsened up to 2010. However, the impacts of structural reforms and retrenchments to social protection systems as well as projected changes in unemployment for women since 2011, may further affect women's at risk of poverty rate. This can be analysed as soon as more up to date data are available.

Figure 9: Changes in gender difference in at-risk-of-poverty rate, 2007-2010 (percentage points)



Source: Eurostat 2012

3.4. The structure of women and men's earnings

On average, for those in work, earnings increased for both women and men between 2001 and 2011. The largest drop in earnings, out of nine countries for which data are provided, was experienced in the UK, although, when presented in percentages of earnings, the drop has been higher in Hungary where the reduction in earnings was significantly higher for women (see figure A5 in Appendix two).

3.5. Female participation in life long learning

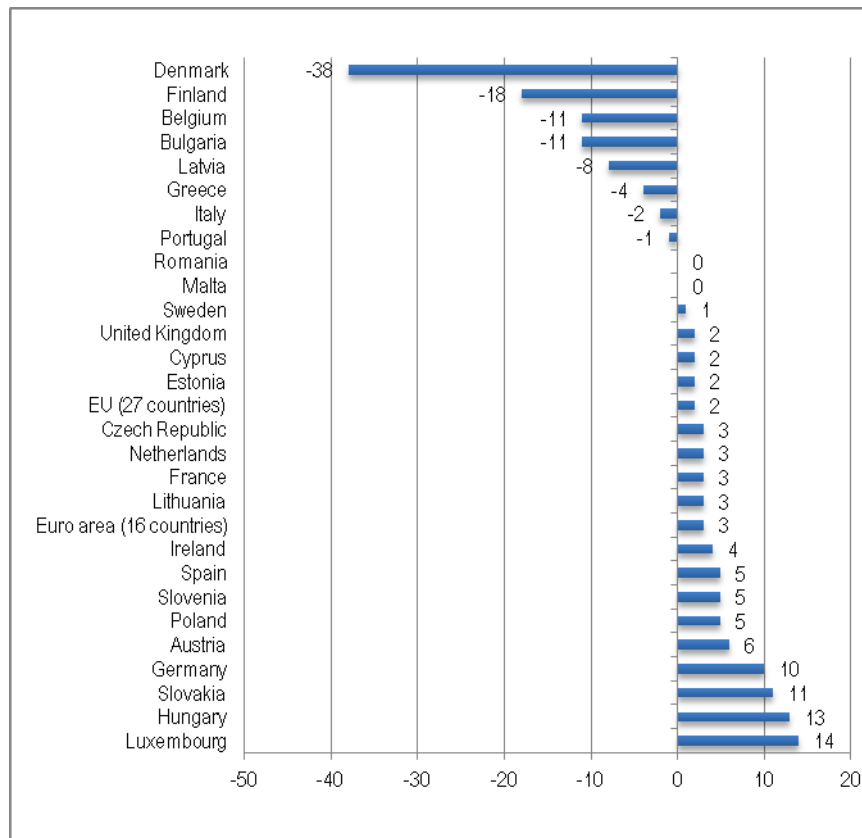
Female participation in lifelong learning varies greatly across the EU-27 countries from a high 39% in Denmark to a low 1.2% in Bulgaria (Eurostat, 2011). Female participation in lifelong learning changed in several countries over the period of the economic crisis (See figure A5 in Appendix two). The largest fall in female lifelong learning, 5.7 percentage points, occurred in the UK. In contrast, several countries saw an increase, for example 7.6 percentage points in Sweden. In a number of countries, there was virtually no change. Overall, in the Euro Area of 16 Member States, where comparable data are available, there was no change in female participation in life long learning over the economic crisis period. In one case study country, Ireland, where a decrease in female participation has been observed during the crisis period, an encouraging skills training among the female unemployed has been put in place as part of increased labour activation policies which are an important strand of crisis response measures.

3.6. Child care

Figure 10 below shows wide variation in the numbers of children in full time child care between Member States. Declines may be partly explained by increases in female unemployment over the same period, although the relationship between these two factors is not linear.

The cost of child care to the individual parent/s varies across Member States. Whilst in Denmark, Sweden, and Norway, child care is heavily subsidised, including by employer contributions, in the UK, child care costs are such that second incomes (usually that of the mother) only marginally improve the household income (Resolution Foundation, 2012). In Scandinavian countries, child care is often subsidised at the supply level so that there is a large number of well qualified providers, whilst policy in the UK, for example, has targeted demand, for example by providing low paid parents with 'vouchers' or tax credits to purchase child care.

Figure 10: Formal child care over 30 hours per week; children between 3 years and compulsory education (% of age group) (2008-10), percentage change



Source: Eurostat 2012,

3.7. Conclusions

The picture presented of experiences of men and women regarding the effects of the crisis on public spending in the area of social protection systems at member state and EU level is mixed. Due to time lags in data collection, it is not possible to show a comprehensive picture of the impacts on gender equality of crisis response measures as these impacts are only now beginning to register.

However, there are some indications that expenditure on key areas that women rely upon, including social protection and care services, are being cut in order for Member States to address their public spending deficits and maintain spending on automatic stabilisers.

The data also shows that women are in weaker economic positions, compared to men, having lower employment rates, lower incomes, higher at risk of poverty rates, and higher rates of part time employment. These factors make them particularly vulnerable to reductions in social protection and other forms of social welfare.

4. GENDER IMPLICATIONS OF ANTI CRISIS RESPONSES

KEY FINDINGS

- Anti crisis measures have involved mainly: new active labour market policies, reductions in benefit generosity, and more requirements for entitlement to social protection.
- Women's relationship to the welfare state means they will experience more risks, compared to men during times of social welfare retrenchment for the following reasons:
 - a. Interrupted earnings and careers due to child and other caring responsibilities;
 - b. Lower incomes making them more dependent on welfare services; and
 - c. Caring responsibilities making it more difficult to engage with the labour market as a means of subsistence.

In this section, the potential and actual gender implications of Member States' responses to the financial crisis affecting welfare systems across Europe are explored. The section is based on qualitative and quantitative data gathered from the 6 case study countries: Greece, Ireland, Italy, Poland, Sweden and the United Kingdom. It also draws upon evidence from the literature review.

4.1. Overview of crisis response measures across the EU

4.1.1. States' investments and austerity measures since 2008

Crisis response measures in the field of social policy are detailed in table one (below) and table A1 of Appendix two. These reveal a strong inclination towards so called 'labour activation' policies across Member States. These policies are designed to strongly encourage benefit recipients to take up paid work. Basso and colleagues' 2001 study found that the most frequently introduced measure is 'reinforcing activation'. This includes making employment benefits conditional on being available for work. Table A1 in Appendix two shows that Member States have reduced many out of work cash payments, including pensions, accelerated the privatisation of health services, decreased access to and level of health services. There have also been investments in 'in-work' benefits. Together, the picture is of a stronger focus on means tested in work benefits and reductions in coverage of funded services.

Table 1: Summary of crisis management measures by 27 EU States

	Belgium	Bulgaria	Czech Republic	Denmark	Germany	Estonia	Ireland	Greece	Spain	France	Italy	Cyprus	Latvia	Lithuania	Luxembourg	Hungary	Malta	Netherlands	Austria	Poland	Portugal	Romania	Slovenia	Slovakia	Finland	Sweden	United Kingdom	EU 27
<i>encouraging flexible working time</i>	x	x	xx	x	xx x					x	x	x		x	x	x		x	x		x		x	xx	x			16
<i>improving job place and investing in retraining</i>	x	x	xx	x	xx x		x	x	x	xx x	x	x		x		xx	x	xx	x		x	x	xx	xx	xx x	xx	xxx	23
<i>maintaining/reinforcing social protection</i>	x	xx x				x	xx x	x		x	xx		x								x	x			x	xx	xxx	13
<i>reinforcing activation</i>	x	xx x	xx	x	xx x		xx x	x	xx	x	x			xx x	x		x		x	x			x	xx x	xx x	xx		19
<i>supporting employment by cutting labour costs</i>	xx	xx		xx x	xx		xx		xx	xx			x	x	x	x		xx x	x		x	xx	x	x	xx	xx x	x	20
<i>revising EPL in line with flexicurity</i>		x				x						x		x													4	
<i>enhancing education and life long learning</i>		x		x	x									x					x		x					x	7	
<i>supporting the income of vulnerable groups</i>	xx x	x		x	xx x			x	x	x	x	xx x	xx x		x		x		xx	x	x	x		x	x	x	xxx	8
<i>mitigating the impact of financial crisis on individuals</i>		x	x			x	x	x	x	x	x		x	x	xx			x		x					x		x	15
<i>others</i>	x		x	x							x		x	x					x			xx x		x	x			11

X = measures taken, xx=somewhat significant measures taken, xxx= highly significant measures taken, EU 27 column = number of countries taking the measure. Source: Basso et al, 2011

The largest austerity 'packages' or those seeking to make the largest savings can be found in Greece, Ireland and Italy. These countries experience large pressure to implement structural reforms to reduce their debts in order to comply with agreements reached with international creditors and to calm down international money markets

4.1.2. Developments since 2010

Since 2010, a new phase in the crisis has emerged as deficit spending reached its limits and tough choices had to be made as to which social spending will be cut. However, there is an absence of literature covering this period due to delays in data availability and delays in publication in peer reviewed journals; research published in 2012 typically only analyses data up to 2010 .

The literature review found three studies comparing welfare reforms between 2008 and 2011 in more/less extensive welfare models (broadly the 'Nordic' and 'Anglo-Saxon' model respectively⁶). Vis and colleagues (2011) analysed welfare and fiscal policy in the UK, the USA, Germany, the Netherlands, Denmark and Sweden after the 2008 crisis and found that these countries face similar problems and had similar initial responses. An important finding is that welfare spending is part of the political response to the crisis and public support for welfare spending, as measured by various polls, varies according to the protection being discussed. Rather than retrenchment, the authors observed that, in addition to emergency capital injections in the banking sector, 'Keynesian demand management', and labour market responses, social programmes were also (temporarily) expanded. Importantly, however, the authors also note that 'the contours of a third phase have become apparent' commencing in 2010, characterised by new budgetary constraints and which were identified to force cuts in social protection through 'increasingly sharp distributional conflicts' (Vis et al, 2011). The share of the burden shouldered by women may become more apparent as these distributional conflicts become shaper.

Starke and colleagues' 2011 study examined the Swedish response to the crisis which they find to be expansionary, supporting vulnerable groups and strengthening active labour market policies. The authors find the welfare state is used as an automatic stabiliser and observe no retrenchment at the time of writing. Kovacs and Halmosi's study compares 15 EU Member States' response to the two crisis phases: 2008-2010 and 2010-2011. In this study also, Sweden stands out by preserving state expenditures and decreasing taxes (Kovacs and Halmosi, 2012). However, our case study report highlights Sweden's comparative economic stability even post 2008, which means that Sweden has not experienced financial pressure in the same way as other Member States.

⁶ Much of the literature on Welfare State development groups European models in four ways, although this division is debated. The groups of welfare states, in very broad and simplified terms include: 'Southern/Mediterranean' (which tend to rely on family and informal networks for welfare provision, e.g. Italy and Greece), 'Liberal' (which tend to favour a minimal state intervention and flexible labour markets, e.g. Ireland and UK), Corporatist (which tend to base benefits on earned 'contributions' and social status, e.g. France and Germany) and Social Democratic or 'Nordic' model (which provide universalistic coverage so that individuals are not socially excluded if they exit the labour market, e.g. Denmark and Sweden)

4.2. Gender and the welfare state: important factors concerning women at times of welfare reform and austerity

This chapter examines the underlying relationships between gender and the welfare state which risk causing negative consequences for women during times of austerity and reform unless they are factored in by policy makers. These underlying relationships result from the way that welfare states have formed, their founding principles as well as cultural norms and economic structures which determine women's role in society. Welfare states may reinforce reform or respond to changes in women's role in society particularly in times of austerity and rapid reform. The following describes some general features of women's relationship to the welfare state in terms of key welfare functions: pensions, family benefits and support, general income maintenance and support, health, education and crime and justice services. The analysis stems both from the literature review as well as overarching findings from our case studies. The purpose of this chapter is to isolate the potential, broad ways that women may be affected by welfare state reform and the potential 'policy tools' which are used to do this.

4.2.1. Pensions

The population across the EU is ageing. Whilst the rate of ageing varies across Member States, the overall trends in the medium to longer terms point in this direction. This has been an important policy concern for Governments across the EU since before the economic crisis in 2007/8. However, the immediate need to achieve reductions in expenditure reinforces today's funding challenges for pension schemes. Thus, the financial crisis exacerbated pressure on Governments either to start or to further amend terms and conditions of pension schemes. These pressures, policy tools and options and their gender implications are described below.

Broadly, pension schemes are either funded from contributions of the existing workforce (Pay As You Go - PAYG) or are funded schemes, financed from contributions made, from future recipients. As a result of the economic crisis there are a number of risks to pension schemes, in both PAYG and funded arrangements⁷ as Governments seek to

⁷ Two different pension schemes have to be distinguished, PAYG and pension funds.

Pay as you go (PAYG) pensions schemes

PAYG schemes are state pension schemes that pay a minimum amount to pensioners on reaching pensionable age. PAYG schemes are mostly funded from contributions of the existing workforce and are not supplied by a fund but based on intergenerational solidarity. Therefore, economic downturns and rises in unemployment strain the funding source for these schemes. Large national debts may increase the need for adjustments to both contributions for and benefits paid out to pensioners. In countries that are more reliant on PAYG schemes such as the UK and Ireland, the ongoing financial and debt crisis creates pressure to reduce the generosity of these schemes, either by seeking greater contributions (to earn future entitlements) or by reducing the value of schemes as they are paid.

Funded pension schemes

There are two categories of funded pension schemes: Defined Benefits (DB) and Defined Contributions (DC). Both types of scheme are susceptible to the financial crisis due to falls in the value of investments made with those pension funds. DB schemes will always pay out a defined amount regardless of the amount of money invested, meaning that the pension scheme carries the investment risk. If the pension fund does not have enough money to cover its pension liabilities, Governments have to face the challenge to restore funds. This aim may be reached by adjustments to the benefit amounts, for example by changing the indexation arrangements. Moreover, DB schemes may be closed for new members. In DC schemes, the value of the

mitigate current and future risks and to reduce expenditure on pensions. These include broadly: reducing generosity, increasing contribution requirements and increasing conditions on entitlement. These actions may be adopted in combination. Governments may also consider structural reforms in order to sustain pensions into the future including setting up incentives for privately funded pensions to encourage private schemes, making employer-based pension schemes compulsory or reducing the level of benefits payable through changes to indexing. With all pension schemes, raising the pensionable age is one tool available to Governments seeking to reduce future pensions liabilities.

The potential effects of pension policy options on women

Due to their position in the labour market, women are likely to be more adversely affected by the policy options listed above than men:

- Pushing the pension policy towards occupational (employer) based pension schemes, could result in women having less access to these pensions due to their lower employment levels while the support for state funded pension arrangements may diminish.
- Reducing the generosity of pension terms could result in reinforcing the gender gap in pensions as changing, for example, the entitlement rules to require more years of contributions, would further disadvantage women who have disrupted and reduced working lives compared with men.
- If policies encourage private pension schemes, through tax incentives for example, women who have fewer resources (average incomes,) than men due to caring responsibilities will be less able to take advantage of these.
- Increasing the use of means testing so that pension benefits are paid out only to the least wealthy may favour the least well off, of which women form a significant proportion. However, they also present a number of behaviour reinforcing 'traps'. For example, women and men could be less inclined to get out of the risk of poverty as the gain from making investments or increasing their earnings would be discouraged due to the loss of pension entitlements. Given that women, particularly lone mothers, have the lowest incomes in society, they will be more exposed to such 'means testing cliff effects' than men and could be 'trapped' in a low income circle as a result.

4.2.2. Unemployment: Income replacement and income maintenance

Income replacement refers to a set of policies intended to replace the income lost from employment. Income replacement schemes are generally funded out of general taxation

benefit paid out as a pension depends on the amount of money available to fund the payment. Thus, the individual pensioner/investee carries the risk. Whilst for those close to retirement, there is less opportunity to handle the risk and to react if the pension funds is not able to 'recover' from economic crises before their pension is payable, younger investees might be less susceptible to such a risk as they have more alternatives and more time. DC schemes have become important in state pension arrangements across Member States. However, the financial crisis has led some to re-examine the terms of these arrangements (European Commission, 2009).

but in the early phase of welfare state development, they were also based on contributions made by individuals towards their own 'security', through State managed and subsidised insurance schemes. Some Member States retain elements of contribution based schemes which means that the recipient of a benefit will usually obtain a more generous benefit than others who do not qualify for the scheme. Such contribution-based schemes are usually not means tested, since they are based on 'entitlements' that are 'owed'. Contribution based schemes are relatively generous in some welfare states with up to 92% income replace⁸ rates in some cases, (for two-parent-two child families). Lower replace rates exist for people living alone, including lone parents.

Replace rates are less generous for longer periods of unemployment; the latter might have an automatic effect on women who generally experience longer times out of work due to child caring responsibilities.

However, replacement rates, and the amount of time a person is entitled to claim the benefit have been subject to cuts over a number of years, even prior to the economic crisis. This is due to general increases in unemployment levels and changes in types of employment, with a growth in part time and low paid work.

Overall, it has to be noted that conditions of contributions-based schemes automatically disadvantage women in that they are less likely than men to meet their qualifying conditions. Whilst, therefore, women tend not to be the majority recipients of contribution based income replacement, changes to conditions for these benefits may further exclude those women who are on the margins of qualifying for the schemes.

Income maintenance includes schemes which are primarily designed to maintain individual incomes to minimum agreed levels, regardless of whether contributions have been made or not. Income maintenance type schemes may be called 'income support' or 'income supplement' schemes. Examples include support for lone parents, 'lone parent supplements' in Ireland, for example, and working credit tax schemes, such as the working tax credit in the UK. Income maintenance schemes tend to target specific groups of people, depending on their level of need. They are not designed to 'replace' previous income levels but to ensure basic standards of living. Such standards of living are subject to political decisions including the relationship between basic income standards, average wages and price indexing. Income maintenance schemes, by their nature, are means tested types of support so that they apply when individual or family incomes fall below a certain level.

Women are frequently supported by income maintenance schemes as a result of their having lower incomes and being unable to work due to child care and other care responsibilities. Policy tools available to Governments as they seek to contain public expenditure costs in this field include changing the terms of income maintenance both in generosity, coverage of population groups and through more structural reforms. Such policy tools offer more flexibility for policy makers, compared to contribution-based schemes, as access to these benefits are typically 'unearned'. In terms of reducing generosity, Governments may seek to reduce the value of the benefit being paid out by changing the way the benefit is linked to price indexes. The maximum time period a person is able to claim support may be shortened and thresholds for accessing the scheme may be raised. Targeting policies may change so that certain age groups or employee types are no longer covered. Examples of structural reforms include

⁸ OECD tax and benefits data

transforming the income maintenance principle to a 'contribution based' one so that payments are better funded, as with Italian pension reforms (Greve ed. 2010). All such measures may create savings for Governments.

As women are more than men users of income maintenance schemes, having lower incomes (gender pay gap, higher risk of poverty) and as mothers (particularly lone mothers), they are a key target group for income maintenance policy. As such, women are automatically exposed to reductions, more than men. As policy makers have more scope to adjust the terms of income maintenance schemes, changes to these may be preferred over reforms to contribution based benefits. Public discourses about 'entitlement' and linking 'rights' (to benefits) with 'responsibilities' (such as making contributions or showing greater willingness to work) will affect the policy choices made in this arena.

4.2.3. Family benefits and services

Support for children and families is provided both through benefits paid to parents to support the costs of parenting as well as the costs related to childbirth itself and in the form of services either provided by or subsidised by the State, such as child care.

Maternity leave

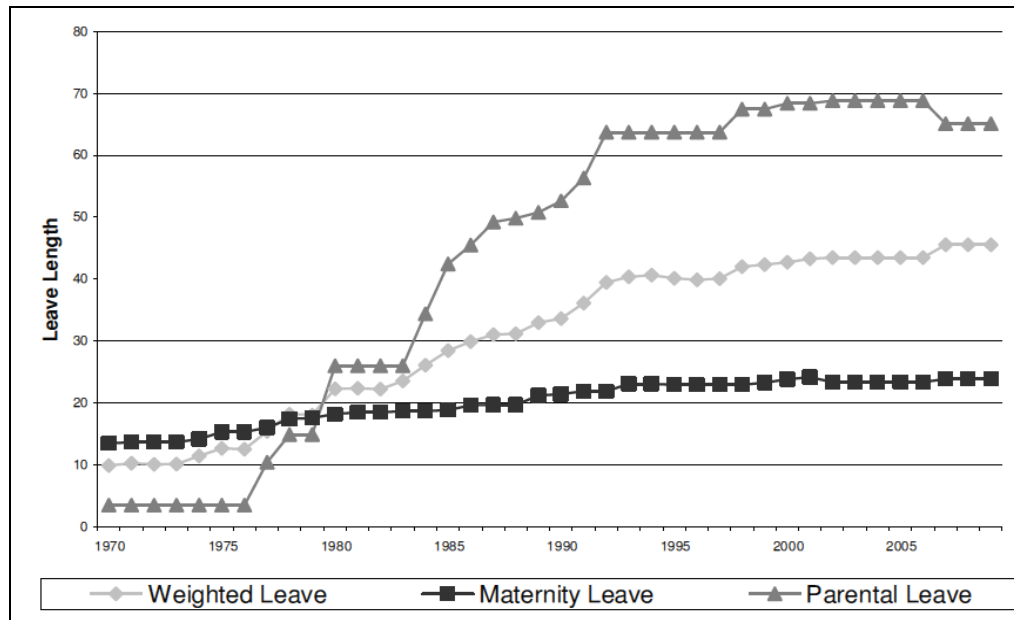
Support for families during child birth and the early stages of a child's life is provided through either state funded, subsidised or employer-funded maternity or paternity leave⁹. State funded maternity and paternity leave is a feature of Nordic welfare states which actively promote the 'universal breadwinner' model, although, generous maternity coverage is also found in Central European Welfare models. Maternity and paternity leave is paid for either directly by employers, by the State or by a partnership between employer and State. Paid maternity leave is an income replacement type of system designed to compensate mothers for time taken off work and is usually not payable to non working mothers. Paternity leave is less common across Europe, although some Nordic models of welfare offer almost equal entitlements to mothers and fathers over the first years of a child's life. Maternity benefits are frequently subject to similar rules of eligibility and generosity as unemployment or sickness benefits (see income replacement schemes), meaning that women may be paid different amounts during pregnancy and in post natal periods, according to whether they have made contributions in recent years. Where inadequate contributions have been made, a basic amount of maternity support is available in most EU countries, which is means tested and less generous than contribution based allowances.

There is wide variation in the generosity and time period for which maternity allowances are paid across the EU. There is also wide variation in the extent to which fathers are supported through benefits and insurance systems. Policy makers have a number of tools available to address the cost of maternity/paternity support, among which decreasing the generosity of terms or increasing the amount of contributions either from individuals or from employers in order to cover the benefits. However, there is an inherent tension in parental leave policy between the imperative to compensate women for work lost during pregnancy and child care and to encourage women to return to or

⁹ The EP is in favour of a fully- paid maternity leave of 20 weeks according to the legislative resolution voted in March 2010 but the revision of Directive 92/85/EEC is currently blocked in the Council

join the labour force earlier following child birth. Figure 11 below shows changes to length of maternity leave over time in 15 EU Member States.

Figure 11: Development of maternity leave in EU-15 and Norway

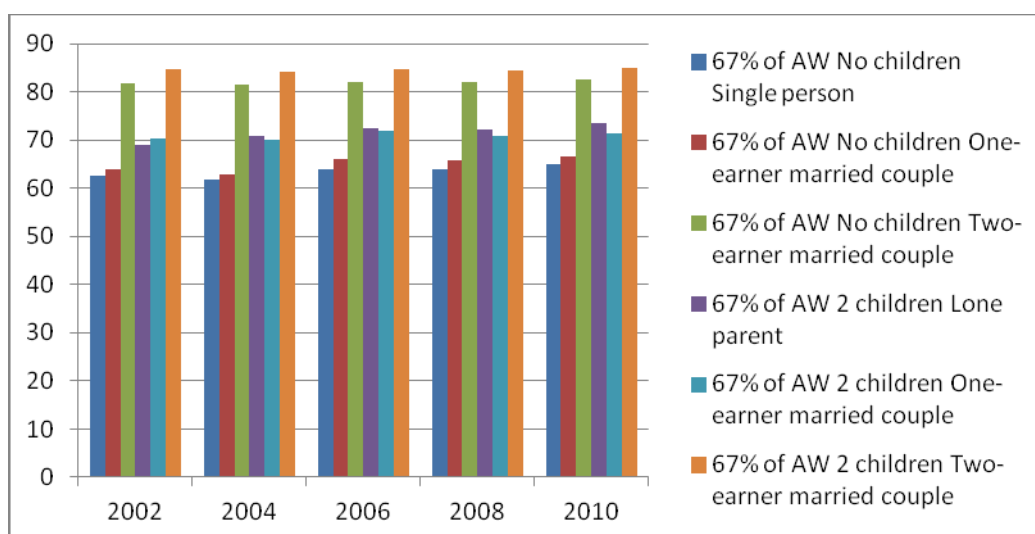


Source: Akgunduz and Plantenga, 2009

Research shows that not only participation in employment of women diminishes with increasing length and generosity of leave schemes but also decreases in wages for high-skilled women and occupational segregation have been observed as potential negative consequences of long parental leave schemes (Akgunduz and Plantenga, 2009). Women are automatically affected by these policy considerations and they are a subject of political discussion in a number of the case study countries, particularly as many Member States are moving towards more active labour market policies.

Income maintenance schemes are an important source for support for families. Income support for families is designed to maintain minimum standards of living. Typically, family support schemes include support for working and non-working families. Figures 12 and 13 below show replacement rates for different family types across 27 EU countries over time. Replacement rates are greater for double income, two child households and for double income no child households, likely as a result of these households having accessed contribution type schemes.

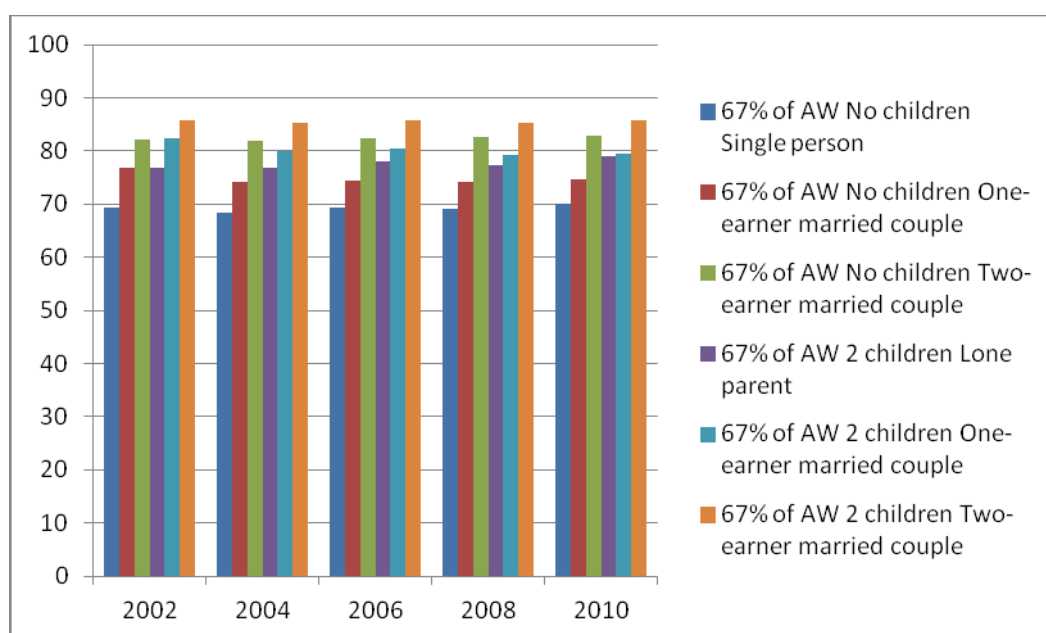
Figure 12: Net replacement rates of benefits after initial period of unemployment, for different family types as % of previous earned income at 67% of average wage earnings level (families not qualifying for additional social assistance 'top ups')



Source: OECD, tax and benefits data, 2012

Note: assumes family does not qualify for additional social assistance 'top ups', so figures are based on non means tested contribution based income replacement benefits. Where a married couple are both earning, the replacement rate is based on the 'primary' earner's previous income.

Figure 13: Net replacement rates of benefits after initial period of unemployment, for different family types as % of previous earned income at 67% of average wage earnings level (families qualifying for additional social assistance 'top ups')



Source: OECD, tax and benefits data, 2012

The level of support provided to families is subject to political decision. As such schemes are typically means tested, difficult decisions about the 'cut off point' above which benefits are no longer paid have to be made by Governments seeking to reduce their expenditure. In times of austerity, the threshold above which families cease to qualify for such schemes may be lowered, meaning that income support is further 'targeted' at even lower income families. When this occurs, lone parents and lower income families, of which women form a large proportion, may be net beneficiaries. However, as with all means tested type schemes, cliff effects as described above act as disincentives to further participation in the work force and can reinforce 'benefit dependency'.

Means tested type schemes are more susceptible to political and cultural pressure for reform, particularly in times of austerity, as recipients are viewed as not having 'earned' their benefits. Thus, there is an automatic risk for low income families, particularly lone mothers that they will be subject to negative public views and targeted with further eligibility conditions, such as having to demonstrate a willingness to work.

State support for child care either through direct benefits paid to parents towards child care costs or in the provision of subsidised child care is typically not social insurance based in the EU. Thus, child care benefit is subject to means testing and vulnerable to changes in generosity and coverage in times of austerity. Primary carers who are mainly women, particularly lone parents, are especially vulnerable to changes in child care benefits.

State funded child care services are also subject to political decisions about the availability of services and the level at which they are subsidised. Another policy tool available to Governments seeking to make savings is to relax standards affecting child care provision (for example reducing the staff to child ratio), thereby providing supply-side changes to either reduce costs or to change the quality of child care provisions. Changes in these policies will have a greater impact on women as the primary carers of children and most significantly, will have strong implications for women's ability to work.

4.2.4. Education

Specific investments in education for women are difficult to identify across the EU as they are typically discrete funding mechanisms designed to improve female participation in education either generally, or in specific subjects and are not easily identified in statistics. However, the level of support provided to parents to allow them to balance child care with participation in education is determined through the range of income support, income replacement or parental support schemes and varies across EU Member States. Potential changes to these schemes are detailed above.

Governments will also consider the importance of education on future economic prosperity and these considerations are likely to affect education spending policy. Since 2000, more than two-thirds of GDP growth in 21 EU countries was driven by labour income growth among tertiary-educated individuals (OECD, 2012). Better educated individuals have higher earnings, although there are significant earnings gaps between women and men in higher educated groups. Thus, between 2008 and 2009 expenditure on educational institutions fell in only four EU21 countries (Belgium, Estonia, Iceland, Italy). However, a policy tool available to Governments in seeking to reduce spending on education includes the introduction of university fees. These are likely to exclude individuals from lower income groups, many of whom are from lone mother families. No

particular 'automatic' risks of education policy for women and girls have been identified from the literature review

4.2.5. Health

Health and Social Care systems are funded in three main ways across the EU:

- social or national health insurance funded by payroll taxes, often shared between employers and employees;
- national health services (NHS) funded by general Government revenues or earmarked taxes; and
- out-of-pocket payments requested from the sick at the point of service delivery, used to a varying extent.

In 2008, expenditure on social health protection accounted for an average of about 70 per cent of total expenditure for health care in Europe (ILO, 2011). In Western Europe, both public and social security expenditure play a major role in health and social care funding, in Central and Eastern Europe social security expenditure serves as the predominant source of funding. Health care includes primary health needs and ongoing ill-health related needs. Health care systems also include preventative health care such as health screening and other public health initiatives.

Spending on health and social care has been subject to significant challenges even before the financial crisis. Demographic ageing creates ever increasing demands on state provision of health and social care to the extent that funding regimes, productivity and the organisation of care systems have undergone significant reforms across the EU. However, the financial crisis of 2007/8 placed renewed pressure on Governments to ensure that expenditure is restrained whilst still being able to meet growing demands for services.

In recent decades health expenditure in many EU States has grown at a faster rate than the economy, accounting for an increasing percentage of gross domestic product (GDP). This has created pressure on Governments to curb expenditure and cost containment has become a priority, particularly since the financial crisis. Key approaches within those cost containment strategies include:

- market-based mechanisms, particularly among providers, emphasizing competition;
- cost reductions and patient responsiveness and satisfaction;
- total quality management, previously developed in manufacturing industries, leading in health care to re-engineering of the service production process, emphasizing high quality of care, good outcomes and enhanced patient safety;
- integrated care and provider substitution, requiring sophisticated coordination between acute, primary, nursing home and home care in response to an ageing population and rising rates of chronic disease; in the process, helping to shift power in health systems from inpatient specialists towards outpatient, primary care and primary health care arenas;

- health promotion and disease prevention, seeking to move personnel and resources upstream towards the behavioural, organizational and societal sources of ill health (EOHSP, 2012).

Policy makers have also given recent consideration to health funding systems. Policy tools available to Governments in seeking to contain health expenditure, in addition to the organisational changes listed above, include increasing contributions or taxes paid by individuals; reducing the number of health interventions covered by state funding; reducing staffing levels and introducing pay freezes or cuts; introducing charges made at the point of access such as prescription charges

In EU Member States with the most serious public debt burdens, notably Greece, the need to cut back on public expenditure provides policy makers with few options and funding cuts have led to severe reductions in health services available. Where this occurs, people with the fewest resources and lowest incomes are most vulnerable. This places women at an automatic disadvantage given that *women typically have lower incomes and fewer resources on which to fall back in the absence of state funded health care* (See Italy case study).

Health outcomes are predicted by socio economic determinants with strong links between lower socioeconomic status, poor health and lower life expectancy. There has been growing interest in recent decades in addressing these links, for example unhealthy lifestyles (smoking and alcohol use) and poor environments (pollution control and housing improvement). As with men, women are exposed to specific risks relating to gender as well as to socio-economic positions (for example, obesity is a particular problem for women in lower socio-economic groups but not for men) (EOHSP, 2012).

In addition, eligibility criteria for access to health care vary across Member States and in some, this leads to inequalities in access to health services. This particularly affects groups that participate to a lesser extent in the labour market, and thus frequently exclude women employed in part-time or other working arrangements, including the informal sector. Women in general, ethnic women such as Roma, and migrant populations who often face difficulties in accessing the labour market, are therefore particularly disadvantaged. (ILO, 2011).

Another important automatic risk for women relates to funding for the social care sector. Social Care is the provision of practical help for people with certain limiting illnesses or disabilities. Social care may include residential nursing home care, at home nursing services, respite care, hospice care and outreach services. These services are typically run in the community and are funded by the state either through grants to charities or non-Governmental organisations or by funding individuals to purchase social care support for themselves. In the latter case, people with long term illnesses or disabilities might be provided with a disability benefit or additional support to purchase services they may need, such as help to purchase mobility aides.

Policy tools available to Governments in seeking to curb expenditure on social care may include supply side changes to reorganise the way the social care is provided or to improve productivity and value for money. On the demand side, changes to benefits entitlements such as reductions in benefit generosity or the length of time a benefit is payable, or introducing new requirements to qualify for a benefit, may be introduced.

An important automatic risk for women is that more women than men act as carers to people with long term illnesses or disabilities, including the elderly. *Cuts to state funded social care will increase the 'care burden' on women further.* This will have the impact of reducing women's ability to work and improve their income and wealth as well as the direct impact of increasing care burdens. In the EU-27 employed women spend 11 hours and employed men 8 hours weekly on caring for elderly and disabled relatives, however, in Southern European countries the gender gap in time spent caring is larger (European Quality of Life Survey, 2007).

Reductions in staffing levels or pay for health and social care staff will affect women to a far greater extent compared to men as women constitute the large majority of health and social care employees.

4.2.6. Public protection and justice

Another key element of socially funded welfare which is crucial for women and girls is in protection against violence.

Violence against women and girls is a priority for many EU Member States and a key priority for EU Institutions (see for example European Parliament resolution (2010/2209(INI))). The EU wide strategy to end violence against women and girls, adopted by many EU Member States, includes strategies to end discrimination against women and girls, actions to monitor the incidence and outcomes of violence and actions to hold perpetrators accountable.

Whilst many national Governments have classed violence against women and girls a priority and, in some cases, have introduced new legislation to hold perpetrators to account, there are few examples of additional statutory funding being made available to support victims, beyond existing services and entitlements. Thus, *domestic violence services are at risk from public expenditure cuts* in the sense that they may have to compete for available money with other services that are impacted by violence against women and girls. Violence against women and girls is a complex social problem requiring a response from multiple agencies across State functions, thus, relevant services are exposed to risks of funding cuts from many different fronts.

4.3. Conclusion

The literature review and case studies have identified a number of automatic risks for women and girls, as Member States seek to reduce public deficits. These risks stem from women not being adequately covered, compared to men, in social protection systems as they tend not to have made sufficient 'contributions' to social protection insurance as a result of lower participation in the labour market. This also means that women are subject to more means tested benefits than men, which are more amenable to policy changes. Reductions in state services also impact women more than men and in two ways: a) immediate reductions in services that women are primary users of (such as child care) and b) these reductions make it more difficult for women to participation in the labour market.

5. LESSONS FROM CASE STUDIES: GENDER IMPLICATIONS OF THE FINANCIAL CRISIS AND THE IMPACT ON SOCIAL WELFARE SYSTEMS

This section summarises the experiences of different case study countries following the 2007/8 economic crisis. The case studies provide examples of how women are impacted by policy responses to social welfare following 2007/8. The case studies are based on evidence gathered within six EU Member States and serve to illustrate how the automatic risks for women are translated in practice.

The findings are based on interviews with three groups of policy actors in each country: independent experts (such as academics), Government Agency respondents and those in the 'third sector' (either Trade Unions, non-Governmental organisations or women's advocate groups). The case studies also draw upon analyses of nationally held data.

5.1. Case Study one: Greece

KEY FINDINGS

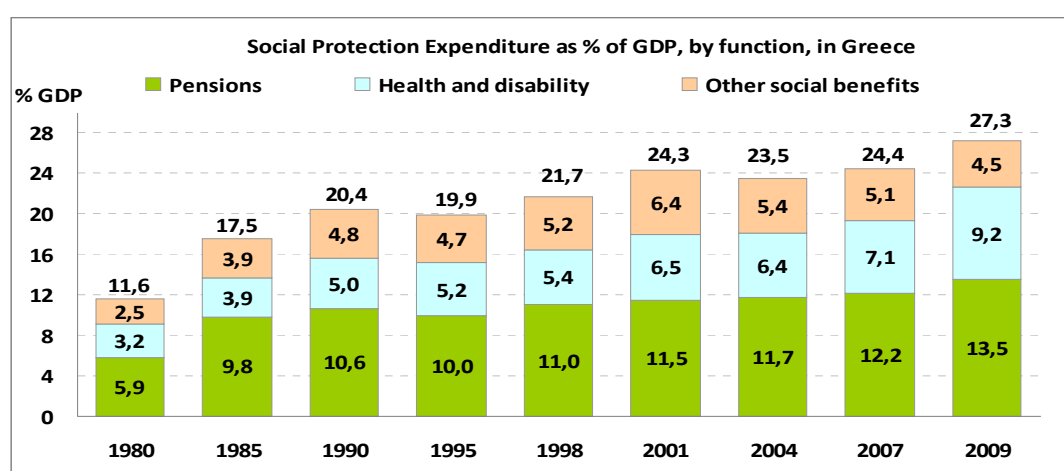
Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- The fiscal crisis in Greece has necessitated a range of longer term structural reforms and short term retrenchment measures in the context of a deep and prolonged recession.
- The most important reforms, in terms of social expenditure being addressed, are to the pensions system. These reforms will affect women the hardest in the long term. In the near term, incomes of pensioners were cut.
- Austerity measures in response to the financial crisis primarily involve dramatic retrenchment measures (cuts) to health, elderly and child care services.
- Due to time lags and lack of data at a national level, it is difficult to detect gender differences in poverty and health care as a result of the crisis, however, qualitative evidence from a range of interviewees suggest that women will a) be under pressure to make up for reduced social welfare services and b) will, therefore, be face greater problems to participate in the labour market.
- Greece has an opportunity to reform its welfare system towards greater equality, including gender equality. However, this would mean redirecting expenditure towards state services that would free women from caring responsibilities.

5.1.1. Background and context

Greece is an example of a Mediterranean or 'Southern' welfare model, often grouped in the same category as Italy, Spain and Portugal. It has evolved a 'mixed' system of welfare state services providing both universal services (such as health care) and contribution based benefits. The Greek social welfare system evolved gradually from a system of family- provided care and support for dependent children and adults. Formal social protection (with the possible exception of hospital health care) was 'layered on' to the family system and to a large extent, depended on the family continuing to provide social care and protection (Lyberaki and Tinios, 2002; 2011; 2013). However, overall social expenditure in Greece (expressed as % of GDP), exhibited a significant increase from 11.6% in 1980 to almost 20% in 1995, reaching 27.3% in 2009 (see figure 14 below), whilst keeping the structure of expenditure largely unchanged.

Figure 14: Social protection expenditure in Greece (% of GDP) 1980-2009



Source: ESSPROS

Despite the increase in overall social expenditure in Greece, the way in which this is apportioned displays distortions, characteristic of the 'southern/Mediterranean' welfare model. The distortions are functional (disproportionate expenditure on certain welfare functions) and distributive (disproportionate expenditure on certain groups of people) (Ferrera, 2000), as well as gaps in protection. In terms of functional distortion, Greek social expenditure is heavily weighted towards pensions whilst less focussed on family benefits, child care and long term care for disabled or elderly people (Lyberaki, 2013)¹⁰. In terms of distributive distortion, social protection benefits such as unemployment and sickness benefits are poorly targeted to the lowest parts of the income distribution. This explains the limited impact of Greece's social protection system on reducing poverty risk: social transfers (other than pensions) reduce poverty risk by only 4 pp in Greece.¹¹ Similarly women are called to play a greater role to fill gaps in protection.

¹⁰ According to the most recent (2009) figures, if total social protection expenditure in Greece is divided in 10 parts; 5 are allocated to pensions; $3^{1/2}$ parts are allocated to health and disability; while only $1^{1/2}$ part is allocated to other social benefits.

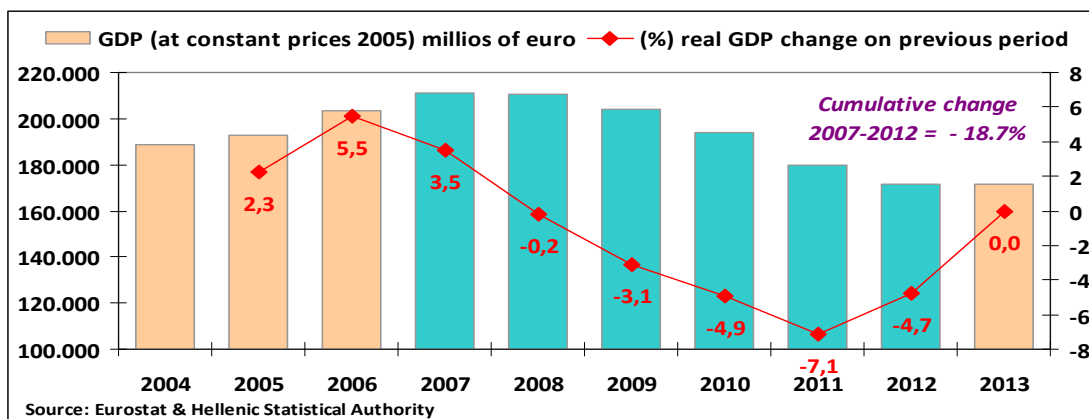
¹¹ The limited effectiveness of social benefits (4pp) in reducing poverty risk might not say the 'whole story'; it is also important to note that social benefits reduce poverty risk of the poor *as much as* for those whose income exceeds the poverty line reaching even the median income.

The functional, distributive and coverage distortions have serious gender implications, including how response measures to the economic crisis may affect women. The extent to which crisis reforms address the distortions present in the Greek welfare model will impact the way women are protected from risks of poverty and ill health and how they are supported to participate in the labour market.

5.1.2. Greece's response to the economic crisis

Since 2008 Greece has been in the midst of a deep and protracted recession (Figure 15). Real GDP has fallen for five consecutive years, a cumulative fall between 2007 and 2012 of 19%. The twin forces of a liquidity squeeze combined and interacting with deep austerity necessitated by a total exclusion from financing sources other than the 'troika' (IMF, ECB, Commission) have pushed the Greek economy sharply downwards.

Figure 15: GDP in Greece



It is significant that recession started in 2008 and hence predated austerity by more than a year; this emphasizes the role of monetary influences (liquidity) operating to contract activity in the private sector as an (often neglected) crisis driver. Austerity, nevertheless, has been unfolding continuously ever since the fiscal crisis was uncovered by the huge revision of budget data in October 2009 (the 2009 deficit rising from 2.9% to 15.4%). Policy since the bailout has evolved in a dynamic fashion, in an interplay between the Government and the Troika. This has involved a repeated succession of: planned initiatives, legislation, slippages in implementation, corrective action and a final set of actions. The period since 2009 has seen, in turn: (a) Oct. 2009 – June 2010: ad hoc measures in attempt to avoid a bailout; (b) June 2010 – March 2012: the first Memorandum of Understanding including a new medium-term framework in July 2011; (c) March 2012- July 2012 Private sector involvement in official debt write-down plus a new medium-term framework (Lyberaki and Tinios, 2012b). (d) July 2012 – Negotiation by a coalition Government of a new bailout finally agreed in November 2012.

Austerity measures have primarily been selected to ensure fiscal consolidation, while the lessening of the impact of the crisis on specific groups was a secondary consideration (Lyberaki, Gonzalez and Schmidt, 2012). The planned reforms aim to bring the general Government wage bill in line with the most efficient OECD countries (around 9% of

GDP). Labour market reforms aim at competitiveness, youth unemployment, individuals on the margin of the labour market, and a shift from informal to the formal labour.

Reforms to social spending include long term reforms to contain the projected increase in pension spending to less than 2.5% of GDP by 2060 (from a projection of 12.5% of GDP), and a shorter-term concern to maintain public health expenditures at about 6% of GDP and to improve the targeting of social benefits while health care reform additionally aims at maintaining universal access and improving the quality of care delivery.

The bleak macroeconomic and fiscal picture combined with developments in labour markets and (a largely unreformed) social protection system produce an exceptionally difficult social situation, and especially so in the field of gender. As the demand for social protection is increasing dramatically, the supply of formal social protection is being cut back. The potential risks and implications for women are outlined in the next section.

5.1.3. Automatic risks: How are Greek women potentially vulnerable to welfare reform?

Women are presently at a disadvantage in the Greek welfare system which risks their position being weakened in two key ways: *a)* the implicit orienting principle in the Greek welfare model is the male breadwinner model which inadequately addresses women's needs and *b)* women are more likely to face difficulties in reconciling work and family. The *direct* impact of key services that would otherwise assist women into the labour market, such as child and other family care services is tempered by the limited pre-crisis coverage of such services. However, women are affected indirectly by having to assume a greater share of '*informal* social protection'.

The Greek welfare system is built around the principle of the 'male breadwinner', meaning that men are provided social protection such as unemployment and sickness benefits and pensions through employment-linked contributions, while women are protected 'through' their husbands' income.

"The social protection system preserves the 'traditional' treatment of women as dependents of men. The majority of elderly women do not have their own pension but are the indirect beneficiaries of married persons' allowances in men's pensions, or of survivors pensions once their partner passes on. The one example where women were entitled to their own pension (that in the Farmer's fund, covering all rural dwellers) was abolished in favour of dependents' rights in 1998 – in a move directly counter to the trend in the EU". (Independent expert respondent, Greece)

In addition, employment protection legislation in practice guarantees the position of well-placed groups ('insiders') being Government, public sector and large state-dependent private sector employees (Lyberaki, 2013). 'Outsiders', on the other hand, are concentrated in low paid and precarious jobs and are less well protected; women form a large proportion of employees in this less-protected group. As women are less protected, compared to men, by the unemployment benefit system, their poverty rate is worse: *"The poverty rate of unemployed women reaches 40.0% (for men it is 37%)"* (Independent expert respondent, Greece).

The other implication of poor coverage of the 'outsider' group is that it necessitates the 'informal' welfare system where women provide the majority of effort, i.e. providing child care and care of elderly or disabled adults, filling the many gaps left by the formal system (Lyberaki and Tinios, 2012a). In particular,

"Middle aged and elderly women play a key role in filling the gaps left by the social protection system, most notably in the field of care for the aged and child care. Younger grandmothers have to look after grandchildren as well as their own aged parents". (Independent expert respondent, Greece)

5.1.4. The actual gender impacts of crisis response measures to date

In general, austerity measures in the fields of social protection and social services may be summarised as involving the introduction of more means-tested criteria for almost all kinds of family benefits such as tax exemptions for large families and child care benefits. In the presence of widespread tax evasion, means testing may not be successful in ensuring that benefits are channelled to the least well off. Nevertheless, it could also mean that for many families, the costs involved with going to work, such as child care costs, may become greater as a proportion of income. This can act as a disincentive for second earners (mainly women) from taking up work.

The gender impacts of enacted reforms or welfare measures are now assessed in turn.

Pensions

A key area of reform is the pension system involving new eligibility criteria for accessing pensions, raising the retirement age, reducing the generosity of pensions benefits, whilst containing 'grandfathering provisions' for near-term retirement applications. These longer-term measures could not contain expenditure rises, necessitating since mid-2010, 11 in total ad hoc initiatives to curtail primary and auxiliary pensions enjoyed by current pensioners. More and deeper cuts are due in January 2013.

The immediate effect of pension reforms was to accelerate retirement, particularly among women aged 50+. This increased fiscal strains and also creates a new group of future low-income pensioners, particularly women. In the longer term, the projections released in the EPC Ageing Report (EPC, 2012) show that pension reform is approached through (a) a reduction in pension coverage – i.e. in the ratio of pensioners to population and (b) a reduction in the benefit ratio, i.e. in the extent that pensions replace earnings. Women will be affected more deeply than men by both measures.

Whilst current discussions and media attention focus more on the problems of young and prime age individuals, little attention has been paid to older women who will be particularly affected by the austerity measures.

"Older women will feel austerity in both direct and indirect ways: Their pensions will have been reduced; direct taxes on income and real estate much increased; indirect taxes will make balancing the family budget harder; long term care will be reduced; finally, they will (silently) be expected to make up for what they can by offering more and more of their own time to supplement the areas where services are cut". (Independent Expert respondent, Greece)

Family benefits and services

Some benefits will become means-tested (for example the large family benefit); while for some others the prerequisites for eligibility have become stricter (e.g. the old age solidarity benefit). These cuts affect mostly those in the higher-income brackets. In this framework, it might allow for better targeting of the social benefits towards the lowest parts of the income distribution. In turn this might affect women positively, as women are over-represented among the poor in Greece, especially among the elderly.

Childcare facilities: The 325 Local Authority (LA) organisations in Greece provide services for children 0-6 years and for children with disabilities. These programmes are being funded by the European Social Fund— NSRF and they are administered by Legal Entities of Public Law. In 2008, the public child care services consisted of 1,751 public nurseries and kindergartens, with 11,150 employees, serving 78,000 children. In 2012, the number of such structures has been reduced to 1,319 public nurseries and kindergartens, with unclear numbers of children, while the demand has grown significantly due to the increasing weakness of the parents to turn to the private sector¹². The adoption of stricter income criteria and the decline of available spaces have caused great tensions among applicant parents.

Services for elderly care: Since the beginning of the 2000's, to a great extent due to EU funding, one may observe a significant increase in the social services provided to the elderly who live in the community, starting from a low base. More specifically, apart from the Open Care Centres for the Elderly (OCCE), which started working in the 80's (in 2009, 9000 OCCEs were operated by the local authorities), new services supplying care to the elderly were gradually developed: Centres of Daily Care of the Elderly (CDCE) provided social support and care for the elderly at home and in the community including day care centres for elderly people; the Help at Home Programme assists low income elderly people with at-home support and care. However, the continuation of the operation of these care structures is guaranteed only until March 2013, when the funding from the sources from EU funds ends. It is unlikely that LAs will continue to fund these services once EU funding has been removed.

Though elderly and child care services left many gaps, the reduction of both reverses the expectation that these services will play a role in gender balance. Those women who benefited from existing facilities will be under greater pressure to provide the care that is withdrawn by the state; more importantly, the expectation that these services will play a meaningful and quantitatively significant role in serving latent demand, is denied. As a consequence, women will face greater obstacles to participate in the labour market if low cost child care is withdrawn.

Unemployment protection

Unemployment benefit in Greece is conditional upon national insurance contributions and is available for a maximum of one year of unemployment. The increase in long term unemployment among men and women means that fewer unemployed qualify for unemployment benefit. Austerity measures to unemployment benefit have reduced it from 470 to 360 Euros per month. This reduces incomes of unemployment benefit recipients, affecting in turn their risk of poverty and social exclusion. No data are

¹² A note of caution: The municipality of Athens in 2011 was able to provide 50% more places for children with a reduced budget – indicating that retrenchment may lead to efficiency gains.

available on the gender impacts of this measure. However, as women are less likely to have made adequate contributions to the unemployment scheme, they are also less likely to qualify for this benefit in the first place. Only a very small share of unemployed women are benefit recipients (around 22% of those women registered with the manpower employment agency are benefit recipients – or 18% if calculated on the basis of the Labour Force Survey definition).

Health

In the Greek health care reform, the use of flat access fees has spread, raising concerns that care is no longer free at the point of access. This means that lower income individuals, a large proportion of whom are women, may be unable to afford access to health care, although some provision is made to exempt the poorest from the fees. The full extent of these reforms is not yet known, but it is likely to have implications for health inequalities, including gender inequalities in health. If access to health care is diminished further, there is a risk that women will face significant renewed pressure to provide 'nursing' care for unwell relatives who are unable to access health care (Trade Union respondent, Greece)

Other reforms to the health system aim to curtail and rationalize pharmaceutical use, to consolidate health social insurance (previously fragmented, leading to differences in health sector expenditure per head), and to rationalize hospital care. These measures will undoubtedly have an impact on health service workers' income (heavily weighted towards women – especially among nursing and auxiliary staff). The majority of measures, though, such as replacement of brand drugs by generic drugs, can increase efficiency without major adverse gender impact.

Additional issues for Greece

Violence against women services: A series of social programmes ran from 2009 to 2012, the total cost of which was 55 million Euros, for issues related to gender equality which was funded by the European Social Fund. A major priority for the fund was work on violence against women including investment in women's refuges and help lines. These investments were made because it was known that violence against women intensifies during times of crisis (Non Governmental Agency (NGO) respondent, Greece). However, funding for these initiatives is currently uncertain and NGO respondents expressed concern that funding would be cut in the near future.

5.1.5. Conclusions

The austerity measures in Greece represent enormous pressure across society and women will bear the brunt of many cuts in social care services particularly child and elderly care. However, the crisis response may also bring about opportunities to improve gender equality and the next few months and years will determine the net impact on gender equality. The relative position of women will be determined by relative weight of two opposing forces. First, the development of structural reforms may increase work mobility and, as a result, be beneficial for groups of previously 'outsider' workers (i.e women). Second, however, austerity measures including reductions in wages and the downgrading of the social care services (Government Agency respondent, Greece), could potentially discourage women from participating in the labour market. The impact on gender equality of the current reforms in the longer term, will be positive or negative depending on which of these forces gains the most momentum

However, evidence from a number of case study interviews suggests that, to date, reforms in Greece have been introduced without any consideration of the gender impacts. Given that gender equality in the labour market and in the allocation of welfare spending affects whole families, not just women, by not considering gender impacts is missing a valuable opportunity to address historical inefficiencies and distortions in the Greek welfare system.

5.2. Case Study two: Ireland

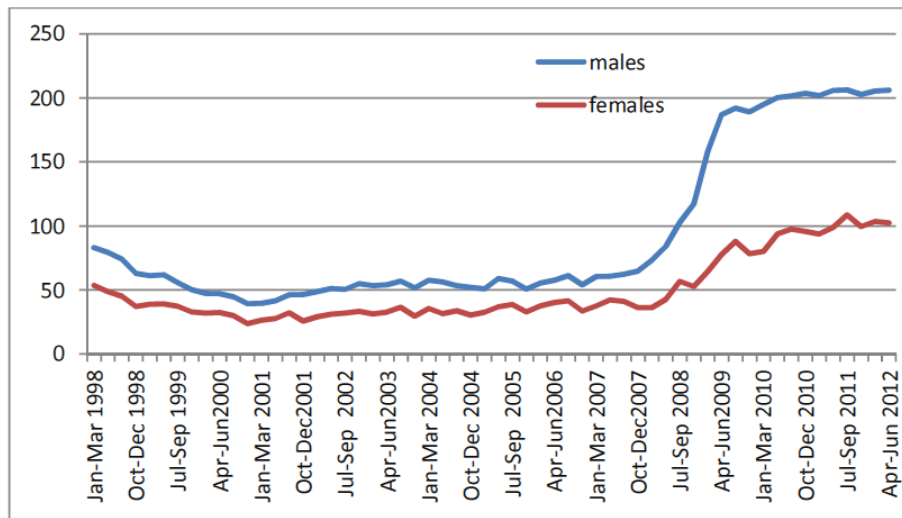
KEY FINDINGS

Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- Ireland has suffered a dramatic downturn in the economy since 2007/8, which worsened in 2009, resulting in a €150 billion bail out package from the European Central Bank.
- In the initial phase of crisis response, in addition to cuts in benefit generosity, support for vulnerable groups was targeted; now Irish policy makers are addressing deeper changes on a more structural level, in particular through new labour activation policies.
- Thus, labour activation policies will target women in particular lone mothers. This has involved an increased reduction of entitlement to lone parent income support moving more lone parents onto job seekers' allowance.
- Interview respondents expressed concern that child care needs are not sufficiently addressed through the new labour activation policies although this issue is still under consideration among Irish policy makers.
- Cuts in child benefit have been introduced which may further reduce women's, particularly lone parents', ability to re-enter the labour market.
- Pensions reforms have introduced stricter conditions for entitlement which will likely disadvantage many women who are able to make fewer contributions compared to men.

5.2.1. Background and context

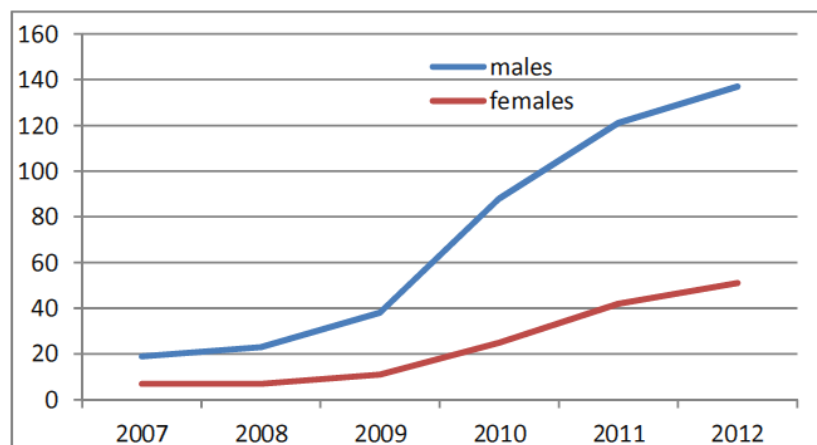
The Republic of Ireland experienced a dramatic economic downturn in 2007/8 as a result of the economic crisis and experienced an economic contraction of 11.3 per cent in 2009, the largest annual decline in economic activity ever recorded in Ireland. This hit the housing market and employment levels particularly hard. Figure 16 below shows the changing unemployment rate in the Republic of Ireland (RoI) over time.

Figure 16: Unemployment rates Republic of Ireland (1000s)

Source: Republic of Ireland, Central Statistics Office, 2012

Figure 16 shows a very large increase in unemployment rates for both men and women from 2007 which is particularly pronounced for men. Long term unemployment rates have also grown rapidly as figure 17 below shows.

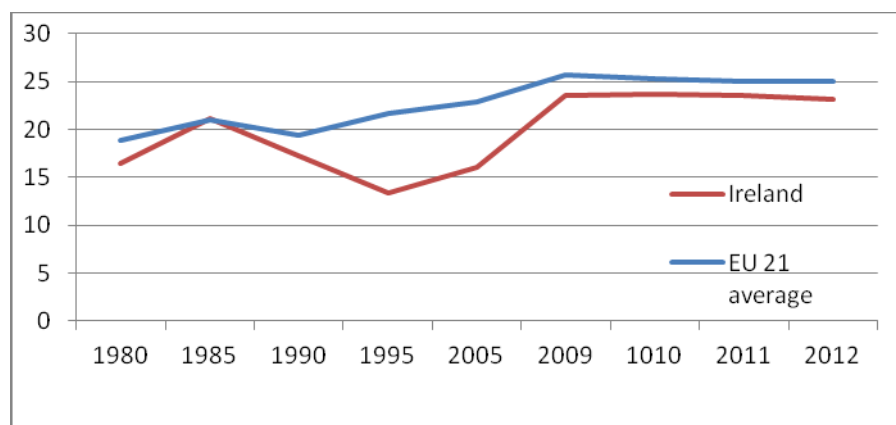
Real GDP in Ireland slowed noticeably in 2007, peaked in early 2008, and declined again rapidly afterwards. After 2009, Irish GDP began to stabilise showing a recent tendency to rise slowly. The economic downturn presented a serious financial crisis for the Irish welfare state due a combination of declining tax receipts and increased demand for state services and support. Figures 16 and 17 show that unemployment is higher among men compared to women. However the gap between men and women is narrowing. Official unemployment measured in the Irish Quarterly National Household Survey (QNHS), showed female unemployment rose by 15% in the year to March 2011 while male unemployment rose by 3.5%. Between 2010 and 2011 long term unemployment (>one year unemployed) grew by 11% for women compared to 3% for men.

Figure 17: Long term unemployment rates (>1 year) for males and females in Republic of Ireland (1000s).

Source: Republic of Ireland, Central Statistics Office, 2012

The huge rise in unemployment represents the largest challenge for the Irish welfare state as it seeks to contain expenditure on unemployment-related benefits. Social expenditure as a percentage of GDP for Ireland is provided in figure 18 below, compared to average expenditure for 21 EU countries.

Figure 18 Social expenditure in Ireland and 21 EU countries as a percentage of GDP



Source, OECD, SOCX, 2012

Ireland experienced large declines in social expenditure from the mid 1980s to mid 1990s, as a result of policies designed to move Ireland towards a more US-based system of minimum provision (Timonoe, 2003). The rapid expansion of social expenditure from the mid 1990s is due to an increase in unemployment however, social expenditure in Ireland has historically remained below the OECD average and average of 21 EU countries, due to favouring a low tax and spend policy, privatisation and labour market flexibility. However, the social expenditure picture changed rapidly in 2007 as the global financial crisis began to hit unemployment levels.

5.2.2. Ireland's response to the economic crisis

Whilst there was some expansion of social protection during times of economic upturn in Ireland, the proportion of Irish spending on social protection and other social programmes declined as a proportion of an ever increasing GDP. There has been a high reliance on means tested, non universal benefits. In line with historic Irish fiscal and social policy then, crisis response measures have emphasised more spending cuts rather than tax rises. These policy responses are represented by policy makers as a means of maintaining Ireland as a '*desirable place to do business*' (independent expert respondent, Ireland). Austerity measures have consisted, broadly, of one third tax rises with two thirds spending cuts.

Thus, the protective effect of social welfare provision in Ireland when the economic crisis hit in 2007/8 was minimal and commentators from the Irish voluntary sector argued that Ireland's social welfare system was '*underdeveloped*' in relation to its economy (Dukelow, 2012).

Independent expert respondents in our case study suggested that the Irish response to the crisis initially was to target '*low hanging fruit*' in order to achieve savings "*because it*

was more difficult to target big ticket items that cost the state more and which have more stakeholders" (independent expert respondent, Ireland). It could be argued that the support for vulnerable groups was targeted, in addition to cuts in benefit generosity, as a consequence of this strategy. One example would be the reduction of the number of Special Educational Needs Assistants who provide learning support to children with learning disabilities.

However, following the sovereign debt crises in 2010, Irish policy makers began to realise the need for deeper and further reaching cuts which would require changes on a more structural level, in particular through new labour activation policies. The impact of these structural changes has particular impacts for women, according to many of our interview respondents.

5.2.3. Automatic risks: How are Irish women potentially vulnerable to welfare reform

Ireland is often characterised as a strongly 'male breadwinner' model of welfare in that the welfare state is organised to provide occupation-linked social protection and a safety net of protection to households without work and research suggests, prior to the crisis, that increases in female employment are associated with some increase in time pressure and work-life conflicts for women. Levels of child care have been inadequate in Ireland for some years, even preceding the economic crisis. (Russell, McGinnity, Callan and Keane, 2009). Thus, systems to provide services for the care of children and the elderly are relatively un-supported by the state and women take on the majority of these caring roles.

The corollary is that benefits that are not occupation-linked (such as means tested income maintenance) are set at low levels and subject to tight eligibility rules.

On the other hand, between 1998 and 2007 there were large increases in women participating in the labour market in Ireland, from 57% to 67%. However, there were markedly lower rises in female participation among lone mothers, women with children aged under five years old and young single women (ibid, 2009). Thus, child birth and care are significant barriers to women's paid employment.

Lower participation in the labour market and reliance on means tested benefits for a significant group of women, especially lone parents, makes them more vulnerable to poverty and social exclusion including in old age as they would not have been able to accumulate sufficient pensions contributions. The extent to which crisis response measures address the needs of the poorer-protected in Ireland, including groups of women with low labour market participation and allowing for increased employment rates therefore has a significant gender dimension.

5.2.4. The actual gender impacts of crisis response measures to date

Crisis response measures in Ireland may be characterised by increased targeting of income maintenance to the poorest in society, by (attempting the reduction of) universal benefits and improving labour market participation among groups who have been dependent on benefits.

The gender impacts of specific measures are now assessed in turn.

Pensions

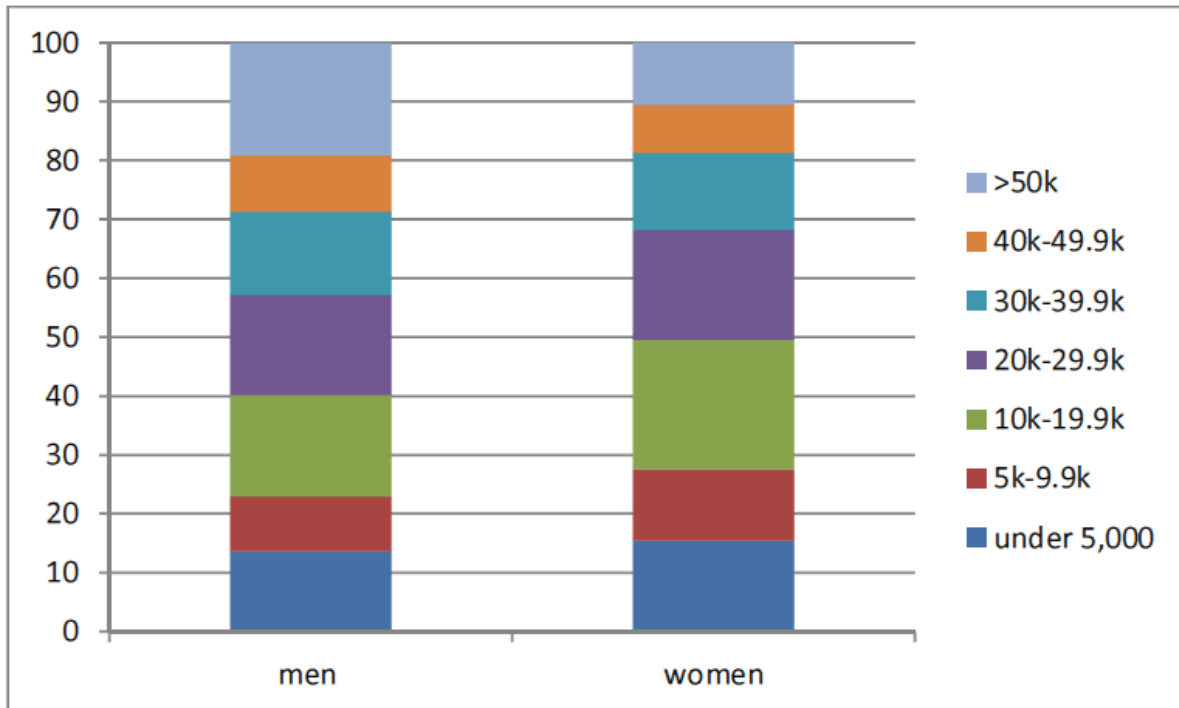
Pensions have remained relatively untouched following the financial crisis of 2007/8 according to all respondents that commented on pensions. As with other social welfare arrangements in Ireland, the biggest challenge to pensions, reported by respondents, is the need for substantial savings in expenditure but to maintain levels of income support. For pensioners this was felt to be necessary, perhaps more than for other groups, because, unlike others, elderly people are unable to enter the labour market in order to improve their incomes.

However, changes have been made to pension arrangements in Ireland. Primarily this has involved rising the pensionable age. The Social Welfare and Pensions Act 2011 increased the pensionable age from 66 to 67 in 2021 and to 68 in 2028 for both women and men. In addition, the Act introduced a 'total contributions' approach to replace the current system in which pension amounts are based on the yearly average number of contributions. This means that the amount of pension paid is directly proportionate to the number of social insurance contributions and/or credits made over a person's working life. Whilst these changes affect men as well as women, women are likely to be greater affected as women's earnings careers are more interrupted than men's as a result of caring responsibilities. This is despite some limited provision to compensate for earnings interruption (the 'homemakers scheme' which makes contributions on behalf of individuals if they are caring for a child full time until the child is aged 12).

Overall, the Irish pension system comprises a two level system. The first tier includes state pensions, modest in their provision relative to average income and the second tier involves a contribution based top up. The aim of state provision is to provide a basic safety net - a minimum standard of living for those reaching retirement age. Much of the focus of recent pension policy in Ireland has been to encourage citizens to provide second level pensions for themselves.

In Ireland a majority of older women are heavily dependent on the state pension. The current new emphasis on occupational and personal pensions (which includes a public information and awareness programme for women encouraging them to build up pensions) tends to reinforce the link between the pension system and earnings, length of service and employment status (independent expert, Ireland). The emphasis is likely to have gender implications given that women tend to earn less and in more interrupted ways (see figure 19 below).

Figure 19: Structure of women and men's earnings in Ireland as % of all earned incomes for individuals aged 15-84 (excluding pensions), 2011



Source: Central Statistical Office, Ireland

In Ireland there are significant gender differences in reliance on the state, occupational and personal pensions, highlighting the economic dependence of older women on the state. In 2009 women accounted for one-third of those receiving the more generous state contributory pension and two-thirds of those receiving the state non-contributory pension (CARDI, 2012).

The pension system in Ireland is currently under consideration and at the time of writing is subject to an OECD review, due to report in 2013. One option being considered is introducing auto-enrolment for occupational pensions as has been introduced in the UK and elsewhere.

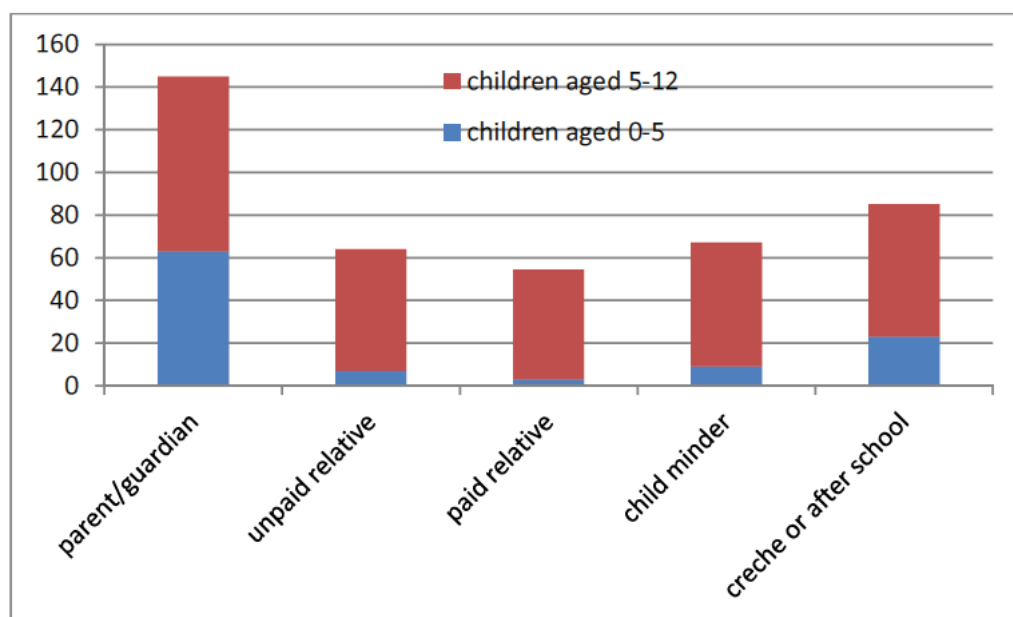
Respondents within the pension policy arena in Ireland suggested that gender implications of these reforms were under consideration, as with all major policy areas through a full gender impact assessment. However, given the need to achieve reductions in public expenditure and the historic low levels of participation of women in the labour market, gender inequalities in pensioner poverty is a risk that needs to be monitored (women's group respondent, Ireland)

Family benefits and services

A number of respondents raised concerns about child care provision and the extent to which crisis response measures in Ireland have addressed this issue. Child care has profound impact on women's ability to engage with the labour market and as a central plank of Irish social policy in response to the economic crisis is to encourage more women (especially lone parents) back into work, child care is paramount. Whilst the 2011 budget introduced €14 million to spend on after school child care places,

representing 6,000 places, child care in Ireland remains expensive (estimated to be around 45% of the average wage in 2004, (OECDa, 2011) and in short supply. Additionally, whilst new money has been introduced for child care for low income families, *"this occurred in conjunction with a €127 million cut in child benefits which is often used to pay for child care"* (Women's group respondent, Ireland). Figure 20 below shows current child care arrangement in Ireland. Family based options are the most dominant across all child ages.

Figure 20: Current child care arrangement in Ireland (% of all children)



Source: Mahon, 2012

A significant reform in response to the economic crisis, with clear gender implications is the reduction in coverage of the lone parent income support benefit. From 2013, the upper age limit of the youngest child for whom lone parent income support is payable will be lowered progressively from age 17 to 7. After that age, workless lone parents will no longer be eligible for income support and will be required to register for Job Seekers Allowance (JSA). JSA is paid at a lower rate than lone parent support and entitlement has a number of eligibility conditions attached to it, the most significant being that the recipient must be available for full time work. This change will bring significant numbers of lone parents into the Job Seekers Allowance system.

Further crisis response measures are expected to target what remains of universal benefits. Reducing the coverage of child benefit, which is currently universally available to families, has been discussed amongst Irish policy makers (along with reductions in other universal benefits for the elderly such as energy and other utility benefits). Cutting of universal benefits *"have been recommended under the terms of the IMF and ECB financial bail out packages but administrative difficulties with this policy meant that policy makers decided against it for the time being"*. (Independent expert respondent, Ireland). If the universal nature of child benefit was removed this would imply, on the one hand, better 'targeting' of benefits to those most in need. However, it would also create some losers, particularly those families earning near the income threshold of entitlement, thereby creating financial cliffs, which may deter second earners, who tend

to be women, from seeking or remaining in employment. At the time of writing, no change to the universal child benefit system has been enacted however.

Unemployment protection

An important change to the Irish Welfare system is the introduction of stronger labour activation policies which link entitlement to benefits to individuals' ability and commitment to look for work. The key changes are as follows:

- The liberalisation of the provision of welfare to work training programmes so that private providers can provide job and skills training;
- Introduction of Pathways to Work – support for job seekers to help them train and find work;
- Merging of delivery of income support and training service into one new agency;
- Reduction of upper age limit of youngest child, under which a lone parent is entitled to income support without needing to be available for work from 17 to 7 years of age; and
- Entitlement to unemployment benefits linked to a personal job action plan in which individuals' needs and gaps are taken into account.

Increased economic participation of women is a core objective of Government policy, the Irish National Women' Strategy 2007-2016 and a key requirement of Europe 2020. Ireland adopted an employment rate target range of 69-71% on average. Its long-term employment strategy includes supporting groups with historically low relative rates of labour market participation including women, lone parents (mainly lone mothers) people with disabilities, older workers, lone parents and long term benefits recipients (Forfas, 2011).

Another important change, described under 'family benefits and services' above, is the reduction in length of time a lone parent may claim lone parent income support. All Interview respondents had mixed views about the impacts on lone parents of this change. Whilst it was felt that encouraging lone parents back into work was, overall, beneficial and reduces the risk that lone parents will be trapped into benefits dependency, it was also acknowledged that the Job Seekers Allowance system does not address the specific needs of this group. In particular, there is no means by which staff at job centres, which administer benefits and job seeking support, can assess child care and other caring responsibilities.

"The policy is still being implemented and more needs to be done to make sure that lone parents' child care needs are taken into account when making assessments for the benefit" (Independent expert respondent, Ireland)

An alternative benefit for lone parents who exit the lone parent income support is the family income supplement. This is paid to low income families who work more than 16 hours per week. This benefit is paid on a sliding scale up to a "low" (independent expert respondent, Ireland) maximum rate which differs by family size. However, this benefit is not eligible for the self employed or for those employed for under 3 months or under 16

hours per week. These exclusion criteria mean significant amounts of lone parents are ineligible.

Therefore, for a lone parent who cannot find work or whose child caring responsibilities obliges them to work less than 16 hours, or whose part time employment otherwise does not qualify for income support, there is a potential gap in provision to ensure their income is maintained.

"There is still a lot more to do to make sure that work is still a reasonable option for lone parent families. At the moment there are a lot of disjointed benefits payments and there is a risk that lone parents may slip through the net of support." (Government agency respondent, Ireland)

Health

The Irish health system is predominantly tax funded and provides some universal secondary health care¹³ with primary care funded by out of pocket household expenses and private health insurance. Over 50% of the population have voluntary private health insurance. However, individuals with low incomes are entitled to free of charge services and just 30% of the population are covered in this way (McDaid et al, 2009).

From the mid 2000s, the Irish health care system has been undergoing serious reform including reorganising the management structure into a single body, the Health Service Executive and introducing measures to improve productivity and efficiency. However, no significant gender impacts were reported by case study respondents of these reforms to date, or as a result of the crisis response measures. However, as a large component of the Irish health care system is funded by either out of pocket expenses or through private insurance, lower income groups will, to some extent experience a lower level of health care provision. Reforms to the private healthcare insurance market have been introduced and debated in Ireland since 1994 and subject to a number of legal challenges (ibid, 2009).

Research suggests that an area with potential gender implications, in the context of strained public finances, is that Ireland is experiencing an unprecedented demand for maternity services as a result of a small 'baby boom'. In 2009 there were over 75,000 births, the highest since the 1970s and a further 10% rise is projected for 2010. The baby boom will place increased demand on a service that is considered to be already overstretched. (Kennedy, 2010).

5.2.5. Conclusions

Ireland has had a liberal model of social welfare for the last four decades which was further entrenched during the economic boom times in the mid 1990s to 2000s. This means a historic higher reliance on means tested non-contribution based social protection. The number of people dependent on means tested unemployment benefits has escalated dramatically since the financial crisis in 2007/8 and policy makers have had to balance the need to make savings to social expenditure whilst maintaining a minimum level of protection for the large numbers of people who are unemployed, the majority whom are men. This has meant initial savings drives have focussed on the

¹³ Secondary health care includes hospital visits, tests, specialist appointments

generosity and qualification criteria of out of key benefits primarily affecting women: child benefit and lone parent income support. However, the large proportion of rises in unemployment have been to males as job losses were initially concentrated in sectors that mainly employ men. The gender gap in unemployment rates have fluctuated however and female employment rates are persistently lower than men's, overall (Ireland Central Statistics Office, 2010). Thus, labour activation policies aimed at cost containment as well as encouraging work will affect more numbers of men. However, this case study points out some particular difficulties facing women, particularly lone mothers as a result of reforms to income support and JSA.

These changes represent a significant move for lone parents and other low income women towards labour activation policies which, hitherto, have not tended to target the workless with caring responsibilities. Whilst all interview respondents who commented on this issue suggested that moving women off benefits and into work may be a positive step for women, it would only be positive if the move is supported by renewed investment in child care and a better acknowledgement by the state of the role and responsibilities involved in child care.

Moreover, the Irish state is still developing a range of social policy reforms in response to the economic crisis, renewed since the crisis deepened in 2010. In 2013 Ireland has committed to fund €3.5bn towards reducing its public debt, which, at the time of writing is expected to include €1bn in tax rises, €500m cuts to capital expenditure and €1.7bn cuts to departmental budgets. Interview respondents pointed out that further reductions in benefits generosity and coverage are likely and that historically and systemically, these cuts are likely to affect women more than men.

"It tends to be the case that cuts hit women the hardest because women are more dependent on social welfare because they are the ones looking after families' (women's group respondent, Ireland).

5.3. Case Study three: Italy

KEY FINDINGS

Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- Italy has been in need of reform to its social welfare system since before the economic crisis in 2007/8 in particular to make it more inclusive for women and others with poorer attachment to the labour market.
- Pensions have taken up very large proportions of welfare state spending and have been subject to the most significant reforms after 2008.
- Pensions reforms will hit women the hardest in the short to medium terms, particularly through increases in the pensionable age and the introduction of new eligibility requirements.
- There have been dramatic cuts in expenditure in both child and elderly care support. This places further pressure on Italian women to fulfil caring responsibilities, while they are expected to remain longer in the labour market.
- If the Italian welfare state was 'recalibrated' towards a fairer use of resources, this would address gender inequality and allow women to participate more fully in the labour market.

5.3.1. Background and context in Italy

Italy is generally considered as a 'Southern' or 'Mediterranean' welfare model together with Greece, Portugal and Spain with its mixed system of social welfare including some 'universalistic' traits (such as a national health system free at the point of access) as well as 'insurance based' characteristics such as contribution based social protection benefits. However, since the 'golden decades' of welfare state expansion (roughly between the 1950s to 1970s) the Italian welfare state has suffered a '*double distortion*' (Ferrera, Fargion, Jessoula 2012) in terms of how resources are allocated to different welfare functions (*functional distortion*) and between different social groups (*distributive distortion*) (Ferrera 2006; Jessoula 2010).

Along the functional dimension, the Italian pension system attracted most resources dedicated to social protection expenditure (see table two) while limited resources were devoted to social assistance, employment policies and especially social services – i.e. in kind benefits for children, care services for dependent elderly and disabled people, etc..

As for the distributive distortion, social security has traditionally varied greatly between the employed population – especially "male breadwinners" - and those with weak labour

market attachment – primarily women/mothers, young and elderly – as well as across the various occupational categories.

The underdevelopment of the welfare sectors outlined above has resulted in – and to a certain extent also exploited – informal family networks and especially women playing a major role as welfare providers (i.e. *familialistic*¹⁴ *welfare model*): the family has been decisive in providing care services as well as in compensating – via intra-family transfer of resources – the inadequacy of both passive (unemployment benefits) and active labour market policies for the unemployed (Saraceno 1994; Ferrera 1996).

Both the *distributive* and *functional* distortions have thus clear gender implications which will continue to be relevant as policy makers plan their crisis responses.

Since the early to mid 1990s, experts have claimed for the need to “recalibrate” the Italian welfare state to make it fairer both in terms of functional and distributive distribution (CACMSS 1997; Ferrera et al. 2000). Such recalibration should, therefore, involve changes to the way social expenditure is allocated to different programmes. However, progress towards ‘recalibration’ has been slow and by 2006, before the current economic crisis began, there had been only small changes to the way social expenditure is divided by welfare programmes. (See table two below).

Table 2: Social protection expenditure by sector, as % of total social expenditure

	Italia 1990	EU15 1990	Italia 2000	EU15 2000	Italia 2006	EU27 2006
Social exclusion	0,1	1,2	0,1	1,1	0,2	1,3
Family/children	4,2	7,5	3,7	8,0	4,3	7,7
Housing	0,0	1,8	0,0	2,0	0,1	3,7
Unemployment	2,6	7,2	1,6	6,0	1,9	5,2
Sub total	6,9	17,7	5,4	17,1	6,5	17,9
Old age/survivors	55,1	43,5	60,8	44,9	58,3	44,4
Disability	7,1	7,8	5,8	7,5	5,7	7,2
Health care/Sickness	26,7	26,8	24,2	26,4	25,9	28,1

Source: Author's elaboration from Eurostat data

Thus in 2007, when the economic and financial crisis broke out, the Italian welfare state was still in need of a ‘recalibrating effort’ especially in the fields of unemployment protection and social services. This was particularly problematic in light of two recent and important trends in Italy: a) the growth of total employment, due in part to the spread of flexible jobs which made reforms to the unemployment benefits system necessary (cf. Jessoula et al. 2010; Berton et al. 2012) and b) the increase of female employment from 36.5% in 1992 to 46.6% in 2007.

The extent to which the ‘recalibration’ of the Italian welfare state, since the current economic crisis, has responded to these trends – if the crisis was treated as an opportunity for recalibration – is a useful question for this study. The overarching

¹⁴ ‘Familialistic model’ refers to a system based around and depending on the support of the family.

question is therefore, *'has gender-friendly recalibration occurred in Italy in response to the economic crisis'?*

5.3.2. Italy's response to the economic crisis

In 2008 Italian GDP fell by 1.2% and by 5.5% in 2009. The economic crisis reinforced an already perilous situation marked by prolonged stagnation of the Italian economy. Thus, in 2010, huge public debt (above 120% of GDP in 2011) and a public deficit which was persistently above the 3% threshold, meant that Italy was targeted by financial market speculation. As a result, massive austerity measures were adopted in the summer and again in Autumn, 2011 in order to appease financial markets and reassure European institutions. Following a series of political crises in Italy, a new technocratic cabinet was appointed and adopted a major anti-crisis package in December 2011 (the so called, "Save Italy" decree). This aimed to reach a balanced budget by 2013, mainly via expenditure cuts.

Between 2008 and 2012 the austerity measures in Italy focussed on two main areas – pensions and social services. These areas are, therefore, the focus of this case study. As expressed by all interviewees, retrenchment has dominated social policymaking in Italy:

"The cuts to welfare services came with the crisis" (Non Governmental Organisation respondent, Italy).

"Measures adopted since 2008 in the fields of health care, pensions and social assistance policies have all been characterized by a drastic reduction of resources and expenditure" (Trade Union respondent, Italy).

"Welfare reforms in the last year have been characterized by a rush to consolidate public finances, which was actually necessary to avoid the state bankruptcy and default" (Member of Parliament respondent, Italy).

5.3.3. Automatic risks: How are Italian women potentially vulnerable to welfare reform?

Women are particularly vulnerable to reductions in Italian social expenditure in two ways a) women have been historically under-protected through the Italian social protection system and b) they are more likely to need services that are either subject to cuts or continued underinvestment.

"Austerity measures based on cutting resources for social services have a direct and negative impact on women" (Non Governmental Organisation respondent, Italy).

As women are relied upon as providers of unpaid care (Saraceno 1994), spending cuts or continued under-investment in care services will impact on women to a greater extent than men.

In past decades, the Italian welfare model relied more or less comfortably on a sharp gender division of labour combined with employment policy rules directed to guarantee a high level of job protection for "male breadwinners", but in the last three decades it has turned to be rather dysfunctional and figures tell of the emergence of a dramatic "vicious

circle” (Ferrera 2008) of: limited care services (childcare coverage was 11.7% in 2007) and inadequate family and work-life reconciliation policies, combined with low female employment rates (49.9% in Italy vs 62.1% in the EU27, age bracket 20-64, 2011) as well as dramatically low fertility rates (1.4 in 2011 down from 2.4 in 1971).

“The Italian welfare system is extremely unbalanced and penalizing for women. It is still centred on the protection of the “male breadwinner” – mainly through old age pensions – to the detriment of women and children (especially in the prime age). This [model] assumes that single-earner households may maintain an adequate standard of living, but this is no more the case in Italy. The welfare system should therefore support the transition towards a dual-earner family model, but family policies are still inadequate in Italy” (Independent Expert, Italy)

In Italy, social expenditure is heavily concentrated on pensions; 60% of total resources dedicated to social protection in 2000-08 and roughly 14-15% of GDP in 1995-2008 (ISTAT 2011a); by contrast, limited resources are devoted especially to services of which women are implicit beneficiaries (especially in a familialistic welfare model) such as in kind benefits for children, care services for dependent elderly and disabled people. In 2008 expenditure for social services (for families, disabled and elderly) was still extremely low in Italy, at less than 1% of GDP in contrast with a EU27 average slightly above 2% (Madama 2012).

Moreover, social protection in Italy provides more generous benefits to the employed population through its contribution-based insurance system which offer more generous terms to those with a strong attachment to the labour market and much less generous terms to those with weak labour market attachment, a large proportion of whom are women in part time employment and women providing care for the elderly and children.

The coverage of services for children in the age bracket 0-3 years was slightly above 10% at the outbreak of the financial-economic crisis¹⁵ (Ferrera 2008; Del Boca and Rosina 2009), though coverage varies significantly across regions. Public Long Term Care (LTC) services for dependent or vulnerable adults has mainly relied on cash transfers (so called *indennità di accompagnamento*) and coverage has been scarce. In 2012 almost 40% of households with at least one severely dependent adult over 80 years old did not receive any kind of support; 37.1% received informal care services, 27.6% were entitled to public support, finally 31.9% bought services on the private market (ISTAT 2011a). About 4-4.5% of the elderly population in Italy is estimated to benefit from public home care programmes and 3% has access to residential care; these figures are lower than for Germany and France where about 7-8% receive home care, and 5-6% receive residential care in Germany France and in UK (Jessoula and Pavolini, 2011). Thus, women are heavily relied upon as providers of informal care which reduces their ability to earn money and accumulate social protection coverage.

Underinvestment in care services has also encouraged the phenomenon of retired women playing crucial roles in the care of grandchildren.

“In Italy the provision of informal care services extensively relies on elderly people” (Independent Expert, Italy)

¹⁵ Coverage is universal in the age bracket 3-6.

This was made possible, among other factors, by the continuous reduction of the exit age from the labour market for both women and men between the 1960s and the mid-1990s. Thus, changes to retirement rules (see 'pensions' section) will have an impact on women reaching retirement age as well as on those who depend on older women for informal care.

5.3.4. The actual gender impacts of crisis response measures to date

The main social policy response to the economic and financial crisis in Italy has been to cut social expenditure while this level was already low compared with the average in the EU. This has a number of gender impacts which are now considered in the fields of pensions, social services and health services, the three areas with major reforms.

Pensions

Cost containment austerity measures in Italy were mainly targeted at pensions. Several measures have been adopted between 2009 and 2011 aimed at reducing expenditure in the short to medium term by promoting regulatory harmonization between men and women, between private and public employees, and by raising the retirement age in the short-medium term by tightening eligibility conditions. These include:

- a. *The harmonisation of eligibility conditions for public employees.* The pensionable age for female employees in the *public sector* was initially raised from 60 to 65, to be implemented gradually between 2010 and 2018 (Law 102/09). However, in 2010 the new pensionable ages were to be phased in more quickly. This included a 4-year increase of the pensionable age for female workers in the public sector to be implemented very quickly from 61 in 2011 to 65 in 2012, thus harmonising it with the age threshold for male workers.
- b. *Linking pensionable age to demographic change.* This measure links eligibility criteria for old age benefits to demographic trends. Every three years (2 after 2019) the pensionable age is raised in order to neutralise changes in life expectancy, starting in 2013. The age threshold for being entitled to the means-tested social allowance as well as the age requirement to receive the newly introduced "early pension" are also linked to changes in life expectancy.
- c. *The 2011 pension package and Fornero pension reform also included:* i) gradual harmonization of the standard pensionable age for women employed in the private sector with other categories' - first increase from 60 to 62 in 2012 in order to reach full equalization at 66 years and 7 months in 2018 (!) in 2018 (table 5); ii) increase of the standard pensionable age for both public employees (male/female) and men employed in the private sector to 66 years in 2012; iii) standard pensionable age set at 67 in 2021; iv) introduction of late and early retirement at 70 and 63 years respectively in 2012, de facto re-introducing a flexible pensionable age; v) lengthened minimum contributory period for old age pensions (20 years instead of 5) and early retirement; vi) a mandatory later retirement age for individuals entitled to lower pensions.

These pension reforms affected women in particular as women's retirement age has effectively been increased both in the private and the public sector from 60 years in

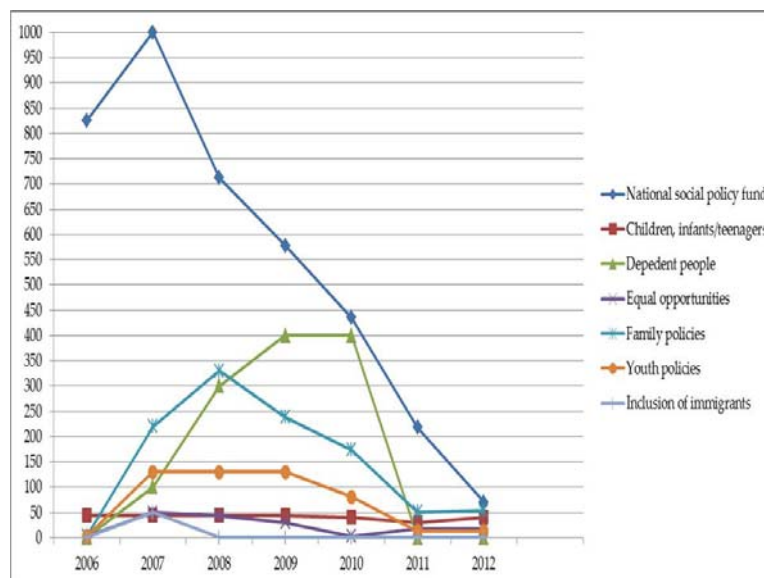
2010 to 66 years by 2018. Also, stricter contributions requirements for both old age and “early pensions” are particularly detrimental to female workers who have more fragmented and on average shorter employment careers: as women typically spend less time in work, due to child rearing commitments and lower incomes, the tighter eligibility conditions for old age pensions might be unmet by a relevant share of female employees, while the contribution requirements for “early retirement” seem to be out of reach for women at least in the short-medium term.

“The 2011 reform of the pension system challenges the sustainability of the familialistic model of welfare as we know it... women have to work longer and they will consequently find it more difficult to provide children- and elderly- care services...if not reformed effectively, the Italian welfare model based on the crucial role of family will collapse” (Independent expert respondent, Italy)

Family benefits and services

Whilst in 2007 some steps were taken to introduce better State funded care for dependent individuals and children, including limited additional resources to fund regional elderly care and early education and child care services, since 2008 these services have been repeatedly and dramatically cut (see figure 21 below):

Figure 21: Social funds resources in Italy 2006-2012 (million Euros)



Source: Author's elaboration on Save the Children (2012)

Figure 21 shows cuts amounting to roughly 90% between 2007 and 2012. The fund for equal opportunities was drastically reduced (from 50 to 17 million Euros), the fund for dependent people suffered a 400 million Euros reduction and was actually reduced to zero, the fund for family policies had a similar fate (cut from 330 to 53 million Euros). Only the fund for children was not dramatically affected by austerity measures in the last five years.

The provision of social services at the sub-national level is also at risk because resources transferred from the state to the local Government has been repeatedly reduced in the last three years in order to contain expenditure.

Cost reduction measures in this field will have a major impact on women. The limited investment in social services for both children and elderly implies a high level of informal care provision – mainly within the family by mothers and grandmothers (Maino and Neri 2011).

Thus, women will be most significantly hit by these cuts and will be less able to join the labour market, accumulate social protection and old age pensions as a result. These cuts are likely to further aggravate the 'vicious circle' outlined above for women.

Unemployment protection

Among the few expansionary social policy measures adopted since the economic crisis, the reform of the unemployment benefits system included in the labour market reform passed in June 2012 should be mentioned, although it is too early to assess its effects. These have potential positive implications for gender equality.

Two new unemployment schemes (so called, Aspi and mini-Aspi) were introduced in 2012 which increased unemployment protection coverage and provided more generous benefits. Weaker groups in the labour market should be advantaged by this reform - primarily workers employed on atypical and mostly temporary contracts as well as women who generally have more fragmented and interrupted careers. It is too soon to detect whether these changes have benefited women overall.

Health

Recent measures adopted in health care will indirectly affect women. Dramatic cuts in health care have meant some health services are no '*longer free at the point of access*'. This has led to increasing territorial and income inequalities in the access to health care (Jessoula and Pavolini, 2011, 2012) (see table three below). This is critical in a gender perspective given that women have lower earned income levels than men.

Table 3: Percentage of people with unmet needs¹⁶ for medical examination in Italy: Changes over time (years 2004-2009)

	2004	2005	2006	2007	2008	2009
Total	7.0	7.0	6.9	6.6	7.5	7.3
Ratio I-V quintile of equivalised income ¹⁷	2.9	2.9	2.6	3.0	3.2	3.9

Source: Jessoula and Pavolini (2011, 23)

¹⁶ According to the OECD "To determine unmet medical care, individuals are typically asked whether there was a time in the previous 12 months when they felt they needed health care services but did not receive them, followed by a question as to why the need for care was unmet. Common reasons include that care was too expensive, the waiting time was too long, or the travelling distance to receive care was too far

¹⁷ The 20 % of the population with highest equivalised disposable income

Additional issues

Italy has for a long time relied upon families, particularly women, to undertake informal care. This has affected women's ability to work and earn entitlements to future protection such as pensions or unemployment 'insurance' benefits. However, Italy has not been able to articulate gender equality arguments in the public arena and "*the gender issue is permanently off the political agenda*" (Non Governmental respondent, Italy). Until the gender dimension of public policy, particularly work-life reconciliation policy (i.e. the provision of state funded care services) is aired in the public arena, services that primarily affect women are likely to bear the brunt of cuts or at the least, remain neglected.

5.3.5. Conclusions

Social policies adopted in Italy in the last five years, mostly as a response to the crises affecting the country since 2008, have mainly consisted of austerity cost containment measures. These have and are likely to continue to significantly impact on women's entitlements in various policy fields – either directly or indirectly.

In the pensions sector, women's entitlements have been affected in various ways. First and foremost, via the increase of female pensionable ages in both the public and the private sector. Also through the stricter contributions requirements for old age, which are particularly detrimental to female workers who have more fragmented and shorter earnings careers. The extremely fast increase of pensionable age for women (5 years, both in the public and the private sector) represents a major challenge which is likely to worsen women's ability to reconcile work with caring in the coming years.

Thus, if later retirement for women is unavoidable in light of demographic and economic trends, the rapid implementation of the new eligibility conditions for pensions is likely to create severe work/life balance problems to (most) Italian families because investments in care services have been cut at the same time.

Importantly, there have been severe cuts to already under-developed care services such as child and elderly care which seriously further diminishes women's opportunities to participate in the labour market. Thus they will continue to have less individual income, fewer future entitlements to social protection and, if universal health care provision is threatened, will be less able to pay for health services.

The conclusion is therefore that "women friendly" welfare recalibration has not occurred in Italy and the economic crises of 2007/8 and 2009/10 have pushed policy makers to adopt measures that have aggravated the already critical situation of Italian women with regard to work/family reconciliation.

"In the last year, social policies have been dictated by even tighter budget constraints but this has not favoured a modernization of welfare arrangements. (...) by contrast, the situation has certainly worsened since 2008. (...) families and households have been "delegated" those social services that the central and local Governments are no more able to provide". (Member of Parliament respondent, Italy)

What potential strategies may be used to address the unequal distribution of social welfare cuts in Italy, given extreme financial constraints? The gender impacts of welfare reform may be mitigated if it focussed on direct and formal 'recalibration'. This would involve formally linking austerity measures in high expenditure sectors to investments in traditionally under-developed ones – a redistribution of social expenditure. An example would be 'reserving' savings from pension reforms and spending these on work-family reconciliation policies such as child care services. From an economic perspective this would help to counteract the dramatic reduction of internal demand which significantly constrains the potential of the Italian economy; last but not least, it might contribute to restore confidence in the Italian economy, currently strained by the austerity measures and economic stagnation of the last five years.

5.4. Case Study four: Poland

KEY FINDINGS

Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- The crisis started later in Poland, compared to other EU Member States and the effects have been less dramatic, although there have been increases in unemployment since 2008.
- There has been an overall modest decline in the value of family benefits from 2008 which will affect women particularly, as key recipients of these benefits.
- The key challenge for gender equality in Poland is historic underinvestment in care services such as child and elder care as women are the main providers of care.
- In the absence of state provision of care and continued cost containment policies, women are likely to continue to fulfil traditional roles as carers, thus limited their access to employment.

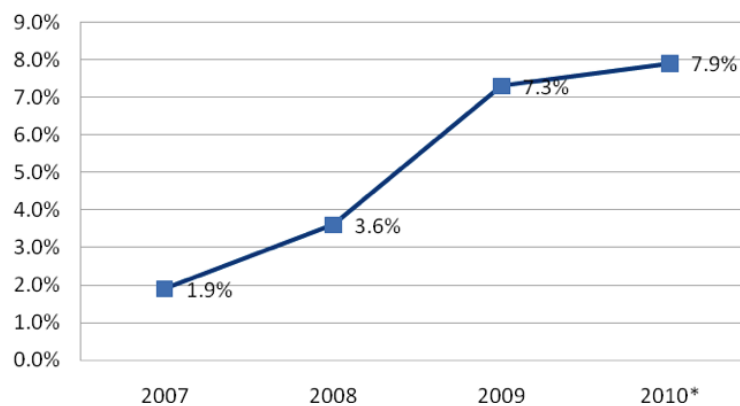
5.4.1. Background and context

The crisis started later in Poland, compared to other EU Member States and has been relatively less dramatic: Poland was the only EU member state with a positive economic growth in 2009 (1.6%), 3.9% in 2010, 4.3% in 2011 and estimated 2.0% in 2012. This is likely to be due to considerable investment by the EU in the country in the four years preceding the crisis. Prior to the economic crisis, Poland experienced huge reforms to the public sector including privatisation of state owned enterprises and decentralization of Government services and function to Local Authorities (LAs). However, despite some optimism among Polish policy makers, Poland is not immune to the effects of the crisis which have damaged public finances. By mid- to late-2008, the global economic crisis

touched Polish growth and there was a reduction of business activity in Poland with a significant decrease in production power (Reichhardt, 2011).

The significant weakening of GDP growth (while still growing) in 2009 contributed to a slump in tax revenues. Loss of revenue in conjunction with the rigid structure of public expenditures consequently led to a strong increase in public sector deficits. By 2008 there was a significant increase in the public deficit to a level of 3.6% of GDP (National Bank of Poland, 2009), see figure 22 below.

Figure 22: Poland's budget deficit (as % of GDP)



Source: Reichardt, 2011 (the 2010 figure is projected)

Poland's unemployment rate has been gradually increasing after the onset of the crisis, starting at the end of 2008 and rising ever since.

5.4.2. Crisis response measures in Poland

Since 2008 the Polish response to the economic crisis, set out in the Government's 'Stability and Development Plan' involved actions to stabilise public finances, maintain the stability of the financial system and increasing liquidity of the banking system. Polish public finances have been subject to cost containment measures in order to reduce the cost of the public debt. As such, the Stability and Development Plan set out a reduction in general budget spending by 1.7 billion zloty (407.8 Million Euros). Cost reduction measures since 2008 have included:

- Action to control inflation
- Increase in Value Added Tax by 1% in 2011 (to 23% on most consumer goods)
- Public deficit spending reductions
- Public employment and pension reform
- Fiscal consolidation of public finance at the local level.

According to Polish law, remedial measures to cut in public spending are automatic in various stages if public debt reaches above 50%, 55% and 60% of GDP. Public debt in Poland has been increasing since 2007, accelerating in 2008. In 2012 the Polish public debt was still estimated to be below the 55% of GDP threshold. However, it remains close – being 53% in 2010 and 56% in 2011. Policy makers have made reductions in public expenditure in response to these automatic measures (Reichhardt, 2011)..

Thus, significant austerity measures have been introduced to public employment and public pensions in particular. From 2011 public sector employment cuts were also introduced which aim to dismiss up to 10% of public sector workers by 2013, as a large proportion of public sector workers are women, this measure will affect women most.

The Polish health care system has experienced a significant gap between demand and supply. In 2011 due to the crisis (and lower contribution and tax revenues), the National Health Fund received less revenue to fund growing demand. Long-term care is a very weak element in the Polish social protection system. In most cases, long-term care needs are covered by the family, especially women. Plans that existed before the economic crisis to introduce a long-term care insurance have been postponed (Zukowski, 2010).

5.4.3. Automatic risks: How are Polish women potentially vulnerable to welfare reform?

The most significant aspect of women's position in the Polish welfare state is the transition away from communist, intensive social support structures. Since the transition from communist Government in Poland, as with other former communist states, previously well funded support of women in the labour market through state funded child and elder care and programmes that encouraged female employment has been diminished. Many commentators have observed that post communist societies have 're-traditionalised' and reverted to a conservative male breadwinner model following communism. This trend has been seen in Poland. It has to be noted that Poland is more socially conservative than other post communist European states, influenced by a strong Catholic church, which brings with it limits to abortion and Government support for traditional motherhood roles for women (Pascall, 2008), higher rates of marriage and lower divorce, with weaker female participation in the labour market.

Thus, since its transition from communism, Poland has reduced public expenditure on services that support women in work (Pascall, 2008). Changes to family benefits from communist to post communist Poland, as with other former communist states have reversed the high levels of support for family income by reducing the number of families entitled to coverage and reducing the amounts paid out to those families that are entitled. These changes affected women to a greater extent than men as family benefits once formed a crucial support for motherhood, including supporting mothers who work. In Poland family allowances fell from 4.2% to 1.2% of household income during the 1990s (ibid, 2008).

In Poland there remains diminished and poor provision of child and family services such as child care, maternity and paternity leave which would help women (and men) to reconcile work with family life: '*There are strong tensions between the unpaid labour of care and paid market labour*' (Plomien, 2009). Women face greater obstacles to paid employment compared to men while men, similarly, face obstacles to involvement in

family life. Whilst Poland complies with EU regulations on maternity and parental leave it falls short of international targets set for the provision of childcare services (ibid, 2009).

Female labour market participation in Poland is comparatively low (OECD, 2011c).

As a result of reductions to state support for women and families that help reconcile work and family life since before the economic crisis, and the historically socially conservative nature of Polish society, Polish women are the primary providers of care for both children and other dependent relatives such as elderly parents or disabled/sick adults. Poland's social protection system is comparatively less developed than other EU Member States and affords low amounts of benefits to those unable to work or with low incomes. Whilst this affects men as much as women in Poland, women are less able to access employment in Poland due to their primary roles as carers, thus, they are more likely to be dependent either on a) husbands' income or b) low levels of social protection.

Additionally, many interview respondents, also confirmed by research, raised the issue of demographic ageing which will be exceptionally large in the next few years:

"The most important challenge in the field of public welfare funding will be the consequences of demographic change, which will result in a significant increase in the number of elderly people. Financing social welfare becomes problematic when we will have to fund a growing number of beneficiaries" (Independent Expert respondent, Poland).

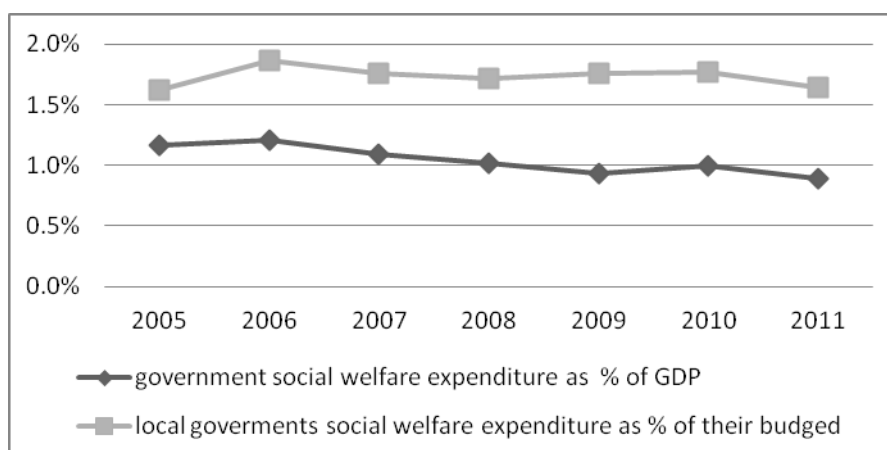
These population changes, combined with historic under investment in social services, will place further pressure on women to perform care duties and restrict their access to employment.

Despite actions set out in the Stability and Development Plan, to date, (new) retrenchment measures in the field of social welfare in general and its impact on women in particular are difficult to detect in Poland (see figure 23 below):

"It is difficult to identify specific action or regulation in social policy, which would be a consequence of the crisis. Although it should be noted the failure to revalue income thresholds for benefit entitlement (the income threshold above which a person is no longer eligible for social aid) during the crisis can be considered as a form of spending cut" (Independent Expert Respondent, Poland).

However, another respondent in this case study observed that to date (December, 2012), *neither* have there been investments or improvements to social protection or services either:

"As there has been hardly any crisis in Poland, there have been no drastic cuts to social welfare, although there have been no improvements or investments either. The social assistance budget may be reduced in the future – but such cuts had been started before the crisis. Threats to the budget due to the looming crisis may occur, which will essentially result in the fact that there will be no significant changes in the social welfare system – those are always the last expenditures considered in the budget." (Independent Expert Respondent, Poland).

Figure 23: Change of social expenditure (%GDP)

Source: based on data from the operational statements with the implementation of the budget for the year 2005, 2006, 2007, 2008, 2010, 2011 (cf.. <http://www.mf.gov.pl/index.php?const=5&dzial=35&wysw=14&sub=sub1>).

5.4.4. Observed gender impacts of crisis response measures to date

Reforms to specific welfare sectors and their impact on women are considered in the following.

Pensions

In 2011, partly as a consequence of the economic crisis, there was a reduction in the state subsidy provided to the Polish pension fund (the OFE) from 7.3% to 2.3% as well as an increase in the statutory retirement age. From 2013, the statutory retirement age will be raised (four months every year), reaching 67 years for both sexes, in 2020 for men and in 2040 for women, from its current point of 60 for women and 65 for men. Women will feel the effects of these changes the most as their retirement age is effectively raised more.

Family benefits and services

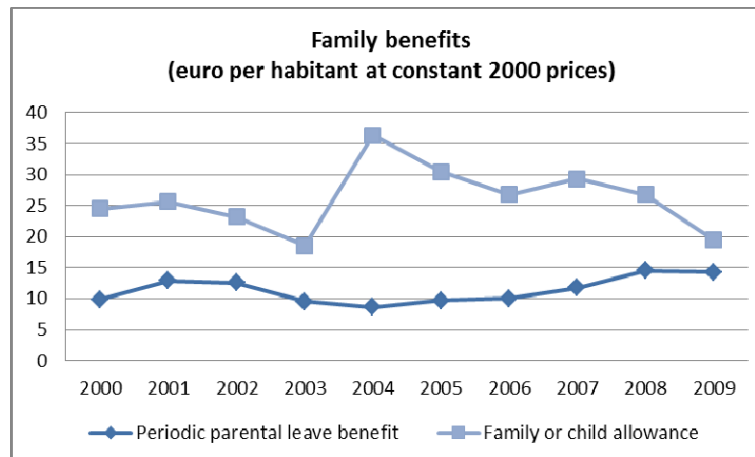
Family benefits are granted in the form of family allowances, family allowances additions, childcare allowances, and provision of nursing care. Family allowances are paid to families whose income does not exceed a certain amount. 'Additions' to the family allowances are top up allowances including allowances for child birth, child care, lone child allowance, child-rearing allowance in a large family, education allowance, allowance for child study at the school, start of the school year allowance. Disability allowances are also paid to disabled dependent children over 16 years of age (under 16 years of age for the severely disabled).

Figure 24 below presents basic data on the value of family benefits in Poland (schemes such as child and parental leave benefit) in Euro per inhabitant since 2005. It presents a picture of increases in child benefit and parental leave benefit, modest declines in family allowances from 2005 but an overall decline in family benefit expenditure from 2008. However, overall changes in expenditure on family benefits have not been significant

since 2007/8 and have even increased from 2009, due to increases in demand for means tested benefits following unemployment rises.

The majority of families receiving family benefits are female-headed households: in 2008 there were 70% of such households and in 2010 84%.¹⁸ Thus, female headed households are particularly vulnerable to changes in the value or generosity of family benefits.

Figure 24: Expenditure on family benefits by type (in euro per habitant)



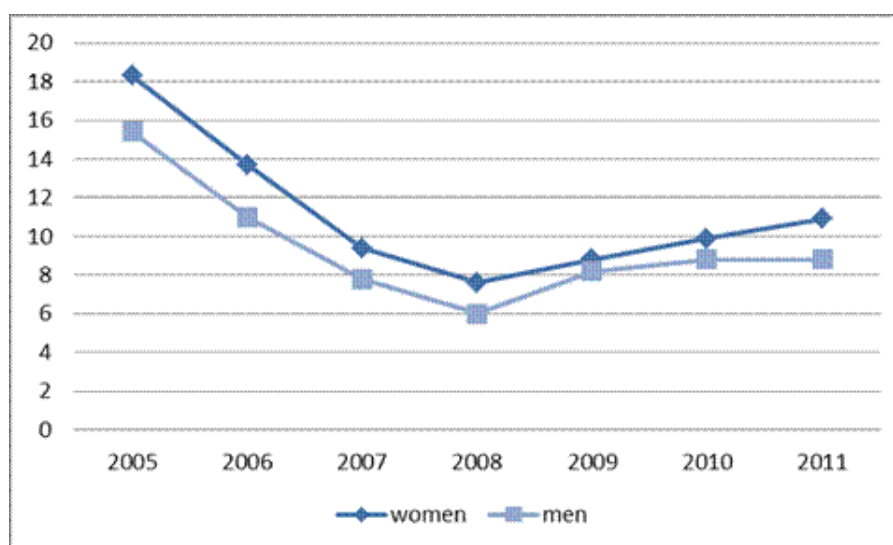
Source: Eurostat database.

Unemployment protection

In Poland, working age unemployed people are provided income maintenance through the social assistance scheme.¹⁹ This is a means tested income maintenance scheme paid to households with low incomes who are unemployed, provided they have made contributions for a minimum of 20 months prior to unemployment and if they are unable to find suitable work. Women's unemployment rate is greater than the men's (see figure 25).

¹⁸ Source: http://www.stat.gov.pl/qus/5840_12384_PLK_HTML.htm.

¹⁹ Social assistance is a general term used to describe a range of social welfare payments including, unemployment, homelessness, disability, long-term or severe disease, domestic violence, maternity protection needs, alcohol or drug addiction, or natural disaster. Social assistance may also take the form of non monetary benefits such as housing.

Figure 25: Unemployment rates by gender in Poland (in%)

Source: http://www.stat.gov.pl/cps/rde/xbcr/gus/f_kobiety_i_mezczyzni_na_ryнку_prac_y_2012.pdf.

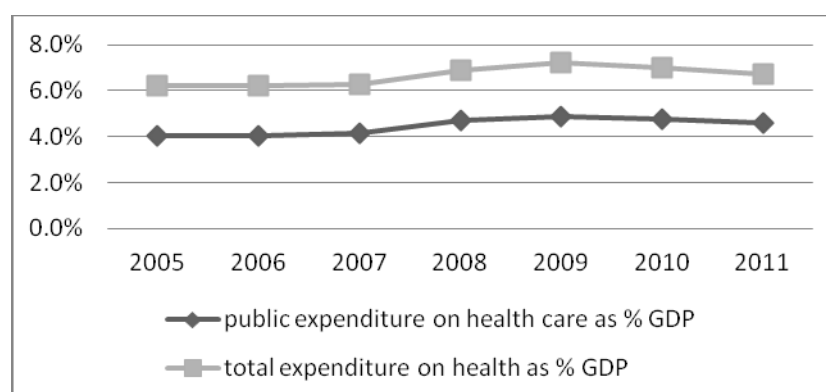
Data from the Polish Statistical Office show that the value of social assistance for unemployment social assistance has remained relatively stable between 2005 and 2010, thus, no particular gender implications of welfare reform in the field of unemployment benefits are detected at the time of writing.

Health

In Poland about 70% (very similar to the EU27) of expenditure on health were financed by the state (OECD, 2012). Since 1999, spending on health care (both public and private) in Poland has steadily increased, but still, spending on health care in Poland are only about 7 percent of GDP, while in other countries it is 10, 11 (Denmark, the Netherlands), and nearly 12 percent of GDP (Belgium, France). The Polish health care system suffers from inefficiencies - too much money spent on hospital care, and too little on patient treatment and long-term care.²⁰ Following the economic crisis, although not necessarily because of it, reforms were introduced to improve health productivity, for example, the voluntary transformation of public hospitals into corporate units (corporatizations).²¹ In 2010 and 2011, the financial situation of health care deteriorated. Due to the economic crisis and thus lower contributions and tax revenues, the National Health Fund received less revenue in real terms than in previous periods (see figure 26 below).

²⁰ Disease which in other countries are treated more temporary in Poland often require hospital treatment.

²¹ The Government believes that such institutional change will support micro efficiency of health care providers and thus improve functioning of health care. On the other hand, the corporatization of hospitals is criticized both by opposition (from both left and right wings) and many health care experts. The critics argue that the law has opened door to privatization of hospitals and constitutes a real threat to equal access to health care

Figure 26: Changes to health care expenditure (%GDP)

Source: ASISP country report. (2011 data are estimates)

The Polish health system has some universal principles with some services that are not free at the point of access such as some dental services (Zukowski, 2010). This means that the poorest people may be unable to pay for the un-funded elements of health care (such as dental care). Given that women form a large proportion of those on social assistance and therefore, low incomes, they will be particularly affected by this:

"In the case of post-working age women, the increasing cost of living and expenditures on medicines may lead to the fact that they will not use the number of care services sufficient for their state of health and will limit the services to an extent allowed by their old-age or disability pensions" (Local Government respondent, Poland).

The demographic changes expected in Poland also have implications for health care and women (Zukowski, 2010), requiring further investment in caring for the elderly and preventing limiting illnesses amongst this group:

"A very important issue has become promoting active living for the elderly and creating the market of community services for seniors who, due to their health condition, will need such support." (Government respondent, Poland)

This is significant for women, not only because women live longer than men and will form an ever greater proportion of the elderly but also because women will be under greater pressure to provide care for the elderly if there is underinvestment in state elderly care services.

Additional issues in Poland

Gender mainstreaming was often underlined in the interviews with independent experts and by women's rights and advocacy respondents. In particular, respondents felt that Poland's macro economic policies were developed without sufficient regard to the gender implications including:

- the state budget doesn't account for women and men's different needs and realities, hence there is a lack of gender sensitivity in state budgeting. Moreover, the state budget is not subjected to public discussion or control (scrutiny);

- national accounts in Poland do not take into account the unpaid (care) services provided to households and society as a whole, which are largely performed by women. Due to the absence of unpaid (care) work in the GDP and in other growth statistics, women's contribution to the country's economic development is underestimated;
- macroeconomic policies are too restrictive to maintain inflation at a low level, which benefits people with capital. Men have often better access to resources and capital, making these policies more favourable to men than women. Thus such policies may maintain or even exacerbate gender inequality;
- the lack of effective policies to reduce high unemployment, discourages women from entering the labour market or pushes women (often unwillingly) into the informal sector (grey area between the labour market and household);

"As for deciding whether gender equality is an integral part of the economic growth strategy, I have a feeling that they are not. Indeed, a demographic development support policy is being mentioned but it is forgotten that decisions to have children are made by women and it is their sense of security (child care, work/benefits) that determines their results. Despite that fact, Women-Parents are not a priority.(../) That results from the lack of social awareness of gender equality issues and the marginal impact of women having such awareness on politics" (Women's rights and advocacy respondent, Poland).

5.4.5. Conclusion

Although the economic crisis impacted on the Polish labour market relatively late, Poland is not immune to the economic crisis and a number of reductions in social expenditure have been planned in order to reduce the cost of Poland's public debt. Most significantly for women, Poland traditionally favours a male breadwinner model, and this means an 'automatic risk' for women during times of austerity as they will be under pressure to step in when state care services are cut. In Poland, it is women, not men, who drop out of work when work cannot be reconciled with the care of the child (and sometimes of other family members).

Up to now, there have not been significant reductions in the overall social welfare expenditure including to services likely to affect women the most (i.e. family benefits and child care), neither have there been investments or improvements that might encourage more women to participate in the labour market. Thus, the economic crisis is likely to exacerbate the women's low participation in the labour market.

5.5. Case Study five: Sweden

KEY FINDINGS

Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- The impact of the current economic crisis on the Swedish economy and welfare system is limited, however, policy makers are aware of the potential future risk to public finances should the global economic crisis continue.
- Reforms to sickness benefits will impact on women to a far greater extent than men as women make up around two thirds of claimants.
- Whilst the principle of the 'universal breadwinner model' is seen by all interview respondents as a cornerstone of the Swedish welfare model, it may be undermined if the global economic crisis continues and puts pressure on Swedish public finances.
- Sweden is an example of how active labour market policy, accompanied by comprehensive child and parental support, discourages benefit dependency and promotes equal participation in the labour market.

5.5.1. Background and context

Sweden has a long tradition of pursuing gender equality and is frequently held up as an example of the 'universal breadwinner' welfare system which encourages men and women to access employment equally through active labour market policies and state provided child care services. However, as with other welfare systems, Sweden has also had to negotiate difficult trade offs between gender equality in employment (and the protection that employment brings) and caring responsibilities, opting for state subsidisation of care and comprehensive support for parents (Kolm and Lazear, 2010). Over the two decades prior to the global economic crisis, reforms to the welfare system in Sweden have not profoundly challenged the generosity of the Swedish welfare system and re-commodification (Clasen and Siegel, 2007) as demonstrated in other European economies is not so relevant in Sweden. The Swedish system continues to produce both high employment rates for women and men (OECD, 2011b) and a high coverage of insurance-based unemployment, pensions and sickness benefits.

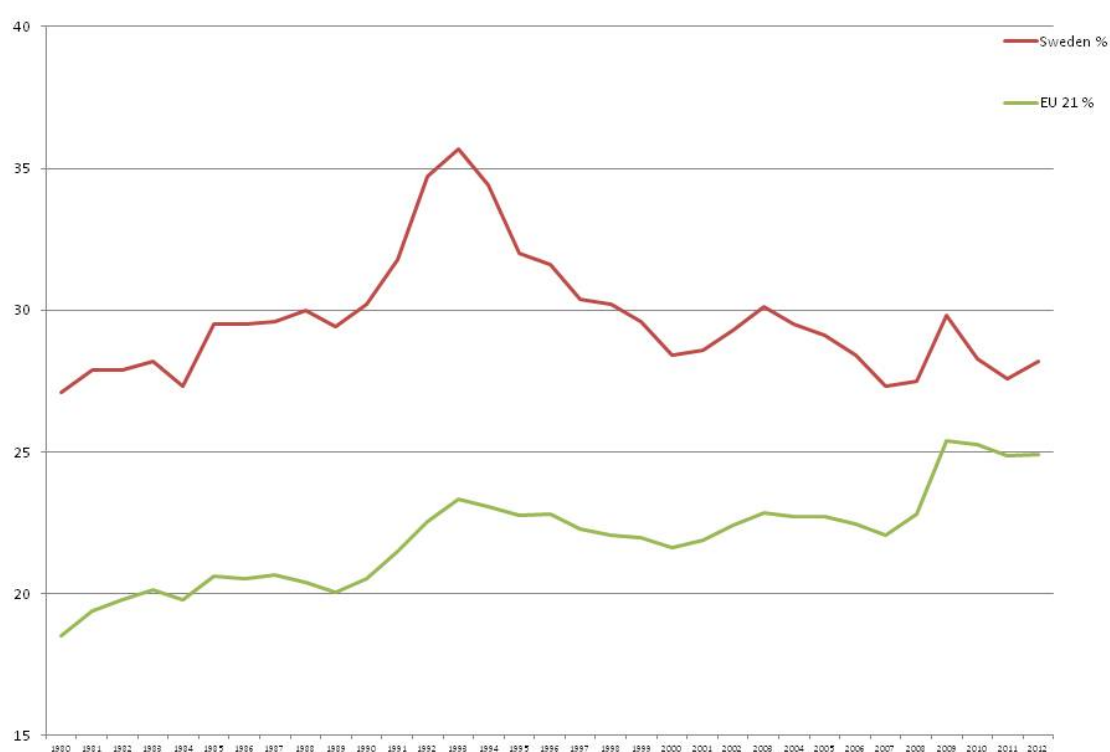
An important underlying principle of the Swedish social welfare system is that work provides the best means to provide for an individuals' current and future economic welfare, for women as well as men. Thus, it is strongly insurance-based and also embedded with mechanisms that encourage women to participate fully in the labour market (OECD, 2011b). These two features generate considerable policy challenge as the question of caring responsibilities – and who shoulders these – goes to the heart of Sweden's social and welfare and economic model. The following sections consider these issues.

Figure 33 below shows overall public social expenditure as a % of GDP in Sweden, also compared to EU 21 average. Sweden has a relatively high overall public social expenditure compared to other EU countries. (These do not include 'private' social expenditure such as employer-paid sickness benefit or parental leave and only includes publically financed social expenditure).

Sweden's social expenditure has fluctuated broadly in line with other EU countries between 1980 and 2012.

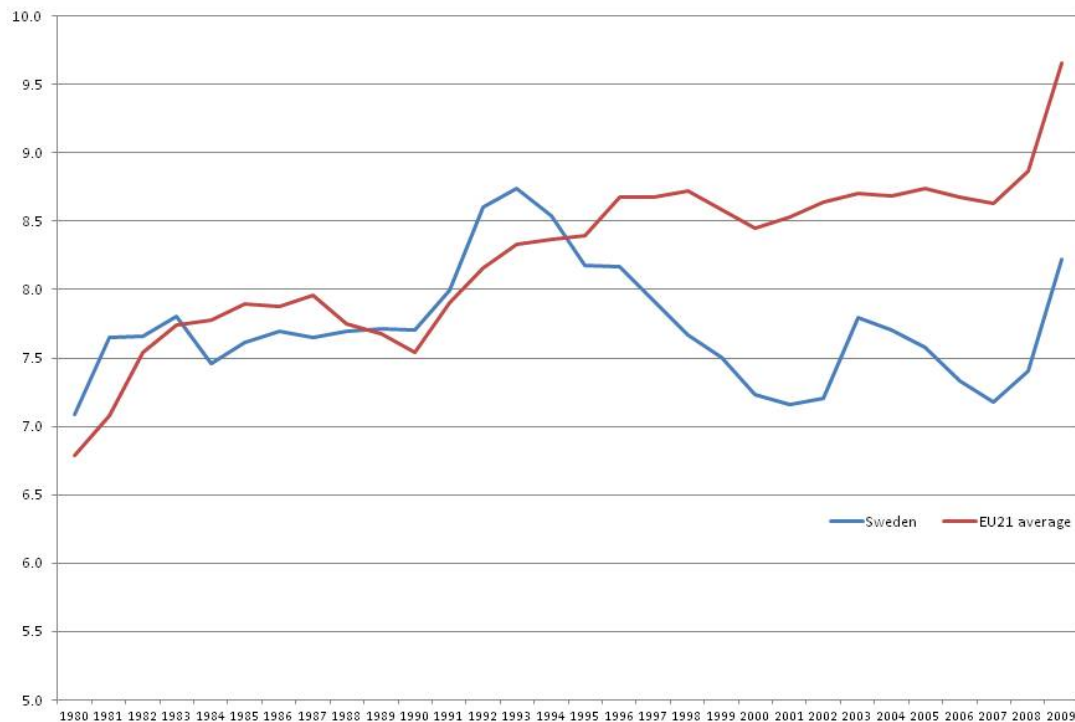
When broken down by expenditure type, Sweden has a lower than average expenditure on pensions compared to 21 EU countries, although largely fluctuating in a similar pattern over the years (see figure 34). Expenditure on income support (figure 35), such as unemployment benefit or sickness benefit also followed a similar pattern as 21 other EU countries, however, there was a much sharper rise in the early 1990s, also as a result of the serious recession then. Similar to 21 other EU countries there is also a marked increase following 2008/2009 in income support expenditure, following the global financial crisis.

Figure 27: Overall public social expenditure as % of GDP, Sweden and 21 EU countries (1980 to 2012)



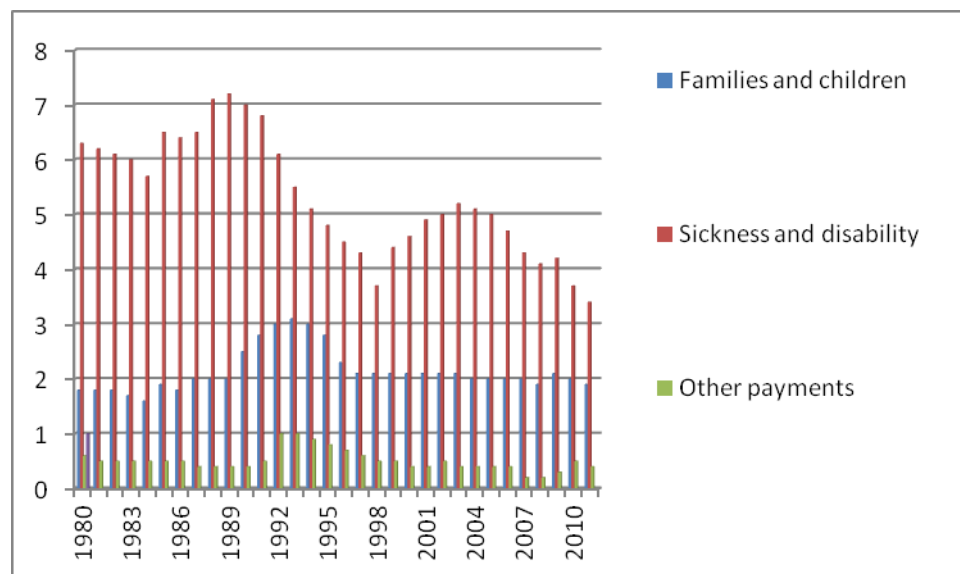
Source: OECD, SOCX, 2012

Figure 28: Pensions expenditure in Sweden as a percentage of GDP (1980 to 2012)



Source: OECD SOXC, 2012

Figure 29: Below shows social expenditure by type in Sweden (excludes unemployment insurance and pensions)



Source, Sweden Social Insurance Agency, 2012

5.5.2. Sweden's response to the economic crisis

All respondents in the case study suggested that Sweden's public finances have not been seriously affected by the current economic crisis. Moreover, Sweden's economic performance has been relatively strong during the current economic crisis, allowing Sweden to resist the need for cuts to public expenditure (Duvander, 2012). Researchers suggest Sweden's resilience is due to balanced budget policies introduced after the 1990s recession (Anxo, 2011, Bergman 2011) as well as unemployment rates which, *although raised* since 2007, have remained low compared to previous, but less steep recessions (Bergman, 2011).²² Compared to the recession of the 1990s, Sweden's '*room for manoeuvre in which to conduct a more expansive macroeconomic policy was larger*' during the economic crisis beginning in 2007/8 (Anxo, 2011).

Following the earlier recession of 1990s/2000s Sweden undertook reforms to its welfare model involving reforms to social protection policies, most notably towards more active labour market policies, attempts to reduce the number of claimants of sickness benefits and through pension reform. These reforms are more significant than welfare policies introduced during the present crisis, according to all interview respondents and confirmed in published research (Freeman et al, 2010, Anxo, 2011).

Although all respondents, as well as research, suggest that Sweden had managed to 'weather the storm' of the economic crisis currently, due to its balanced budgets and fiscal policy, it is anticipated that if the global crisis continues, Sweden's public expenditure may be affected however, the gender implications of this may only be speculated.

5.5.3. Automatic risks: How are Swedish women potentially vulnerable to welfare reform?

Due to Sweden's dual earner model which has been embedded into social policy for a number of decades, gender implications would only stem from a serious challenge to this model. At the time of writing, this model seems unlikely to be challenged at a profound level.

The Swedish model includes comprehensive maternity and paternity benefits, which are in part state funded; state provision of child care services which remain affordable for most families, insurance based sickness and unemployment insurance with a means-tested safety net of social assistance to those out of work as the last resort. Female participation in the labour market in Sweden is among the highest in the EU and women consequently have good levels of contribution based protection from unemployment and sickness.

However, a key and persistent issue, with a strong gender dimension is the high proportion of women who claim sickness benefits and take time off work. Sickness absence and benefit claims are a priority area for Swedish policy makers at this time.

²² The recession of the 1990s was less severe in terms of GDP fall but resulting unemployment was worse, compared to the current economic crisis (Bergman, 2011)

5.5.4. The actual gender impacts of crisis response measures to date

All case study respondents suggested that current social policy in Sweden does not specifically respond to the global economic crisis, although policy makers are aware of the potential future threat to public finances should the crisis continue. As a small, open economy, Sweden is highly dependent on exports and very sensitive to variations in global demand (Anxo, 2011).

The potential gender implications of recent reforms are now considered in turn. It should be noted that these reforms are not directly connected to the current economic crisis and may be seen as a continuation of reforms introduced since the 1990s. Overall, there are only limited potential gender equality implications to recent changes.

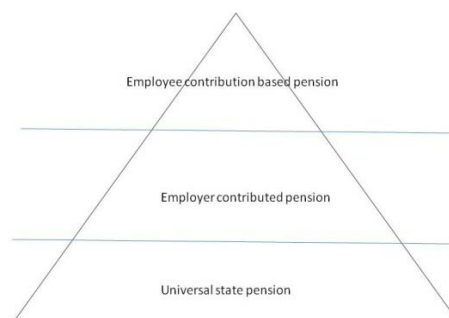
Pensions

In the late 1990s, serious reforms to the Swedish pension system moved it away from a defined benefit to a defined contribution scheme. The amount of benefits paid out was restricted to a proportion of average income rather than the best 15 out of 30 years (the 15/30 rule). These reforms were largely redistributive so that low-income workers (who typically have a flat age-income profile) benefited most. The reformed system introduced compensation for time taken out of pensions contributions for example for education or child care, which particularly advantaged women with child care responsibilities.

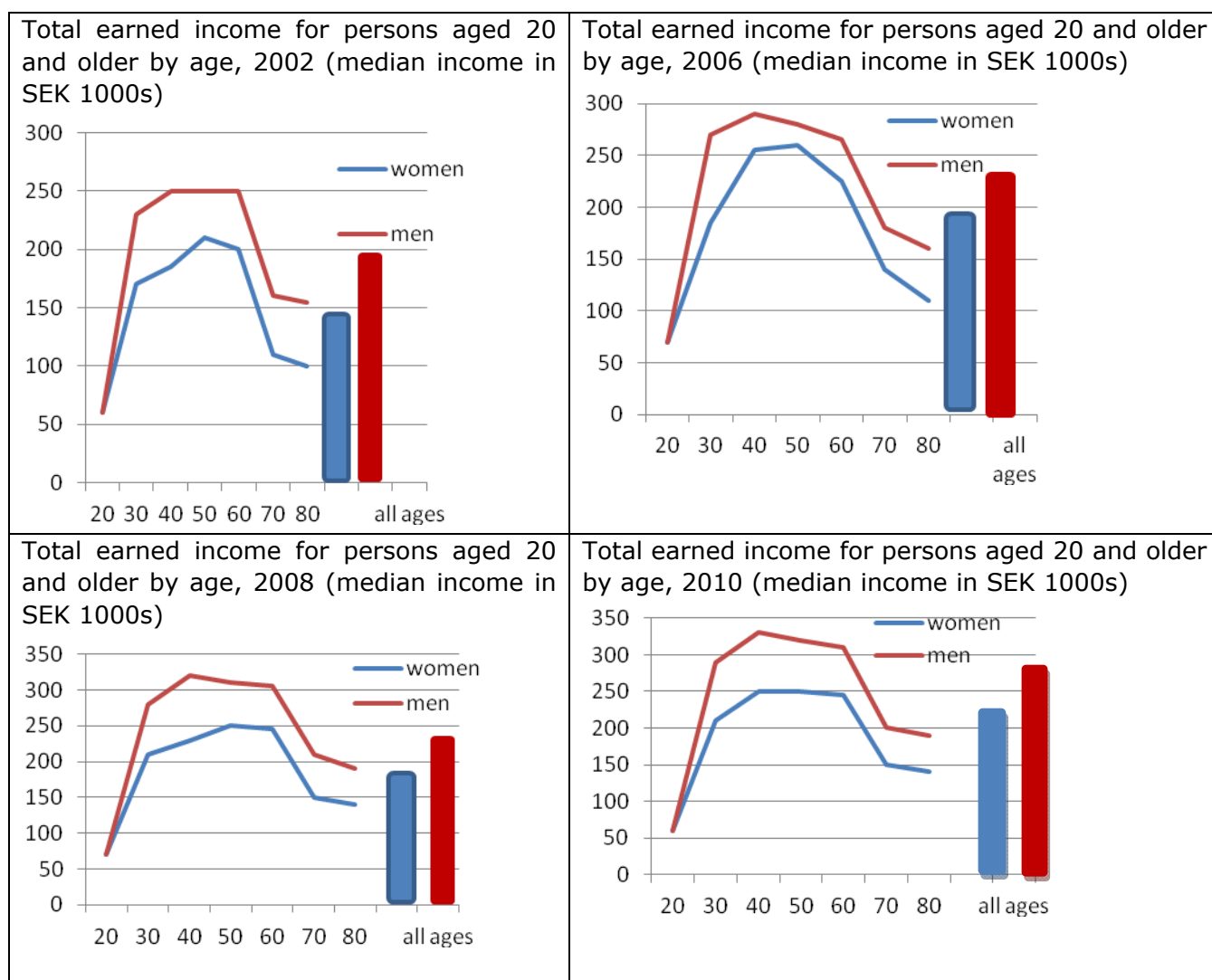
There have been no significant changes to the pension system following the 2007/8 crisis. However, fiscal rules introduced following the 1990s recession mean that pensions are only income indexed if contributions cover pension liabilities. For example, in 2009 the pension benefit was made less generous using this rule. Whilst this affected women as well as men, given that women live longer more will be affected by these fluctuations.

The pensions system in Sweden is arranged on a three tier basis, with universal 'state' provision as a foundation, supplemented by additional contributions based pensions as described in figure 36 below.

Figure 30: The Swedish pension system



Thus, overall, Swedish pensions are more or less generous depending on contributions made to the scheme. Figure 37 below shows changes in income for women and men over the years including after retirement age. This shows a gender gap that persists into old age (see also OECD, 2011).

Figure 31: Earned incomes for men and women in Sweden

Source: Swedish Social Insurance Agency

The greater a person's earnings and time spent earning money affects their future entitlement to pensions and other social protection, thus, women remain structurally disadvantaged, relative to men, in this regard as, even within the Swedish "universal breadwinner model", their employment tends to be more interrupted and less well paid compared to men (OECD, 2011b).

"There is a large proportion of women on low, minimum state pensions"
(Government Agency respondent, Sweden).

Family benefits and services

Benefits and services for families and children make up the second largest proportion of expenditure by the Swedish Social Insurance Agency at 37% of all agency expenditure in 2011. Sweden has a generous parental support benefits system which is designed to 'make work pay' (Government Respondent, Sweden) and help families to combine work with parenthood (Freeman et al, 2010). The support system consists of parental leave entitlements, direct child benefits and state subsidisation of elder and care.

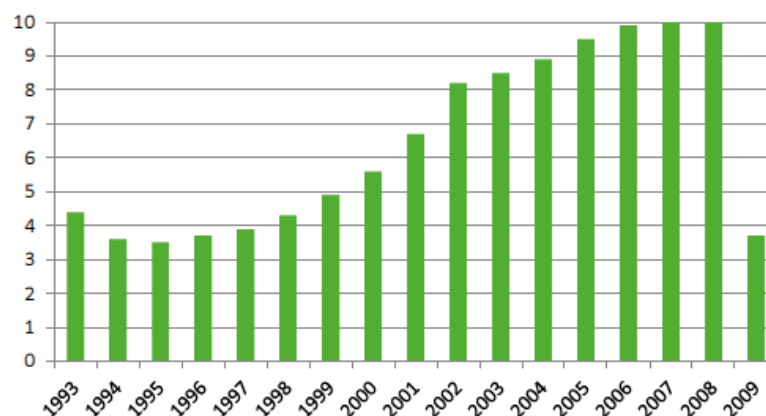
There have been few significant changes to support for families since 2007/8 except the introduction of the gender equality bonus (discussed below), Municipal homecare allowance for parents with children under the age of three and preschool investments designed to improve the quality of preschool education (Duvander, 2012), which are all investments rather than cuts. There have also been policies aimed at further liberalising the provision of health and social care, opening up the provision of these services to private providers.

Parental leave and parental benefit

Support for families is organised through three main strands in Sweden: Parental Leave, Parental Benefit and Child care subsidisation. Parental leave was introduced in Sweden in 1974, replacing maternity leave, which had focused solely on mothers (Daune-Richard & Mahon, 2001). Following either birth or adoption, parents may receive parental benefit for a total of 480 days per child. Compensation for 390 of the days is income-related. Parents who do not meet the requirements for income-related compensation, or whose income is too low, receive basic parental benefit of SEK 180 per day (Swedish Social Insurance Agency, 2012). For the remaining 90 days, they receive the lowest possible compensation, which is also SEK 180. Each parent who has joint custody of a child is entitled to half of all days of parental benefit. With the exception of 60 days, a parent is free to waive their right to parental benefit in favour of the other parent (ibid, 2012).

There are diverse patterns of male take up of parental leave across Swedish society. However, there is a positive correlation between *“educational level and take up of parental leave amongst men in couples”* (Trade Union respondent, Sweden; see also Rutten, 2012). In general the numbers of parent couples ‘equally sharing’ (between 40-60-% of the time) parenting time has increased steadily since the late 1990s (See figure 38 below).

Figure 32: Share of parents sharing the parental leave equally (40–60 %) in Sweden, %* by year in which their child was born.



Source: Swedish Social Insurance Agency, 2012

*note 2009 as fathers normally take a larger share of leave in the end of the leave entitlement period (i.e up to when the child is 8 years old) the figure for children born in 2009 is lower than it is likely to be once the period has ended and data collected.

There have been very few reforms to the parental leave and benefit system following the economic crisis of 2007/8. The only significant change is the introduction in 2008 of the

'equality bonus'. This is a tax credit paid to parents if they share parental leave more equally. However, recent research found no effect on sharing of parental leave since the bonus was introduced (Duvander and Johansson 2012), although rates of sharing parental leave are historically increasing (see figure 38 above).

Prior to 1995 it was possible for parents to transfer all of their parental leave to the other parent. This meant, in practice, that around 50% of fathers transferred the entitlement to the mother. In 1995 a reform made one paid month non-transferable for children born since 1995. In 2002 the number of non-transferable months was increased to two. As a result, the share of parental leave days used by men increased during the following years (Chronholm, 2007).

There has been some debate about the extent to which parental leave entitlements should be transferrable between parents. On the one hand it is argued that a family should have 'freedom' to transfer parental leave entitlements as they see fit; on the other hand, it is argued that no leave entitlement at all should be transferable, so that there is greater equality in parenting responsibility²³. There are large differences in sharing parental leave by ethnic group, with immigrant families forfeiting a far greater proportion of their parental leave entitlement than non immigrant families (Swedish Social Insurance Agency, 2012).

Outside of the initial parental leave entitlement in the child's young age, parents have a formal right to reduce working hours by up to 70% of full time equivalent, retaining a right to re-enter their job, until the child is 8 years old. This entitlement decreases as the child grows older. Around 45% of women take up this entitlement having an effect on their benefits contributions as well as future pension provision.

Child and elderly care

Swedish Municipalities provide child care places for all children aged between 1 and 12 so that parents can work or study. The cost is income related but has a low maximum rate and a general maximum rate exists for all municipalities and forms of childcare (Duvander, 2008). There is a very large take up of child care provision in Sweden, (97% of children aged 3-5), (ibid, 2008). In addition, in 2009, Swedish Municipalities were granted the ability to decide whether to provide a childcare benefit of up to SEK3,000 (€335) per month for parents with a child aged between one to three years old and who do not use publicly-funded childcare services (and who have used all 250 days of Parental leave).

Care of the elderly or disabled is provided for in a number of ways. Persons staying from work to look after a seriously ill person at home or in a care institution are entitled to receive an allowance for care of close relatives. 74% of recipients of this allowance were women in 2010. In addition, support for elderly people in the form of 'home help' services is funded by municipal taxes and Government grants. Reforms introduced in 2009 (through the Free Choice Act) in Sweden opened up provision of elderly care to the private market and introduced greater targeting of care to the most needy. This policy is a continuation of reforms introduced earlier. During the past decade policy has aimed at reducing the number of senior citizens in residential care with a corresponding increase

²³ The debate on this issue is complex however, some evidence suggests that Mothers do not want to transfer parental leave to fathers as they may not trust fathers to provide as good care, although this may be a matter of convention and cultural expectation that appears to change as more fathers do, in fact, take on larger parenting roles (see Chronholm, 2007, for example)

in home care services. As the cost of home care services is much lower than residential care, the cost of elderly care fell by around 6 per cent, while the number of beneficiaries remained almost unchanged between 2000 and 2009 (ibid, 2012).

These 'liberalisations' of care policies have generated concerns about the extent to which quality of care will suffer as a result of increased private participation in the care market: *"these arguments are putting pressure on women to take on caring responsibilities in the home"* (Trade Union respondent, Sweden, see also Meagher, 2010). Rostgaard and Szebehely's 2012 study of the impact of these reforms found that older people in 'higher' socio-economic groups were able to purchase help, those in lower groups had to rely on female family members. The authors conclude *"not only does this leave some older people more at risk, it also questions the degree of de-familialisation which is otherwise often proclaimed to be a main characteristic of the Nordic welfare mode"*.

Tax credits and in work benefits

In line with other OECD and EU countries, Sweden has favoured policies of 'making work pay', particularly since 2006 and this trend was reported by all interview respondents. A key element, combined with other labour 'supply side' measures aimed at increasing the overall level of employment in the long run such as tax credits, reforms of sickness benefits (see below) and maintenance of parental support policies, is the implementation of Earned Income Tax Credits (EITC).

The EITC was introduced in Sweden in 2007 and was extended in 2008, 2009 and 2010. The policy intention of the EITC is to encourage participation in the labour market to reduce unemployment (Edmark, 2012). The EITC is a non-refundable tax credit available to all individuals regardless of marital status or number of children. The taxpayer is automatically entitled to the EITC and does not have to apply for it, as with other tax credit systems.

Interview respondents from both Trade Unions and Government agencies reported that the in work tax credit system in Sweden has a positive gender equality effect and is more likely to change women's labour supply than men's. This is confirmed by research which found the EITC increases women's supply of labour, with or without children, more than men's (Andrén and Andrén, 2012) and an evaluation of the tax credit system effects on single mothers found it results in welfare-gains for virtually every single mother and benefits low-income households (Aaberge and Flood, 2008).

Unemployment protection

The Swedish unemployment insurance (UI) system has two elements: 1) general basic insurance and 2) income related benefits amounting to 80% of lost income for the first 200 days of unemployment (70% after that) for those who have paid adequately into insurance funds. In 2007, the Government introduced a number of reforms designed to control costs of UI. These included raising the membership fees (contributions) and introducing stricter eligibility criteria.

Since the 2007 reforms, there was a significant drop in the number of those covered by unemployment insurance funds of between 2 and 22% (Anxo and Ericson, 2011). This was particularly the case for women who make up a higher proportion of those in the 'higher risk' of unemployment group. In response to the 2007/2008 crisis the Government reversed some of the reforms of 2007 in order to increase the numbers

'covered' by unemployment insurance. However, the reforms were not targeted at specific employee groups and the impacts on different groups of workers have not been evaluated.

No interview respondent suggested that there had been a significant change or increase in the pace of these reforms since the 2007/2008 financial crisis. However, since the 2007/8 crisis, more people of working age in Sweden are vulnerable to unemployment and more are under-insured given previous recent changes to the qualification regime for unemployment benefits. Interview respondents were probed about the gender impact of the current economic crisis on unemployment insurance.

It was reported by both Trade Union and Government research respondents that membership of the unemployment insurance fund schemes is declining as 'fees' are higher, benefits levels lower and the cost of living rises, making these less affordable. Respondents were concerned about the negative impact of the reforms on part-time employees who will necessarily be less likely to fulfil the hours of work required to meet the eligibility requirements and for those who are absent from work for periods due to illness, child or other caring responsibilities. In particular, women are more likely to be negatively affected as more women than men work part time, are more likely to take time off work through sickness and due to caring responsibilities.

"There has been a sharp decline in the coverage of unemployment insurance since the financial crisis. This means that more people are relying on the basic safety net for benefits. This is a particular problem for women" (Government Research Respondent, Sweden).

Health

The Swedish health system is decentralised providing a strong degree of freedom to the Municipalities in deciding how to organise health services, with a strong emphasis on primary care. Municipalities are legally obliged to meet the care and housing needs of older people and people with disabilities. Health services are provided by a mixture of private and public owned health care facilities but are generally publically funded (Anell et al, 2012). Health care expenditure is to a large extent tax funded and is primarily free at the point of delivery. 17% of total health expenditure is funded by out of pocket expenses by the individual which are capped at a maximum (ibid, 2012). Since 2000, the key health reforms in Sweden have been to improve primary care for the elderly as well as efforts to improve efficiency and productivity.

Some respondents raised concerns that the liberalisation of some elements of care for the elderly (the so-called 'Home Help' service) may diminish quality and, therefore, confidence in these services (see also see also Meagher, 2010). This, it was felt, could place pressure on women to provide unpaid care if these services are felt not to be of sufficient standard. This issue is considered in more detail under 'family benefits and services' above.

Additional issues for Sweden

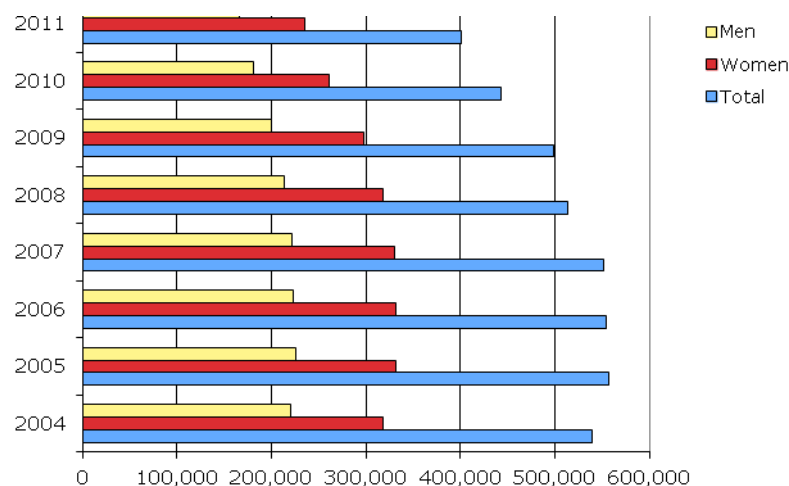
Sickness benefits

A significant and recurring challenge to the Swedish welfare system concerns sickness benefits, of which a far greater proportion of claimants are women. Sickness benefits replace income lost from work as a result of illness and is paid for a short initial time by the employer and then by the Swedish Social Insurance Agency through an insurance-based scheme. In Sweden the proportion of women among all sick-listed people grew from year to year during the 1970s, 1980s and 1990s but since 2000 has remained relatively constant at approximately two thirds of all cases, still significantly higher than men's rates.

Sweden's sickness benefits system has undergone a series of changes over the last two decades as the Government sought to control levels of expenditure on this benefit, according to interview respondents. The level of compensation was changed many times between 2005 and 2008 including reducing the period during which sick pay is paid by the employer and requiring doctors' certificates for sickness benefits after 8 days off work. Further regulations in 2008 placed time limits on the period for which the benefit may be claimed.

Figure 39 below illustrates new sickness and activity compensations by total amount of people, by gender for the years 2004-2011. This shows that more women than men claim sickness and activity compensations across all years shown.

Figure 33: New sickness benefits claimants



Source, Statistics Sweden, 2012

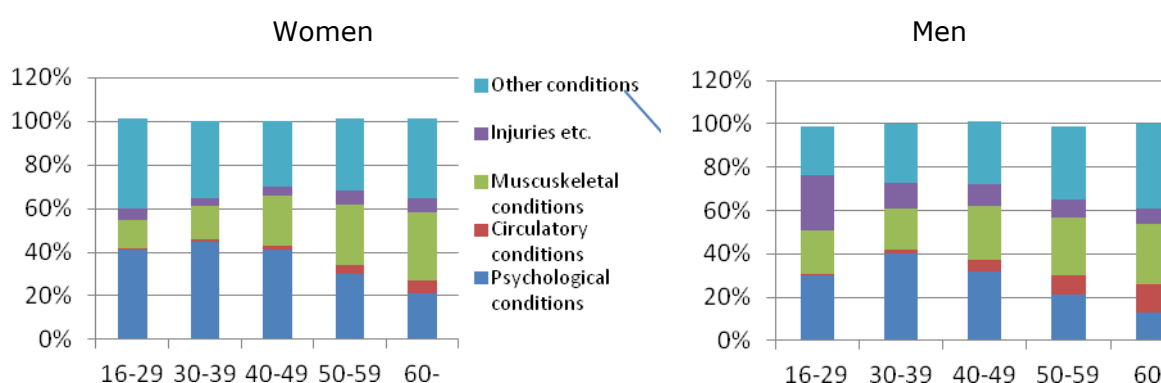
During 2005-2007, there is a slight increase in the total amount of people claiming sickness and activity compensations, both for men and women. However, the following years, between 2006 and 2011, show a decrease of the total amount of people claiming sickness and activity compensations. Although the data shows a slightly decreased gender gap throughout the sample years, women are by far the largest group of claimants.

Interview respondents were unclear as to the reasons why sickness benefits claims are persistently and significantly higher for women than men; *"This is something we need more research on to understand why"* (Government Researcher, Sweden). Existing research suggests that motherhood increases the risk of sickness absence compared to women with no children, particularly in lone and young women; this is potentially attributed to higher financial and mental stress for these groups of mothers and a potential correlation between pregnancy and post natal-related sickness (Floderus et al, 2011), which have been estimated to account for around 4% of sickness benefit costs among women. Overall, research shows a positive correlation between lower socio economic group and sickness absence risk, for both men and women, albeit with a stronger correlation in men (e.g. Love et al, 2012), although *"women are sicker more often than men across all social classes and for all broad professional occupations"* (Government researcher respondent, Sweden).

However, the majority of interview respondents pointed out a significant feature which underpins the higher prevalence of sickness amongst women: they are more commonly employed in the healthcare sector compared to men and this sector has the largest total number of absences. For example, approximately 98% of assistant nurses and hospital ward assistants are women, and this occupation employed the largest number of female employees in 2010 (Statistics Sweden, 2012). However, the *direction* of the relationship between occupation, gender and sickness absence is not understood. All interview respondents suggested the high rates of sickness amongst female health care workers was an important feature of Swedish society and needed to be examined more fully if sickness rates were to be reduced. According to interview respondents across all interviewee groups, since the financial crisis in 2008 there is renewed determination among policy makers to reduce the number of sickness benefit claimants therefore, efforts to address women's sickness absences must be a priority.

Diagnoses causing sickness absences provide further clues as to women's higher sickness rates. National data shows that women are more likely to suffer from psychological conditions compared to men by around 10 percentage points and this is pronounced in the younger age groups. Figure 40 below provides a breakdown of the diagnoses for sickness benefit claimants by age.

Figure 34: Diagnoses of sickness benefits claimants in 2011



Source, *The Swedish Social Insurance Agency, 2012*

Interview respondents provided a number of potential explanations about women's higher sickness rates which might correspond with the data on diagnoses. Higher stress

levels and greater financial strain in young motherhood, in particular for young single mothers was suggested as one possibility, another that having young children is itself a risk factor as mothers might be more exposed to viruses children tend to pick up. For mothers of older children it was suggested that although parental leave provision are relatively generous, once a mother has returned to work, motherhood continues to generate responsibilities that require time off work for which the only option might be to take time off 'sick'. Thus, individual level risk factors to do the actual experience of child rearing were posited as explanations, rather than structural causes, although the ability of the Swedish system to address the specific hazards of parenthood was understood by interviewees to be important; to this end, the Swedish Government has recently invested in a number of studies to explore why women are more sick and what might be done to assist; *"one area of action is to improve health and safety in the workplace."* (Government research respondent, Sweden)

Changes to the sickness benefit system were not reported by interview respondents to be a response to the financial crisis in particular but merely continuation of Government attempts to reduce the number of claimants since the 1990s, renewed in 2006 when a number of policies aimed at making work more attractive and benefits less attractive, were introduced. A series of measures have attempted to reduce the number claiming sickness including a stricter application of the rules governing approval of entitlement to sickness benefit, new methods for facilitating a return to work by sick listed persons, as well as increasing employers' share in financing full sickness benefit for employees. In 2008 further restrictions on the length of time sickness benefit may be paid was introduced.

The impact of these measures will be felt by more women than men, given the far higher proportions of sickness claims amongst women. Yet, despite the persistent gender aspect of sickness benefit and the unique relationships between gender, diagnoses, occupation and industry sector, strategies that seek to address the problem have followed somewhat conventional 'work activation' approaches and have continued along this line since 2008.

5.5.5. Conclusions

The impact of the economic crisis in 2007/2008 on public finances has been relatively small in Sweden compared to both other EU countries and to earlier crises, particularly in the early 1990s. However, reforms that followed these earlier crises made some profound changes to the Swedish welfare system which has begun to have impacts on the more vulnerable in Swedish society following the 2007/8 global crisis. Reductions in (some) benefits generosity, increases in contributions and restrictions of scheme eligibility reduced enrolment in unemployment benefit schemes following earlier reforms. This left Sweden with an under-insured population as it faced serious rises in unemployment following 2007/8; this was particularly the case for women who tended to be less well covered in unemployment insurance than men and have to fall back on basic social benefits provided by the state.

Other pre-2007/8 reforms in Sweden mirror developments in social welfare models in the developed world which favour 'making work pay' policies through a combination of in-work tax credits, continued support for working parents and restrictions in out of work benefits, most notably to sickness benefits. The compound impact of these changes on women is broadly positive. In work tax credits seem to have the effect of increasing

single mothers' involvement in the labour market, investments in child care and parental leave have reinforced the universal 'dual earner' breadwinner model.

Sweden has also opened up the provision of social care services to the market, under the auspices of increasing choice and improving quality through competition. Some respondents and published research express concern that these changes may reduce care quality and undermine families' willingness to leave care of loved ones to professionals. The impact of these changes on women's choices should continue to be monitored.

An interesting note from the case study interviews is the extent to which the universal breadwinner model was universally accepted as the preferred approach in Sweden, not simply to promote gender equality but to reduce dependency on State support through maximum participation in the labour market. However, two interview respondents suggested that gender equality is becoming less of a priority both for policy makers as well as in the public debate as arguments for families' freedom of choice over who remains at home to look after children or elderly relatives are heard in the public arena.

Additionally, it was observed that the 'gender supplement' to the annual Government budget report was growing thinner each year and the goal of gender equal leave has been removed from the Swedish Social Insurance Agency directive (Parrukoski and Lammi-Taskula, 2012). Thus, some commentators as well as our case study contributors caution that gender equality as an absolute principle may be diminishing as Sweden seeks to control its welfare expenditure. This caution may be even more relevant in the coming years; as two of our respondents and other researchers warn that Sweden's carefully balanced budgets may begin to suffer as the economic crisis worsens and Sweden's economy may, in the end, be affected.

5.6. Case Study six: United Kingdom

KEY FINDINGS

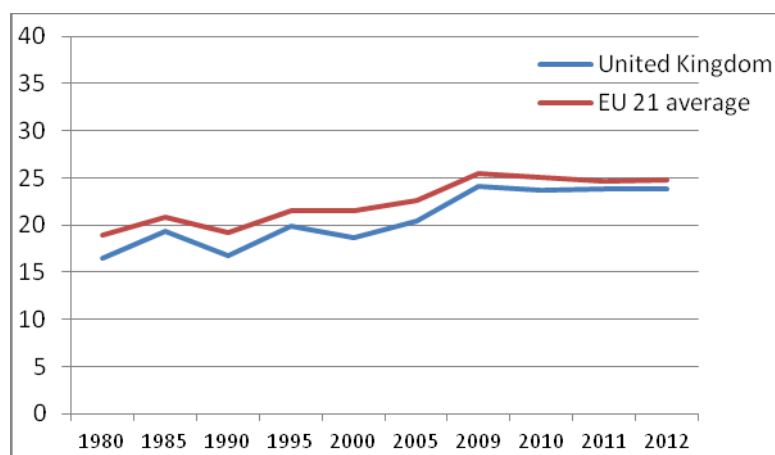
Case study findings are based on an analysis of national statistics, a review of literature and supported by interviews with three groups of respondents (Government respondents, independent experts and women's group respondents). See Methods Appendix for more detail.

- The UK has embarked on a severe austerity plan to reduce the public debt.
- This has involved reductions to benefits generosity and increases in conditions of eligibility.
- Women are particularly affected by austerity cuts to some universal benefits (child benefit) and primarily through the introduction of the universal credit, which will replace 6 streams of means tested benefits removing benefits that were automatically accessed by women as 'independent' incomes.
- Many middle income families will be affected by austerity measures as more means testing is introduced.
- The costs of child care in the UK continue to deter women from engaging in the labour market.
- Both child care and pensions are subject to anticipated reforms and new policy announcements at the time of writing.

5.6.1. Background and context

The United Kingdom has a mixed welfare system which consists of post war legacy structures of fully-funded insurance based unemployment benefit and old age pensions and a fully taxation funded health care system, the National Health Service, NHS. This system has undergone significant reforms particularly since the 1980s in response to growing numbers of unemployed, changes in family structure and the division of labour and increasingly, an ageing population. Thus, similar to other European welfare systems, the UK introduced more labour activation policy, reduced benefit generosity and coverage and, more recently, introduced in-work benefits to encourage people to participate in the labour market.

Figure 27 below shows changes in overall welfare spending spanning three decades in the UK as a percentage of GDP, compared to 21 other EU countries.

Figure 35: Overall public spending as percentage of GDP in the UK

Source: OECD, SOCX, 2012

During the recessions of the early 1980s, the early 1990s and the late 2000s the total publicly-funded expenditure rose as a share of national income. The gradual increase in publicly funded expenditure as a share of national income between 2000 and April 2006 took place during relatively strong economic conditions and so reflects a deliberate investment in publicly funded services (IFS, 2009).

5.6.2. The United Kingdom's response to the economic crisis

UK public expenditure is broadly in line with other EU countries over time with a slightly larger decrease following 2008. In all countries, spending lowered and has remained relatively constant since 2008, the year of the global economic crisis. Researchers have commented, both in our interviews, and in published research on the UK social welfare system since the 2007/8 crisis, that the UK is witnessing a general intensification of 'liberalisation policy' in key social welfare areas marked by a general reconfiguring of state support in times of unemployment and child rearing. This new approach also seeks to make communities and families replace the state to some extent in providing support through its 'Big Society' agenda (see Grimshaw and Rubery 2011 for example). Thus, 're-familiarisation' of welfare may be an emerging pattern in the UK, which places most of the caring responsibility on women. This case study found a number of changes which disadvantage women and may discourage their participation in the labour force and reinforce their position as stay at home carers.

Significant change to the UK social welfare system is marked by the 2012 Welfare Reform Act which was a major response to the economic crisis of 2007/8 with the intention of reducing the UK's budget deficit. Through the Welfare Reform Act 2012, the UK Government is seeking to reduce welfare benefit costs by £18 billion over the next five years by making work more attractive than receiving benefits. The Act is a strong example of a labour activation approach to welfare, containing as it does measures designed to simplify, streamline and reform the payment of out of work, income, housing and disability related benefits; re-assess the fitness or otherwise of claimants to work; and provide employment related support. Whether the Welfare Reform Act and earlier crisis response measures have the same impact for women as for men is a key question for this case study.

There are also significant reductions planned in health care spending, amounting to £20billion (€23.1billion) by 2015.

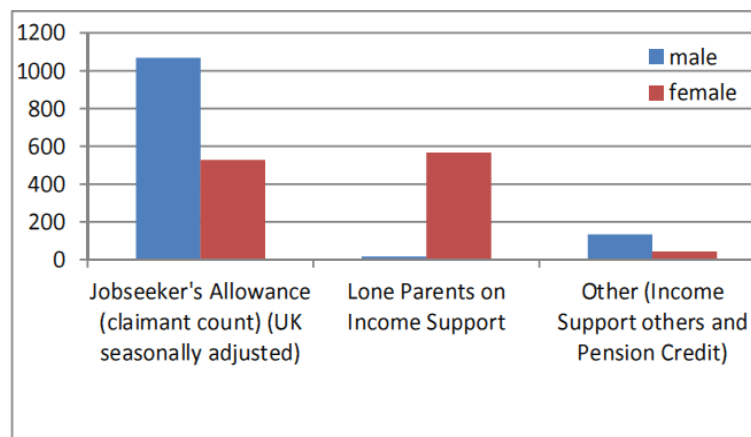
5.6.3. Automatic risks: How are UK women potentially vulnerable to welfare reform?

Similar to Ireland, the UK has characteristics of a strong 'male breadwinner' welfare model. This includes relatively low levels of support for the costs of parenthood and other family responsibilities and more generous social protection for those who have engaged with the labour market. Female engagement with the labour market in the UK increased substantially since the 1980s in the United Kingdom, whereas the opposite was observed for males (Gutiérrez-Doménech and Bell, 2004). However, women with young children are less likely to work than women with older children and having children has a dramatic impact on women's labour market participation (and hours of work, wage) (IFS, 2007). The unemployment rate amongst single mothers is particularly high. Women also tend to be part time employed compared to men and there is a pronounced segregation of women in certain lower paid occupations.

Thus, as with other male breadwinner models, women are particularly vulnerable to changes in services that help them to reconcile work with family life. Any reduction in women's ability to gain work - and good quality, well paid work also - (given that child care costs are already high - see section below) will decrease women's incomes and access to future pensions and unemployment benefits.

The most significant response to the Economic Crisis which is most likely to affect women, according to our respondents, is the introduction of the Welfare Reform Act (2012) which addresses all aspects of in and out of work benefits, particularly those on means tested, support and those in receipt of universal child benefit. In order to understand the impact of this Act, it is necessary to briefly review women's relationship with welfare benefits: Women make up a majority of lower rate benefits recipients, single parents receiving income support and child benefit recipients. Figure 28 provides a gender breakdown of recipients for these benefits. Clearly, women make up the largest proportion of claimants of lone parent income support and a smaller, although similar, proportion of Job Seekers Allowance.

Figure 36: Recipients of out of work benefits by gender in the UK, 2012 (1000s)



Source, Department of Work and Pensions, 2012

5.6.4. The actual gender impacts of crisis response measures to date

The gender implications of a number of reforms to different social welfare programmes are considered in turn.

Pensions

Respondents from both independent expert groups and elderly care charities reported that currently reforms to social welfare have so far had little impact on the current elderly population. However, any policy change that affects the older population will impact on women to a greater extent than men because women live longer than men. All interview respondents who discussed the issue of benefits for pensioners noted that there have been few changes to current pensions entitlements or other benefits for the elderly, for example, the universal winter fuel allowance which is paid to all people over the age of 75 regardless of income, has not been reformed, whereas universal child benefit has lost its universality.

However, the main impact of the economic crisis of 2007/8 and crisis response measures is on *future* pensions entitlements which are likely to increase the gender poverty gap in old age in future years. The gap between women's and men's savings into pensions has increased between 2010 and 2011, with women investing £776 (€956) a year less than their male counterparts, the highest gender savings gap for eight years (Scottish Widows, 2011). Interview respondents from both women's rights organisations and independent experts suggested that as women are hit by the economic crisis and reductions in welfare benefits, the amount of earned income invested in retirement savings is likely to decrease. Moreover, with a far greater proportion of women out of work, compared to men, and with no access to a contributions based pension scheme, pensioner poverty amongst women is likely to increase in future years.

A key reform in the field of pensions, not necessarily linked to the economic crisis but which will have gender implications is the introduction of 'auto-enrolment' for occupational pensions. This means that a worker will automatically be enrolled into their employers' pension scheme, unless they explicitly 'opt out'. This reform does not apply to small-scale employers. The principle behind the reform was to increase pension coverage amongst those not typically previously covered such as those in low paid or precarious employment. A large majority of employees in these types of employment are women. The reform has only very recently been introduced at the time of writing so it is too early to detect the impact for women. This could, potentially, have a positive impact on women's pension coverage. However, there is also a risk that as private or occupational pension become more important in the UK pension system, state funded pensions may lose political support. For those with interrupted careers, such as women who leave work to care for children, the auto-enrolment scheme may have less positive impact.

Family benefits and services

Major reforms to benefits for families and individuals which may have serious gender impacts were introduced through the Welfare Reform Act (2012)

The Welfare Reform Act (2012) involves four major changes:

- out of work benefits and working tax credits will be replaced with a single Universal Credit;
- a single welfare to work programme (the Work Programme) will be introduced, designed to support longer term unemployed people back to work;
- claims of disability and incapacity related benefit will be reassessed, and particularly individuals' capability to work;
- the total amount of benefit that working age people can receive will be capped so that workless households will no longer receive more in benefits than the average earnings of working households.

In addition, changes to child benefit were introduced which would change it from being a universal benefit paid to all families with children, per child, to being means tested and non-payable to families with incomes of over £50,000 (€61,634).

Where an individual is not available for work (for example due to being a lone parent or disabled) benefits are paid through Income Support. This is an important benefit paid to single parents (the majority of whom are women) and is currently paid until the youngest child is five years old. After the youngest child turns 5, single parents are transferred to the Job Seekers Allowance system making them subject to rules governing eligibility, primarily requiring them to actively seeking work. Income Support was payable to single parents until the youngest child was aged seven, this age limit has been lowered to its current age limit of five.

The new Universal Credit system will replace six of the main means-tested benefits and tax credits including Income Support, Income Related Jobseeker's Allowance, Housing Benefit, Working Tax Credit and Child Tax Credit. In conjunction with the Universal Credit, the Welfare Reform Act introduces a to cap the total amount of benefit that working age people can receive so that workless households should no longer receive more in benefits than the average earnings of working households. The cap will be £500 per week (€616) for couples and lone parents and £350 per week (€431) for single adults.

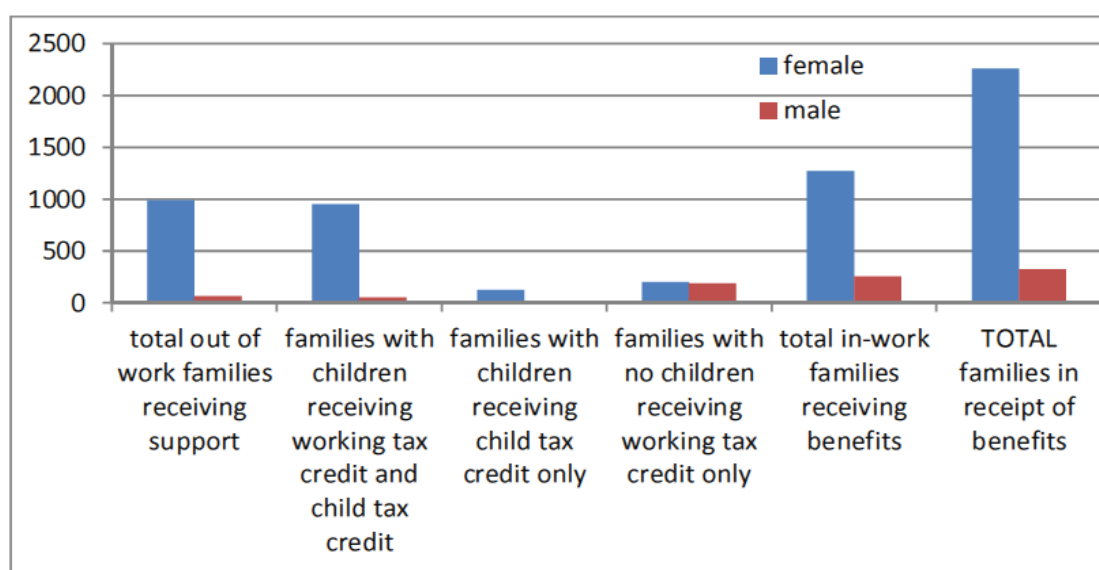
In addition, the Government introduced a restriction of the 'Sure Start Maternity Grant', a grant provided to low income mothers to support them through their pregnancy and to prepare for the birth of a child, to the first child only. It was previously paid for all children.

All interview respondents who raised the Welfare Reform Act (n=6 out of 8), suggested that the Act would have significant impacts on women. The net impact was generally viewed as being negative for gender equality. Respondents expressed serious concerns about the impact of universal credit (UC) on progress to gender equality in particular on access to income for individuals in couples, especially for women. In particular, the impact of the universal credit on incentives for women in a couple to return to work was of concern. As the new UC will be paid to one member of the couple only, couples must choose who will be paid and the earnings of other working members of a household will be taken into account when the UC level is assessed. This reform reverses a long standing tradition of paying child-related benefits directly to the primary carer, the large majority of whom are women, which was felt by respondents to be the best way of ensuring that the money is spent on the child and not absorbed into other household

expenditure. The advantages of independent welfare incomes for women is also demonstrated in research which finds that individual entitlements give women a greater say in household finances, and can also be crucial for some women in unequal couple relationships (e.g. see Goode et al., 1998) particularly important for women, who make up the very large majority of the child benefit recipients (94%) and for mothers who are at risk from domestic abuse (independent expert respondent, UK).

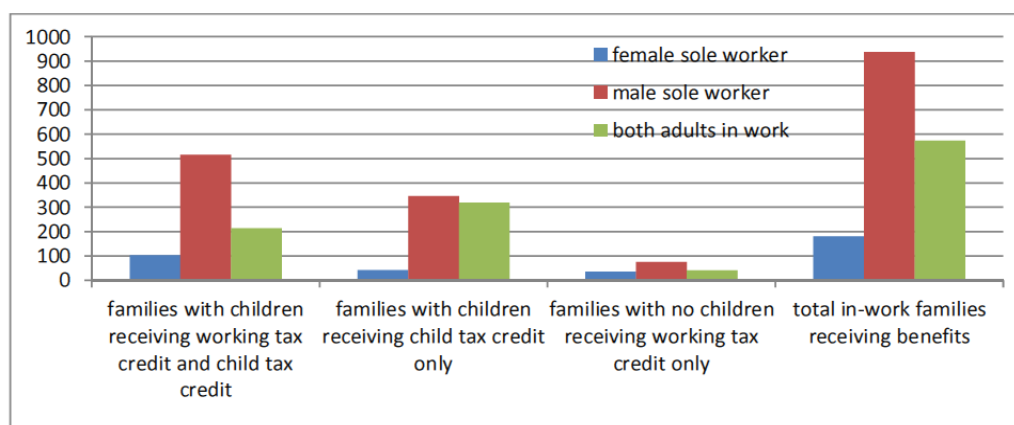
Figures 29 and 30 below show the total number of families receiving tax credits for families, by gender of recipient.

Figure 37: Non-couple households receiving child and working tax credit by gender of the recipient in the UK, 2012



Source: DWP Statistics

Figure 38: Households in couples receiving child and working tax credit by gender of the worker in the UK, 2012



Source: DWP Statistics

Note: Working tax credit is paid to the full-time paid worker if there is only one, or to the partner the couple chooses if both work 16 hours or more. Income based jobseeker's allowance can be paid to either partner.

Two interview respondents suggested that the working tax credit system provided a disincentive for women to work as it introduced a high marginal tax rate on the woman's 'second' income i.e. a family's losses from tax credits if the woman returned to work might offset any gains from the woman's newly earned income. However, interview respondents did not report that proposed changes through the universal credit system would address the marginal tax issue significantly, not least because reductions in child benefit and child tax credits are likely to affect single mothers to a far greater extent than men, as this group make up a large proportion of recipients.

From January 2013, child benefits cease to be universal and will only be paid to families with a combined income of under £50,000 (€61,634) or, in a dual earner household, if both earners earn less than £50,000 each. There has also been a three-year freeze in the rate of child benefit. A number of implications for women of this change were highlighted by interview respondents. Firstly, a single earner household earning £51,000 (€62,867) would lose their child benefit entitlement while in a dual earner household earning £49,000 each (a total of £98,000, €120,803) the benefit would not be lost. This reform was designed to ensure 'second' earners are not penalised through the loss of child benefit. However, it puts sole earner households at a relative disadvantage, including higher earning single mothers.

A possible (untested) positive outcome, in terms of gender equality, from reform to the universal child benefit might be that it encourages two parent households to share breadwinning and caring responsibilities, for example, if the former sole earner were to reduce their working hours or take unpaid holiday to care for children and the former carer (usually the mother) were to take up some paid work (Independent Expert respondent, UK).

Another significant impact of the changes to child benefit entitlements is that parents who are full time carers of their children and not in work will lose national insurance credits towards their state pension which is currently provided as credits to child benefits recipients. Given that the majority of full time child carers are women, this change will impact women significantly more than men.

Child care

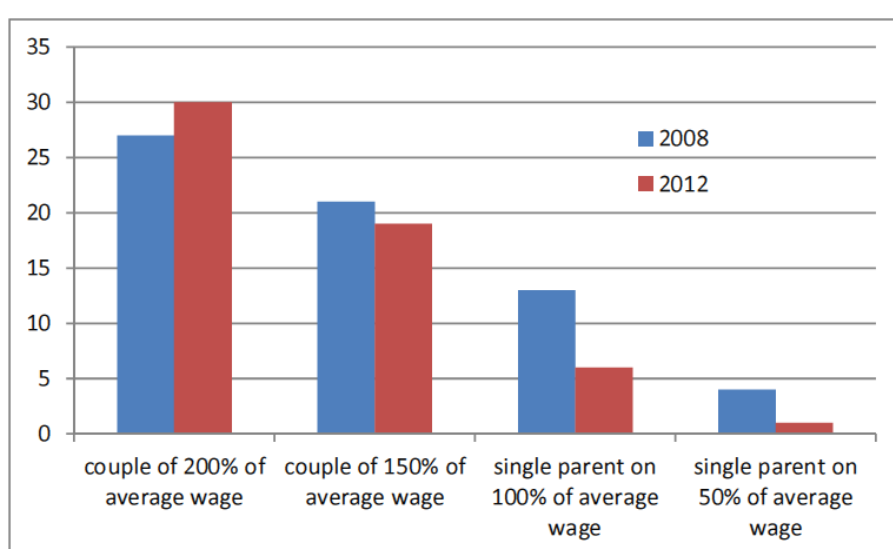
An extremely important issue affecting women's ability to work is the availability and affordability of child care. In 2010 the amount of childcare costs covered for low-income families through the Working Tax Credit was reduced from 80% to 70%. This reduction was felt to "particularly affect women in lone parent households", as 60% of the recipients of the childcare element are single parents (Women's rights organisation respondent, UK)

This was reported as a concern by all respondents from women's groups as well as independent experts. Although the affordability of child care in the UK has improved since the 1990s, as a result of state investment, it still remains among the least affordable in the OECD. Recent research conducted by the Resolution Foundation reported that for a couple earning a minimum wage each, the second earner "pays to work for the first 16 hours because the family is not eligible for childcare support" (Resolution Foundation, 2012). It finds that the "family is almost no better off if the second earner works full time or not at all". Whilst the UK Government has announced additional funding to support families on low incomes who work less than 16 hours per week from 2013, families working over 16 hours per week will still experience a 10% cut

in their childcare element of the working tax credit. At the time of writing, the UK Government is expected to announce further measures to support child care costs for working families which is increasingly seen as a priority within a welfare system that seeks to encourage work.

Figure 31 below shows the net child care costs for two children aged two and three in full time care, as a % of net family income. Respondents from women's groups in our case study reported that changes to child care funding creates a higher marginal cost of employment for dual earning couples which may create a disincentive for women to return to work.

Figure 39: Net 'childcare costs' for two children aged two and three in full-time care, as a % of net family income, in 2008 and 2012



Source, the Resolution Foundation, 2012

Unemployment protection

In the UK unemployed people who are actively seeking work are protected through Job Seekers Allowance (JSA). There are two types of JSA: the first is contribution-based (non-means-tested) Jobseeker's Allowance and is payable if the claimant has made sufficient contributions in the last two complete tax years; this is paid up to 182 days. The second is income-based JSA which is means tested and paid at a lower rate. Both benefits have a flat maximum rate and are paid at a slightly higher rate for people over 25. If in a couple, the earnings of a claimant's second partner are taken into account when assessing the amount payable to the claimant.

A larger proportion of recipients of higher level (contribution based) JSA are men, than women (DWP statistics). Reforms to the lone parent income support will mean that more women will be 'moved' to the means tested JSA.

JSA receipt has a number of eligibility conditions attached. Primarily, these oblige the recipient to be 'available' for work and restricts their ability to turn down work. It also encourages recipients to be available for training and other intervention to improve their chances of employment.

The impact of more lone parents being 'moved' to JSA is yet to be established but it is likely to have significant gender implications. Without investment in child care facilities or assistance to pay for childcare, many lone parents (primarily mothers) could find it difficult to fulfil the conditions of JSA.

Health

Another important element is the Health and Social Care Act, 2012, which is partly a cost containment (austerity) response, although efficiency and productivity initiatives have been initiated in the NHS for the last few decades. This Act is designed to increase competition and choice in the NHS and social support received by disabled, elderly or other vulnerable people in order to drive up productivity and reduce costs. The Health and Social Care Act provides renewed and stronger emphasis on competition between health care providers including, potentially, private healthcare companies and community and voluntary organisations. The Act is yet to be fully implemented and its impacts on women are not fully understood. However, a number of potential implications were highlighted by our interview respondents.

- Women form the majority of NHS employees therefore the reforms may result in series changes to their working environment and potentially, future wages
- Women are higher users of NHS services because they live longer and access services for their children
- Where private and voluntary sector providers provide residential nursing care, concerns were expressed about how quality and safety would be maintained; given the high proportion of elderly people are women, this was felt to have potential gender implications.

With a diminution of quality in care, an outcome that was feared by two of our respondents, there is a potential risk that women will need to fill the gap left by state health and social care provision.

It is too early to detect the impacts of these reforms and no clear gender implications have emerged from this case study research. As front line spending has been protected, in the short term, from spending cuts, it is unlikely that gender effects of access to health care or in terms of NHS staffing will be felt, for the time being.

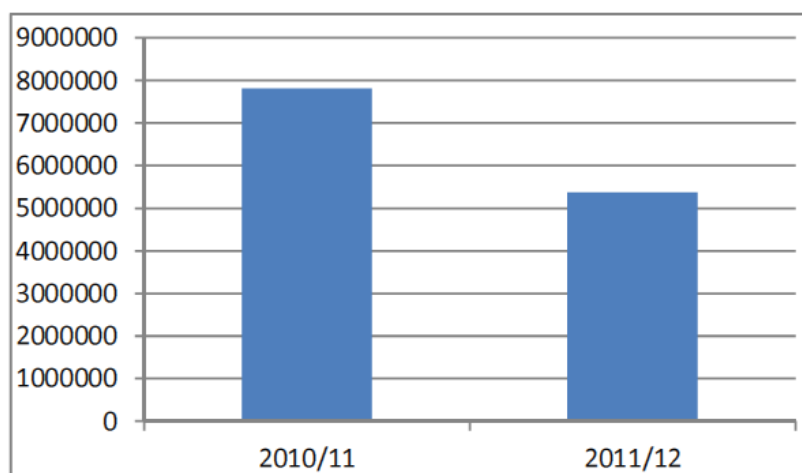
Additional issues for the United Kingdom

An important additional finding for the UK relates to discrete funding for violence against women and girls services (VAWG). Whilst VAWG remains a priority for national Governments and money have been ringfenced at a national level to support victims and their families, the general climate of budget cuts experienced at local authority levels means a greater competition between local authorities, charities and others who provide VAWG services.

"Although domestic violence is a priority and we're lucky to have local politicians who champion the issue, there is a real threat in the future that the funding might disappear as there's enormous competition for every penny that's available for it". (Women's services respondent, UK)

Moreover, there have been direct funding cuts to a main provider of domestic violence refuges through changes to funding in local authority housing. This has led to a large reduction in staff numbers and the threat of refuge closures. Respondents also reported that in times of economic hardship domestic violence incidents increase which was felt to be a particular problem in the context of diminishing funding. Figure 32 below shows funding changes to domestic violence services at the local authority level (the main source of funding and services for domestic violence victims).

Figure 40: Funding for violence against women services administered through local authorities (£GBP)



Source: Towers and Walby, 2012

5.6.5. Conclusions

Since the economic crisis of 2007/8 a series of profound cuts to public spending and service reforms have been introduced in the UK. These may be summarised as deterioration in universal welfare coverage and a renewed emphasis on welfare to work. Caps in benefits entitlements and structural reforms to the administration of means tested benefits means that families on low incomes or out of work will experience a loss of household income. Our respondents reported that these losses were likely to affect women to a far greater extent, particularly because a large proportion of households on means tested benefits are single mother households. Reductions in support for child care costs will also affect low income families and cuts to universal child benefits will impact on middle income families, particularly affecting second, usually female, earners.

The structural reform which creates the Universal Credit to replace 6 other means tested benefits could represent a significant shift in the way that household finances are negotiated and organised in couples. This reform means that benefits claimants, particularly of child benefits, will no longer automatically receive these benefits directly, a change which means many women are likely to lose an 'independent income', an important source of stability and equality within a relationship.

Another important finding relates to discreet funding for domestic violence services. Increased competition for funding means that a large number of services for victims feel under threat of closure, whilst at the same time demand for such services is increased, interview respondents reported.

6. SUMMARY AND CONCLUSIONS

6.1. The emerging picture: Towards a more gender equal welfare state?

The emerging narrative from this study is that where austerity measures have been pursued²⁴, there has been little consideration in the short term, of the need for deeper, structural reform to social welfare systems. In particular, the gender dimensions of welfare changes or welfare retrenchment appear to have been given little consideration. In the case of Ireland and Italy in particular, the need for drastic savings in public expenditure have taken precedent over arguments for greater equity or longer term investment in social programmes. By contrast, in Sweden, changes to social protection, in particular, sickness benefits and pensions have been more grounded in analysis of potential negative consequences and have treated gender equality (in terms of the labour market) as a priority.

6.1.1. The introduction of labour activation methods are potentially beneficial for women as long as child care facilities are available

'Liberal' welfare models, included as case studies such as the UK and Ireland, have introduced further labour activation measures as a key strategy in reducing benefit dependency and social expenditure. The underlying justification for these measures is that benefits need to be 'fair' and rights must be 'balanced' with responsibilities, thus, to receive a benefit, a person must demonstrate their availability for work and must undertake training and skills development. Another important justification provided, particularly for lone parents (who are predominantly mothers), is that being in receipt of benefits creates a dependency which precludes the recipient from engaging in the labour market and from being able to improve their income and social standing. These arguments predate the economic crisis but discourses about fairness have become more prominent as a result of the crisis as policy makers seek to create consensus in the population about austerity measures.

In Sweden, labour activation policies have been a feature of recent changes in social welfare but this is not particularly as a result of the global economic crisis. Sweden has perennially faced increases in the numbers claiming sickness benefits, the large majority of whom are women. It has responded to the increases over the last three decades by introducing eligibility conditions and restrictions on entitlements – all designed to encourage claimants from re-engaging with the labour market.

It should be noted that evidence from our case studies and from the literature reviewed suggests that labour activation policies could potentially improve the situation of women by improving engagement in the labour market. *However, in order to realise the advantages for women, labour activation policies must take adequate account of women's needs.* In particular, unless there is sufficient child care and support for other caring responsibilities, women will not be able to participate fully in the labour market and will be key losers in welfare reform, especially when reductions in out-of-work benefits are introduced at the same time.

²⁴ Not all EU countries have introduced such measures, (Sweden is a notable exception) as the financial crisis has not, as yet, had an impact on public finances as it has in other EU Member States.

Evidence, however, from the case studies on the impacts of policies that have already been introduced suggests women's child care and other caring responsibilities have not been fully considered in crisis response measures. Indeed, evidence suggests that investments are being withdrawn from child care rather than put into it. Sweden offers a different picture in terms of labour activation. The state has, until recently at least, maintained a stated goal of full equality between women and men in terms of labour participation and, crucially, in sharing parenting responsibilities. The Swedish state does not assume that one sex should undertake parenting and the other should be in work. This means that truly shared parenting is the target and has been supported by significant investment in child care provision and parental leave entitlements.

In the same way as Irish and UK systems now seek to discourage benefits dependency through reductions in benefit generosity, the Swedish model discourages benefits dependency through a well supported active employment policy that does not penalise women for working. However, in times of austerity, arguments for further investment (such as for child care or better parental leave) are very unlikely to persuade policy makers. In the words of one Government Agency respondent in Ireland:

"Anything that might require an investment has no chance of getting through."
(Government Agency respondent, Ireland)

However, in the medium to longer terms, the UK and Irish models of welfare will face significant questions about the relationship between work, child (and elderly) care. The two parent family model, in which one works and the other 'cares', is far from a reality for a good number of households. Thus, *both* male and female parents need to be able to access work if the state wishes to avoid benefit-dependent lone parent households or inadequately 'covered' (in terms of social protection/pensions) individuals. Unless adequate child care is provided, in conjunction with policies that encourage women and men to equally share parenting responsibilities women will suffer ever more from reductions to benefits generosity.

6.1.2. Lack of inclusion: Security for insiders and even harder times for outsiders

In Southern European or 'Mediterranean' welfare states included in our case studies - Greece and Italy - very sharp deficits have forced profound spending cuts. These cuts have primarily involved initial 'slicing off' of budgets which provide state support for either child care or elderly care. There have also been significant cuts in Greece to health care.. However, state-funded caring services are historically underfunded in both Italy and Greece and, in both countries, the welfare state has featured harsh distributional distortions which place large proportions of the welfare budgets into generous pensions schemes for certain sections of the population. Historically, these arrangements have not benefited women as they have not been the main beneficiaries of generous pensions and have been relied upon to provide care which is not funded by the state.

Both Italy and Greece have recently attempted to address these distortions primarily by reforming pensions systems. These reforms could be an opportunity to reconfigure welfare systems to support women as participants in the labour force. However, the findings from our case studies suggest that, so far, such opportunities are potentially being missed. Evidence suggests that states are not reconfiguring their investments

away from over-generous pensions *towards* more family and women-friendly policies. In the short term, moreover, women are shouldering the burden of immediate cuts to social expenditure.

Importantly, the paucity of gender discussion and the lack of gender disaggregated data on poverty and social exclusion also means that very little comment on recent welfare reform and austerity is generated from a gender perspective. This implies a risk for future policy making concerning the very complex restructuring of welfare systems now needed as exemplified particularly in Italy and Greece: the risk is that reforms may be detrimental to gender equality.

6.2. Women's relationship to welfare systems mean that they may be more vulnerable to planned welfare reductions and reform

Whilst on some levels evidence suggests that women are not as hard hit as men in terms of unemployment since 2008, the effects of public sector pay and job losses are only now beginning to register. In addition, whilst absolute rises in unemployment are the same for men and women broadly, this implies a greater percentage rise for men, but is far from a transformation of existing patterns. The hazard of unemployment for women still remains higher due to the historic legacy of lower female employment rates in the EU. Employment is still the chief means of avoiding poverty and social exclusion and allows individuals to build up resources to protect themselves in the event of personal misfortune, such as losing a job or illness. The fact that women are, overall, less engaged with the labour market, either through being economically inactive or in part time or precarious employment, means they are less likely to have built up 'entitlements' to welfare state protection including unemployment 'insurance' and pensions and are more dependent on lower-level means tested benefits (which are also more susceptible to cuts).

There are two other important risks facing women in the current and near policy context, as a result of their historic position in the labour market and cultural norms that shape their role in the family. These are *a*) that women are amongst the most dependent on social welfare services such as child care and services for the elderly and *b*) are culturally and socially expected to fill the gap of declining public care services. As cuts in spending on social care and other services are introduced, women are affected both as direct recipients of these services and as providers of informal care which make up for the decline in these services.

6.3. Violence against women and girls

In one case study²⁵, a specific investigation of the impacts of austerity on violence against women and girls (VAWG) services was made. This showed that whilst violence against women and girls is a priority for the national Government, as it is at the EU level, it is not a separate, statutory function and as such, it is not a specific duty for state agencies to provide a minimum level of service. As a result, VAWG services are susceptible to cuts made to other state funded services which have previously

²⁵ The United Kingdom

contributed (either in kind or directly) towards VAWG services. Even though funding amounts specifically intended for VAWG services have been maintained in the form of grants, charities, non Governmental organisations and Local Authorities face increased competition for the same amount of money. As a consequence, many VAWGs services and projects are faced with closure or staff reductions.

6.4. Gender equality policy challenges and opportunities identified in case study work

6.4.1. Greece

The introduction of means tested benefits across all areas of Government spending, is intended to create a more progressive system and address the insider/outsider dualism of the existing Greek welfare and employment system. This could benefit women. However, gender implications of the reforms have not been thoroughly analysed in Greece. For example, the immediate effect of pension reforms in Greece was to accelerate retirement, particularly among women aged 50+. This increases fiscal strains and creates a new group of future low-income pensioners, widening the income gap between women and men. In the longer term, projections make clear that funding of pensions will be made more sustainable through: (a) a reduction in pension coverage – i.e. in the ratio of pensioners to population and (b) a reduction in the benefit ratio, i.e. in the extent that pensions replace earnings. In both these women take the biggest 'hit' as they will see their already low pensions further decreased.

Greece, as Italy, is faced with a potential opportunity to reform its system which has tended to favour insiders at the expense of 'outsiders', largely to the disadvantage of women. However, austerity measures have emphasised reductions in state services that have assisted women to reconcile work and family life (such as state provision of elderly and child care), thus, the opportunity for 'gender friendly' welfare reform may be missed.

6.4.2. Ireland

In Ireland huge cuts in public spending need to be found in the near future. However, longer term reforms which are more structural in nature centre on increased labour activation policies which will particularly target lone parents (mostly mothers) on income support. Other changes to social protection include reducing the generosity and increasing the conditions of entitlement to unemployment, sickness and disability benefits.

Changes to lone parent income support have been introduced in Ireland which are very similar to changes introduced in the UK. However, as with the UK, little additional investment has been made, overall, in the provision of affordable child care. This means lone parents who are 'moved' off income support as a result of reductions in entitlement will have new requirements to make them 'available' for work but little has been done to address their child care needs at the same time. The consequences of the changes to lone parent income support will become apparent in the coming months.

6.4.3. Italy

Social policies adopted in Italy in the last five years, mostly as a response to the crises that affected the country since 2008, have mainly consisted of austerity cost containment measures. These have and are likely to continue to significantly impact on women's entitlements in various policy fields.

Pensions have been subject to some of the most profound reforms and this has had significant unequal gender impacts as women's effective pensionable age has been increased more than men and stricter contributions requirements are particularly detrimental for women's access to adequate income when retired.

Also, a long term underfunding in social care (child and elderly care) in the Italian welfare state, means that women are especially under pressure to make up for gaps in social service provision. Following the economic crisis, there have been severe cuts to child and elderly care which seriously diminish women's opportunities to participate in the labour market.

As in Greece, the economic crisis also presented an opportunity for reforms addressing imbalances in the Italian welfare state and aiming at a fairer distribution, which would have improved the inclusion of women. However, in light of cuts to essential care services, this opportunity would appear to have been missed so far.

6.4.4. Poland

Although the economic crisis impacted on the Polish labour market relatively late, Poland is not immune and a number of reductions in social expenditure have been planned in order to reduce the cost of Poland's public debt. Poland traditionally favours a male breadwinner model, and this means a potential risk for women, during times of austerity, as they will be under pressure to provide care when state care services are reduced. In Poland it is women, not men, who drop out of work in the case where it cannot be reconciled with the care of the child (and sometimes of other family members).

Whilst there have not been significant reductions in the overall social welfare expenditure including to services likely to affect women the most (i.e. family benefits and child care), neither have there been investments or improvements that might encourage more women to participate in the labour market. Thus, the economic crisis is likely to exacerbate the women's lower participation in the labour market.

Some positive lessons have been learned from Poland's use of EU funding which has provided a number of programmes and initiatives aimed at promoting gender equality and women's rights, including projects to help women access the labour market. It was felt by some interview respondents that the EU funding has helped to offset some of the reductions experienced in social welfare expenditure for women. However, respondents also feared that these projects are vulnerable to withdrawal of EU funding and are unlikely to continue to be supported if EU funds are withdrawn.

6.4.5. Sweden

Welfare reform in Sweden is not significantly linked to the global economic crisis or particularly as a result of an 'austerity' programme²⁶. However, a number of issues are present in Sweden which have gender implications.

State funded child care and generous parental (not just maternity) leave is one of the main reasons that Sweden's female labour market participation is among the highest in the EU. Swedish social protection is organised 'through' employment so that pensions, unemployment benefits and sickness benefits 'entitlements' are built up through employment-based contributions. As women participate to a great extent in the labour market, they are 'covered' by social protection in similar ways to men. The relatively high labour market participation rate amongst lone parents (predominantly mothers) in Sweden, even though lower than women without children and women in couples, indicates that comprehensive family policies which help to reconcile work and family life (including care services as well as generous income tax credits) help prevent benefit dependency and low income existence for this group.

The Swedish model is a strong universal breadwinner one and encourages women to access the labour market as much as men. The debate about the ability to transfer parental leave, as well as the recent liberalisation of the elderly care market, articulates strongly opposing voices within Swedish society about who should be doing the caring within families.

Another key issue in Sweden is the increasing numbers of people claiming sickness benefits. The large majority (around two thirds) of claimants are women. Policy makers are as yet unsure as to why such large numbers of claimants are women and research is currently underway to identify the causes. However, the rise in sickness claims is being tackled through a 'labour activation' approach which introduces conditions to those claiming the benefit to make them more available for work or training. As women are the majority of claimants this issue affects women more.

6.4.6. United Kingdom

In the UK strong labour market activation policies accompany large proposed cuts to the overall welfare budget, especially through unemployment benefits cuts and cuts to universal benefits which will hit middle income families particularly. Generally speaking, in the UK, labour market activation policies which have been introduced appear to focus on 'push' factors rather than 'pull' ones - reducing the benefit of non-work rather than increasing the rewards of work.

Overall, poverty and social exclusion, especially amongst single parent (female headed households) may therefore increase. There has also been a serious move to consolidate existing means tested benefits into one Universal Credit, which will be subject to absolute overall caps. These caps do not take account of variations in housing costs, with the effect that many low income families, of which female headed ones form a large proportion, will not be able to afford to remain in their current home.

²⁶ Although some respondents in our case studies suggested that the global economic crisis may have provided justification for those wishing to reduce state social expenditure out of political conviction.

Reductions in coverage of the lone parent income support benefit will see many lone mothers 'moving' from income support to means tested 'job Seekers Allowance' (JSA). Means tested JSA is only payable to recipients who make themselves 'available for work' and available for training programmes as directed by officials. Many interview respondents suggested that child care needs are not fully taken into account of those lone parents moving to JSA however. The consequences of the changes to lone parent income support will become apparent in the coming months.

In addition, there is very poor provision of affordable child care which makes the marginal benefit of income from employment very small and may deter many women, married and lone mothers, from entering the labour market, despite the decreases in the child care element of child benefit for some families.

However, at the time of writing, there has been significant debate amongst politicians in the UK about improving the affordability of child care. If this is achieved, it could improve the situation of many women who are currently unable to work (particularly lone mothers) or for whom the costs of child care outweigh the benefits of joining the labour market.

6.5. Recommendations

Following the evidence from our case studies and other analyses, further research and policies are recommended in the following areas, either on the national and/or the European level, with greater consideration of the gender implications of each policy reform at all levels.

- Government Departments should be better trained, informed and encouraged to identify the economic case for better investment in care, particularly child care;
- Government Departments may be better challenged to conduct gender impact assessment which help to identify factors that could confound policies and could result in counterproductive outcomes;
- The European Commission via EU policy tools such as the Open Method of Coordination and the European Semester Process obliging Member States to produce National Reform Programmes could assist Member States to take better notice of the economic impacts of underinvestment in child and other care services;
- Labour activation policy should be considered from the outset with regard to child care needs; given that single parents constitute a large proportion of benefits recipients, it is essential that child care needs are taken account of when assessing individual action plans aiming at the integration into the labour market;
- Labour activation policies should continue to support people once in work so that employment serves as genuine route to self-improvement and higher income; this is considered the only way that work will be 'made to pay' in the longer term and may mitigate some cliff effects which can deter people from taking on extra hours, or earning more money;

- A promising strategy to implement "gender friendly" welfare state reform would be through a formal link (i.e. through laws) between savings in high-expenditure sectors, such as pensions, and resources invested in traditionally underdeveloped sectors: so called 'direct recalibration'. The feasibility and potential impacts for such a policy should be researched further;
- Parental leave policies should be considered as part of labour activation policy, and not in terms merely of gender equality. Greater participation of fathers in their children's upbringing not only fosters closer family relations and stability but makes an additional resource available to take on care; and
- Policy actors require better engagement and communication in times of austerity; there is some evidence to suggest that non Governmental organisations such as women's interest groups, lobbies and charities have been shut out of policy negotiations during difficult economic times which presents a risk that valuable insights are missed when designing policy.

7. REFERENCES

General references

Adema, W., P. Fron and M. Ladaique (2011), "Is the European Welfare State Really More Expensive?: Indicators on Social Spending, 1980-2012; and a Manual to the OECD Social Expenditure Database (SOCX)", OECD Social, Employment and Migration Working Papers, No. 124, OECD Publishing. <http://dx.doi.org/10.1787/5kg2d2d4pbf0-en>

Akgunduz E. and Plantenga J. (2009) Labour Market Effects of Parental Leave: A European Perspective. Utrecht School of Economics discussion paper series 11/09

Amable B. Gatt D. And Schumacher J, (2007) Welfare state retrenchment: The partisan effect revisited. PARIS-JOURDAN SCIENCES ECONOMIQUES WORKING PAPER N° 2006 - 07

Basso G., Dolls M., Eichhorst W., Leoni T. And Peichl A. (2011) The Effects of the Recent Economic Crisis on Social Protection and Labour Market Arrangements across Socio-Economic Groups. Institute for the Study of Labour Discussion Paper Series.

Bolzendahl C. and Brooks C. (2007) Women's Political Representation and Welfare State Spending in 12 Capitalist Democracies. *Social Forces*, Vol. 85, No. 4 (Jun., 2007), pp. 1509-1534.

Centre for Ageing Research and Development in Ireland (CARDI) (2012). Older women and pension inequality

Chung H and Thewissen S (2011) Falling Back on Old Habits? A Comparison of the Social and Unemployment Crisis Reactive Policy Strategies in Germany, the UK and Sweden *Social Policy & Administration* Vol. 45, No. 4.

Classen J. And Siegel N. (2011) Investigating Welfare State Change: The Dependent Variable Problem in Comparative Analysis. Edward Elgar Publishing

Considine M. and Dukelow F. (2009). Introduction: boom to bust, Irish social policy in challenging times. *Irish Journal of Public Policy*. Vol 2. 1.

Del Boca, D. and Rosina, A. (2009), *Famiglie sole*, Bologna, Il Mulino.

Dukelow F. (2011). Economic Crisis and Welfare Retrenchment: Comparing Irish Policy Responses in the 1970s and 1980s with the Present. *Social Policy and Administration*, Vol. 45, No. 4.

Duvander A. and Johansson M. (2012) What are the effects of reforms promoting fathers' parental leave use? *Journal of European Social Policy*. Vol. 22. 3.

European Commission (2009) MEMO/09/99 The economic crisis and pensions in the EU

European Employment Observatory (2012). EEO Review: Long-term unemployment 2012: Ireland

European Observatory on Health Systems and Policies (2012) Health systems, Health, Wealth and Societal Well-being Assessing the case for investing in health systems

European Parliament. (2011) The Cost of Childcare in EU Countries

Eurostat (2012) 27/2012. Statistics in Focus: Economy and Finance

Gauthier A. Smeeding T. Furstenberg M and Frank F. (2004). Are Parents Investing Less Time in Children? Trends in Selected Industrialized Countries. Population and Development Review, 30 (4): 647-671.

Grandits H. And Heady P. (2010) Family, kinship and state in contemporary Europe

Greve B. (ed). (2010). Choice: Challenges and Perspectives for European Welfare States. Wiley-Blackwell.

Hemerijck A. and Vandenbroucke F. (2012). Social Investment and the Euro Crisis: The Necessity of a Unifying Social Policy Concept. Intereconomics

Hryniewska A., Pomoc społeczna w liczbach: 2010 [Social Assistance in figures: 2010], Instytut rozwoju usług społecznych [Institute for the development of social services], Warszawa 2011

International Labour Office (2011). Addressing inequities in access to health care for vulnerable groups in countries of Europe and Central Asia. Social Security for All series

Institute for Social and Economic Research (2012) The importance of independent income: understanding the role of non-means-tested earnings replacement benefits

ISTAT (2011a), Rapporto Annuale. La situazione del paese nel 2010, Rome, Istat.

ISTAT (2011), Italia in cifre, Roma, Istat.

Koole K. and Vis B. (2012), Working Mothers and the State: How to Explain the Cross Government Variation in Maternal Employment Supporting Policies?

Love J., Holmgren K., Torén K. and Hensing G. (2012) Can work ability explain the social gradient in sickness absence: a study of a general population in Sweden. BioMed Central.

Mahon, E. (2012) To work or not to work European Sociological Association Gender and Work Research Network 14 NUI Galway 6/7 September 2012

Macleavy J. (2011). Reconfiguring work and welfare in the UK's 'New Economy': regulatory geographies of welfare-to-work at the local level, Gender, Place & Culture: A Journal of Feminist Geography, 18:5, 611-633

Murphy M (2012). Careless to Careful Activation: making activation work for women

OECD (2011a). Doing Better for Families

OECD (2011c) OECD regions at a glance, 2011

OECD (2012). Education at a Glance: OECD Indicators 2012

Pierson P. (1998). Irresistible forces, immovable objects: post-industrial welfare states confront permanent austerity. *Journal of European Public Policy*. 5. 4

Richardson D. (2010) Child and Family Policies in a Time of Economic Crisis. *Children and Society*, Volume 24. No.

Sacchi S. Pancaldi F. And Arisi C. (2011) The Economic Crisis as a Trigger of Convergence? Short-time Work in Italy, Germany and Austriaspol. *Social policy and Administration*. Vol. 45, No. 4.

Scottish Widows (2011) Women and Pensions

Suss W. (2011) Reforming the "German Model": Social Change, Economic Crisis and the Politics of the Welfare State in the Federal Republic "after the Boom". *Journal of Modern European History*

Yerkes M. and van der Veen R. (2011) Crisis and Welfare State Change in the Netherlands. *Social Policy and Administration*, Vol. 45. No. 4

Zub M. (ed.) Badanie ścieżek migracyjnych klientów pomocy społecznej i powiatowych urzędów pracy oraz możliwość wprowadzenie zintegrowanych usług aktywizacji zawodowej [The study of migratory paths of social assistance clients and district labour offices and the possibility of the introduction of the integrated services of professional activation], WYG International, Warszawa 2011.

Additional case study references

Greece case study references

EPC (2012), The 2012 Ageing Report: Economic and budgetary projections for the 27 EU Member States (2010-2060), *European Economy* 2|2012.

Lyberaki A. (2013) "The crisis and women's economic independence: some warnings from Greece", *Journal of Critical Studies in Business and Society*, (forthcoming).

Lyberaki A, Gonzales E and Schmidt D. (2012). The impact of the economic crisis on the situation of women and men and on gender equality policies. Synthesis Report. Report financed by and prepared for the use of the European Commission, DG Justice/Unit.

Lyberaki A. and P. Tinios (eds), (2002) "Employment and Cohesion: The National Action Plans for Employment and Social Inclusion", Athens Papazisis (in Greek).

Lyberaki A. and P. Tinios, (2011) "The Welfare State (formal and informal): The reforms that did not take place and the crisis". Paper presented at the conference: Social Policy and Social Cohesion in Greece under conditions of economic crisis. Bank of Greece, May 13, 2011, (in Greek).

Lyberaki, A. and P. Tinios, (2013) "The Informal Welfare State and the Family as the Greek crisis unfolds: Outline of a Research Agenda", Political Studies (forthcoming).

Lyberaki, A. and Tinios, P. (2012a) "The crisis as handmaiden of social change: adjusting to the 21st century or settling old scores?" in Anastasakis, O. & Singh, D. (eds) *Reforming Greece: Sisyphean task or Herculean challenge?*, South East European Studies at Oxford (SEESOX), St Antony's College, University of Oxford

Lyberaki, A. and Tinios, P. (2012b) "Labour and Pensions in the Greek Crisis: The Microfoundations of Disaster", *Südosteuropa*, 60. Jahrgang 2012, Heft 3: 363-386

Ireland case study references

Forfás, the Irish national policy advisory board for enterprise, trade, science, technology and Innovation (2011), Annual Report.

Kennedy P. (2010) Healthcare reform: Maternity service provision in Ireland. *Health Policy*. Vol. 97. 2-3.

McDaid D., Wiley M., Maresso A. and Mossialos E. (2009). *Ireland: Health System Review*. WHO.

Russell R., McGinnity F., Callan T. And Keane (2009) *A Woman's Place Female Participation in the Irish Labour Market*. The Equality Authority, Ireland

Timonen V. (2003). *Irish Social Expenditure in a Comparative International Context*. Institute of Public Administration.

Italy case study references

Berton, F., Richiardi, M. and Sacchi, S. (2012), *The Political Economy of Work Security and Flexibility. Italy in comparative perspective*, Bristol, Policy Press.

CACMSS (1997), *Relazione finale della Commissione per l'analisi delle compatibilità macroeconomiche della spesa sociale*, Roma

Ferrera, M. (1996), The Southern model of welfare in social Europe, in "Journal of European Social Policy", 6, 1, pp. 17-37.

Ferrera M., Hemerijck A., and Rhodes M. (2000), *The Future of Social Europe: Recasting Work and Welfare in the New Economy*, Oeiras, Celta.

Ferrera M. (2006), *Le politiche sociali: l'Italia in prospettiva comparata*, Bologna, Il Mulino.

Ferrera, M. (2008), *Il fattore D*, Milano, Mondadori.

Ferrera M. (2000). *Reconstructing the Welfare State in Southern Europe*, in *Survival of the European Welfare State*, Edited by Kuhle. London: Routledge, 167-81

Jessoula, M. (2010), Recalibrating the Italian welfare state: a politics too weak for a "necessary" policy? in M. Giuliani and E. Jones (eds), Italian Politics 2010, Oxford, Berghahn Books.

Jessoula, M. and Pavolini, E. (2012), ASISP Annual National Report. Italy 2012, ASISP, Brussels.

Maino F. And Neri S. (2011) Explaining Welfare Reforms in Italy between Economy and Politics: External Constraints and Endogenous Dynamics. Social Policy and Administration, Vol. 45, No. 4,

Saraceno, C. (1994), "The ambivalent familism of the Italian welfare state", Social Politics, I, 60-82.

Poland case study references

OECD (2012). Health at a Glance: Europe 2012

Pascall G. (2008) Gender and European Welfare States in Understanding European Social Policy Peter Abrahamson and Christian Aspalter (eds), Casa Verde Publishing: Hong Kong.

Plomien, Ania (2009) Welfare state, gender, and reconciliation of work and family in Poland: policy developments and practice in a new EU member. Social policy & administration, 43 (2). pp. 136-151

Reichardt A.(2011) Poland and the Global Economic Crisis: Observations and Reflections in the Public Sector. Journal of Finance and Management in Public Services, Vol 10.1

Zukowski M. (2010). ASISP Annual National Report 2010: Pensions, Health and Long Term Care

Sweden case study references

Aaberge R., and Flood L. (2008). Evaluation of an In-work Tax Credit Reform in Sweden: Effects on Labor Supply and Welfare Participation of Single Mothers. Working Papers in Economics, 319.

Andren D. And Andren T. (2012) Women and men's response to a non-targeted earned income tax credit

Anell A., Glenngård A. and Merkur S. (2012) Sweden: Health system review. WHO

Anxo D. And Ericson T (2011) EEO Review: Adapting unemployment benefit systems to the economic cycle, 2011

Anxo D (2011): "Negotiated flexibility in Sweden: a more egalitarian response to the crisis?" in Vaughan-Whitehead D. (ed), Inequalities in the world of work: The effects of the crisis, Cheltenham, E. Elgar.

Bergman M. (2011) Best in Class: Public Finances in Sweden during the Financial Crisis. Panoeconomicus

Chronholm A. (2007) Father's Experience of Shared Parental Leave in Sweden. Managing Family and Professional Life: an Approach with the Fathers

Daune-Richard A. and Mahon R.(2001) "Sweden: Model in Crisis," Who Cares? Women's Work, Childcare, and Welfare State Redesign. Eds. Jane Jenson and Mariette Sineau. Toronto: University of Toronto Press,146-176.

Duvander A. (2008) Family Policy in Sweden: An overview. Stockholm University Demography Unit (SUDA) and Swedish Social Insurance Agency

Duvander A. (2012) Leave policies development in Sweden. In Parrukoski S. and Lammi-Taskula J. Parental Leave Policies and the Economic Crisis in the Nordic Countries, Seminar Report

Edmark K., Liang C., Mork E. And Selin H. (2012) Evaluation of the Swedish earned income tax credit.

Floderus B., Hagman M., Aronsson G., Marklund S., and Wikman A. (2011) Medically certified sickness absence with insurance benefits in women with and without children. European Journal of Public Health

Freeman R., Swedenborg B. and Topel R. (2010) Introduction, in Freeman R., Swedenborg B. and Topel R. (Eds) (2010) Reforming the Welfare State: Recovery and Beyond in Sweden. University of Chicago Press

Kolm A. and Lazear E. (2010) "Policies Affecting Work Patterns and Labor Income for Women," in Freeman R., Swedenborg B. and Topel R. Reforming the Welfare State: Recovery and Beyond in Sweden, National Bureau of Economic Research

Meagher G. (2010) Private financing of elder care in Sweden: Arguments for and against. Institute for Futures Studies, Working Paper

OECD (2011b). Closing the Gender Gap Act Now: Sweden

Parrukoski S., and Lammi-Taskula J. (eds) (2012) Parental Leave Policies and the Economic Crisis in the Nordic Countries.National Institute for Health and Welfare, Helsinki. Seminar Report

Rostgaard T. And Szebehely M. (2012) Changing policies, changing patterns of care: Danish and Swedish home care at the crossroads. European Journal of Ageing, Volume 9,Issue 2, pp 101-109

Rutten C (2012) Parental leave in Europe and social of women from the labour market. Paper for the 2012-edition of the international (post)graduate course on Inclusion and Exclusion in Contemporary European Societies: 'Challenges of Europe, the Strength of Soft Power'.

Statistics Sweden (2012) Women and Men in Sweden

Statistics Sweden (2010) Women and Men in Sweden

Statistics Sweden (2008) Women and Men in Sweden

Statistics Sweden (2006) Women and Men in Sweden

Statistics Sweden (2004) Women and Men in Sweden

Statistics Sweden (2002) Women and Men in Sweden

Swedish Social Insurance Agency (Försäkringskassan). (2012) Social Insurance in Figures

United Kingdom case study references

Grimshaw D. And Rubery J. (2011).The end of the UK's liberal collectivist social model? The implications of the coalition government's policy during the austerity crisis. Cambridge Journal of Economics 36(1):105-126

Gutiérrez-Doménech M., and Bell B. (2004). Female labour force participation in the United Kingdom: evolving characteristics or changing behaviour? Structural Economic Analysis Division, Bank of England, working paper 221

Institute for Fiscal Studies (2007) Mothers' labour market participation and use of childcare in the UK

Institute for Fiscal Studies (2009) A survey of public spending in the UK

Towers J., and Walby S. (2012) Measuring the impact of cuts in public expenditure on the provision of services to prevent violence against women and girls. Report for the Northern Rock Foundation and Trust for London

The Resolution Foundation (2012). Counting the Costs of Childcare

APPENDIX 1: METHODS

This appendix describes in fuller detail the methods used for this study

Figure 1 summarises the methods for this study



Methods in detail

‘Systematic’ review of the literature

The literature review was conducted using semi systematic review methods. 150 articles and 4 books were reviewed and 50 studies and four books were included in the analysis.

The review was undertaken in order to identify the main concepts and issues relating to gender and welfare systems, particularly during times of welfare reform and retrenchment. The analysis of the literature was used to inform questionnaires for case study interviews and an overarching analysis framework for the data that were collected for both case studies and the EU-level analysis of data.

Statistical review of EU level data

Data from EU-level sources were interrogated to identify population level trends and experiences. Figure 2 below shows the overall process for examining the data. A number of sources were used including EU-level repositories of Member State collected data up to the most recent figures. Data were examined from a recent historical perspective so that trends may be picked up, therefore the period from 2007 and before was included.

Analysis of EU-level data was organised in the following ways:

- Changes over time in social protection and welfare spending, by service sector (eg health, education, policing, pensions, unemployment benefit), comparing ‘pre crisis’ to ‘crisis’ times
- Pan-Europe changes in spending of social infrastructure and social protection that will affect women more than men

- Lessons, highlights, 'special cases' of changes in social infrastructure and social protection affecting women by EU Country or group of countries

Case Study research

Following the literature review and analysis of EU level data, case study interview guides were written. Qualitative research was conducted through in depth interviews with key actors in the case study countries. These interviews were with high-ranking officials, or strategic leads both in the voluntary sector and Government Agency respondents. Interviews were also conducted with independent experts in each country. The purpose of interviewing three different groups was to triangulate the responses from each.

Between 8-10 interviews were undertaken with key stakeholders in each case study. These were semi structured and between 30 and 60 minutes in duration. Interviews were conducted on a confidential and voluntary basis.

Quantitative analysis of case study countries

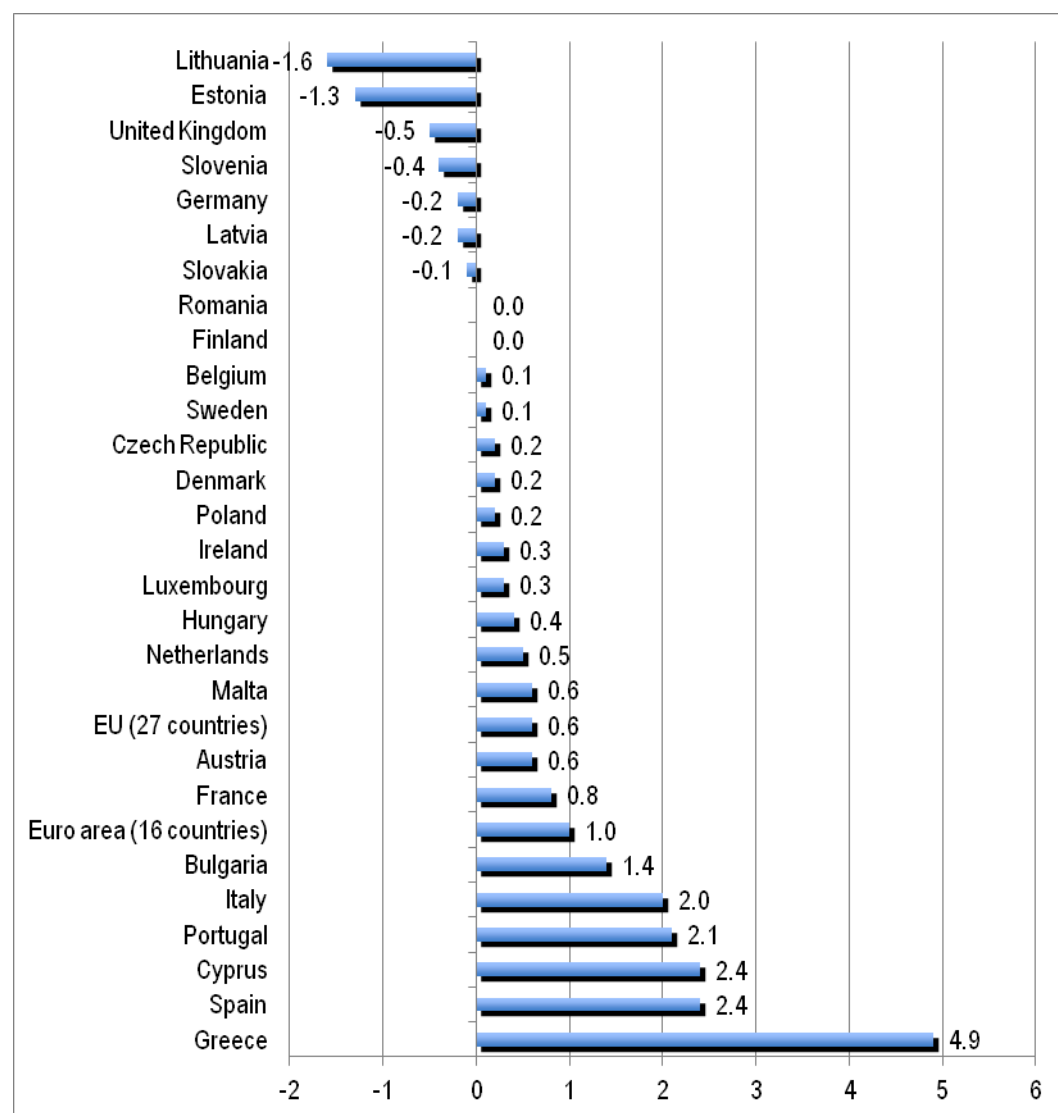
Quantitative analysis of case study data followed a similar approach to analysis at an EU level. Data were interrogated according to the emerging themes from both qualitative and EU level research.

Analysis of primary data was primarily intended to describe:

- Changes in welfare spending by sector, particularly health, education and social care
- Changes in social protection spending by type
- Changes in spending to gender equality budgets and initiatives in each country
- Changes to incidents of violence against women

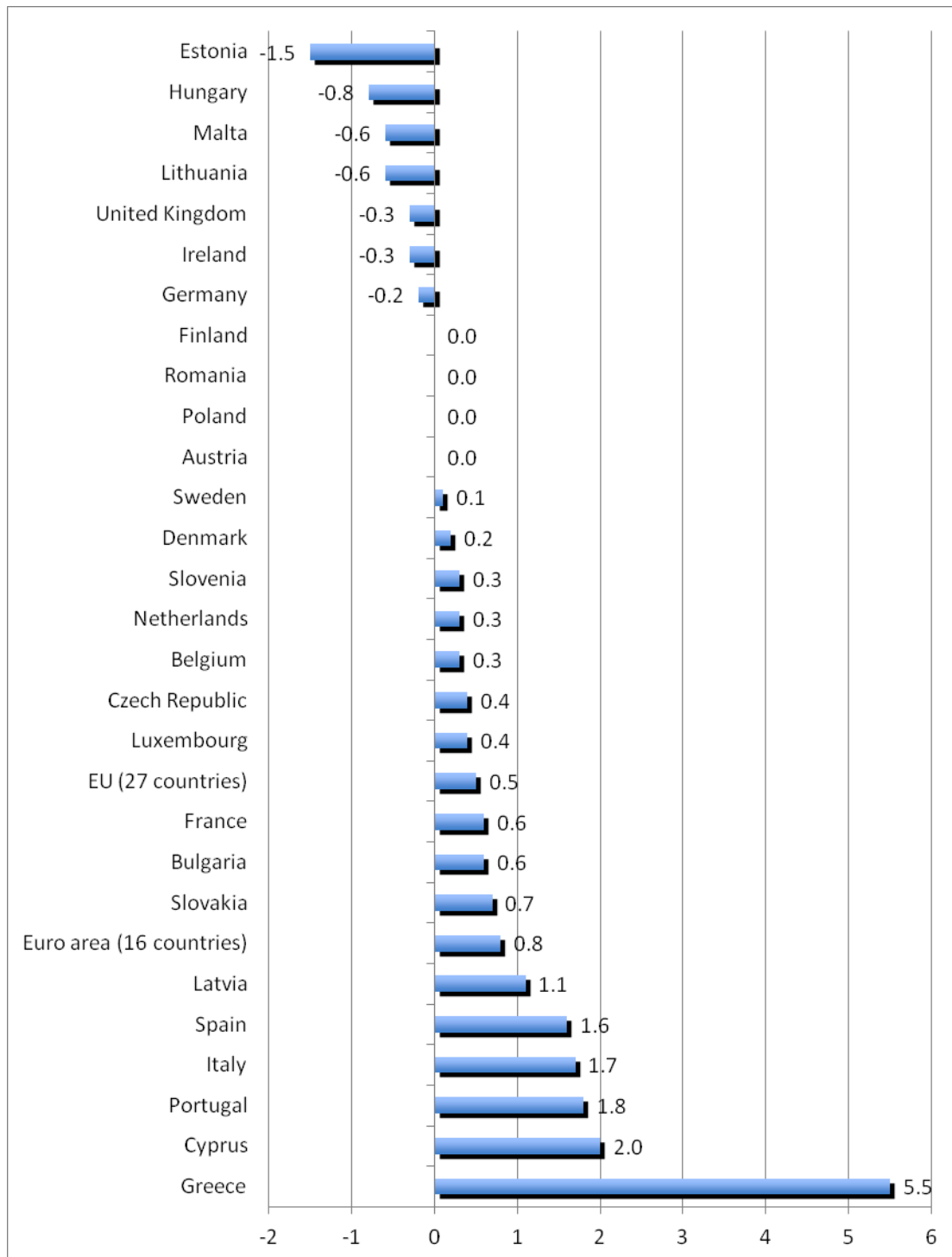
APPENDIX 2: ADDITIONAL FIGURES AND TABLES

Figure A1: Harmonised unemployment rate by sex, % (seasonally adjusted), Males



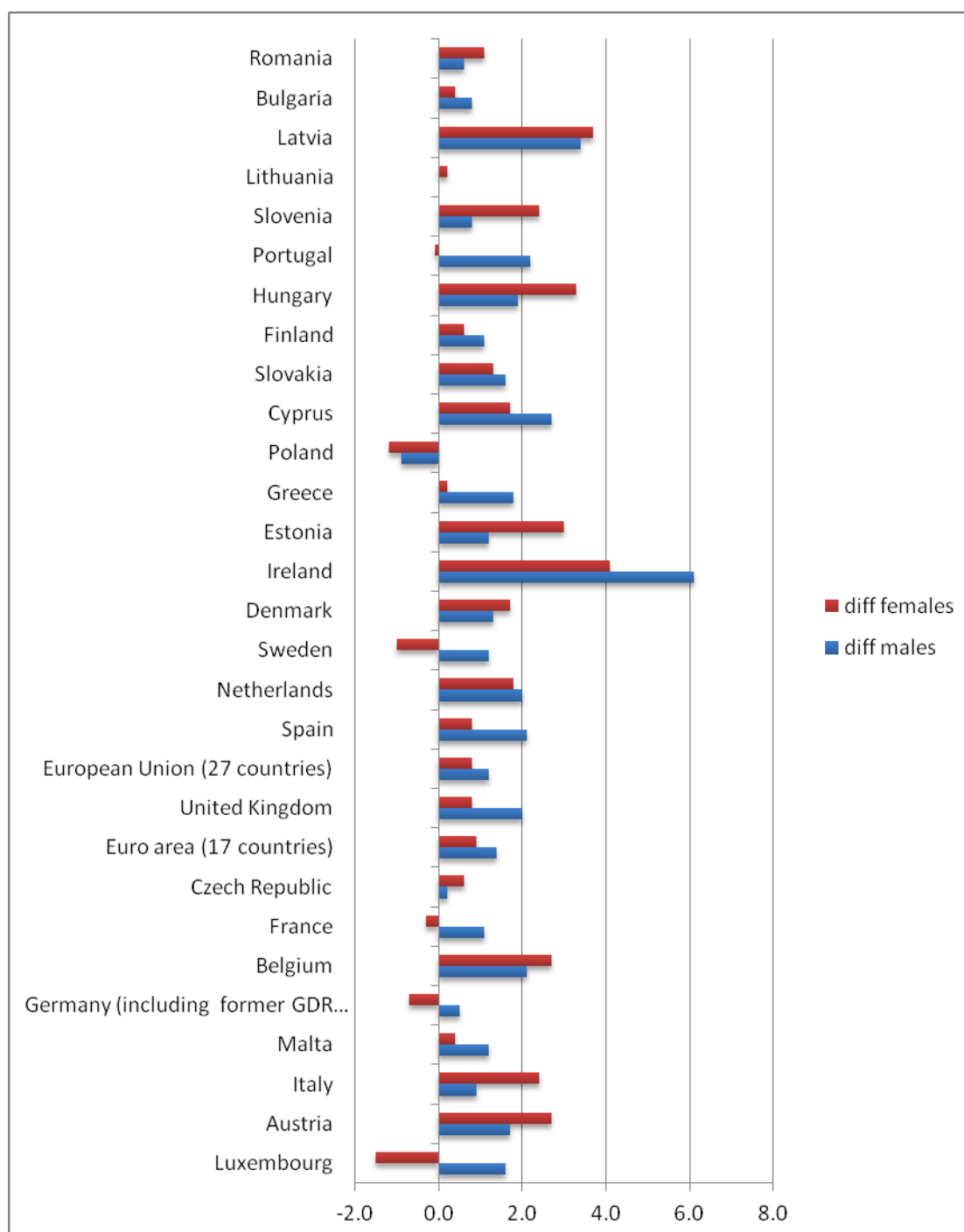
Source: Eurostat 2012

Figure A2: Harmonised unemployment rate by sex % (seasonally adjusted)
Females



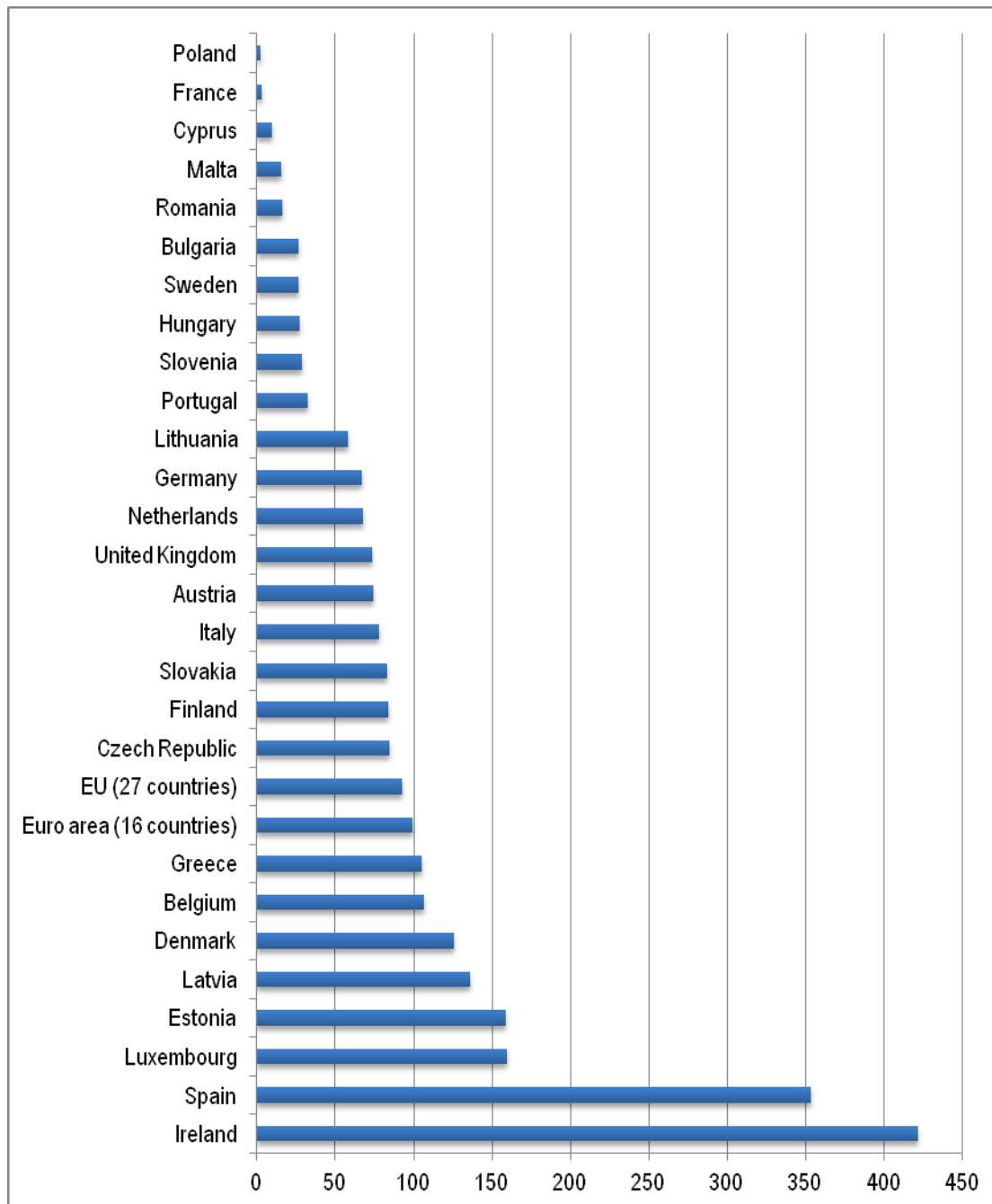
Source: Eurostat 2012

Figure A3: Part-time employment as percentage of the total employment, by sex (20-64 year olds) (%)

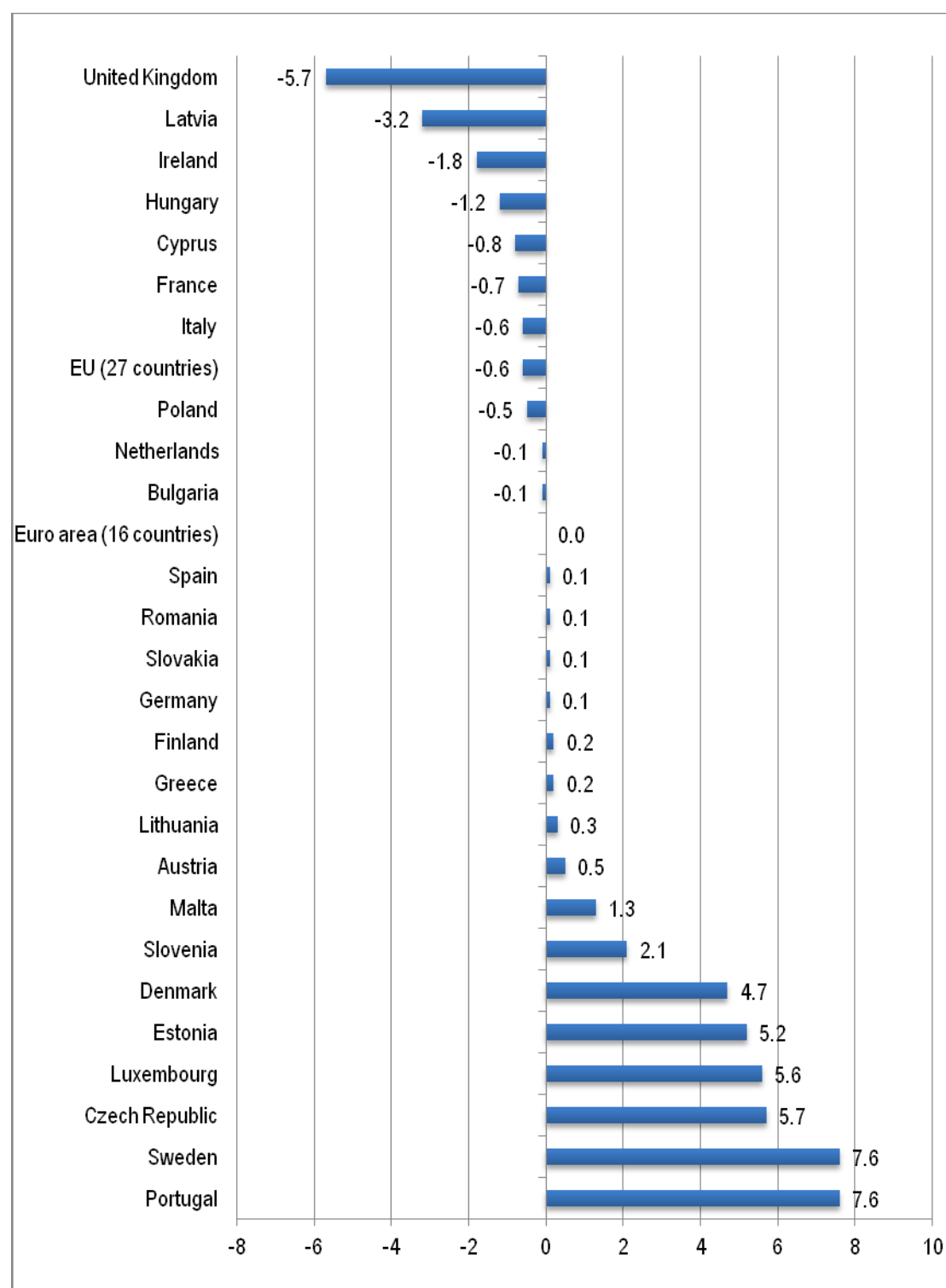


Source: Eurostat 2012; Note the diff females and diff males refers to the percentage point change in the variable between 2007 and 2011

Figure A4: Change in unemployment benefits per head (euros 2007-09)



Source: Eurostat 2012

Figure A5: Change in female participation in lifelong learning, p.p. 2007-2011

Source: Eurostat

Table 1: Review of social welfare policy responses from most recent policy documents (2010-2012)

		Austria	Belgium	Bulgaria	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom
Pensions	increase/reduce generosity (value and time)	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-	-	+	-	+	+	-	-	-	-	-	-	
	increase/reduce contributions	+	+		+	+		+	+		+	+	+	+		+								+		+		
	increase/reduce conditions	-	+	+	+	+	+	+			+	+	+	+	+	+				+	+	+	+	+	+		+	
Unemployment benefit	increase/reduce generosity (value and time)	+					+	+	+		+	+			+	+	+			+							-	
	increase/reduce contributions	-											+				+											
	increase/reduce conditions	-	-				+	-			-																+	
income support (for those not able to work)	increase/reduce generosity (value and time)				+												+										+	
	increase/reduce contributions		+											+														
	increase/reduce conditions													+													+	
housing support	increase/reduce generosity (value and time)		+											+	+	+									+			
	increase/reduce contributions																											
	increase/reduce conditions	-					+																				+	
	increase/reduce contributions	+																										
	increase/reduce conditions	-				+								-				-									+	

+

-

		Austria	Belgium	Bulgaria	Cyprus	Czech Republic	Denmark	Estonia	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Latvia	Lithuania	Luxembourg	Malta	Netherlands	Poland	Portugal	Romania	Slovakia	Slovenia	Spain	Sweden	United Kingdom
child benefit	increase/reduce generosity (value and time)	+			+	-								+	+	+	+					+			+			
	increase/reduce contributions																						+					
	increase/reduce conditions	+																										+
parental leave	increase/reduce generosity (value and time)				+			+								+	+	+				+						+
	increase/reduce contributions					+																						
	increase/reduce conditions						-																					
health	privatisation				+		-				+			+	+		+	+			+	+	+				+	
	cuts in service levels or access to health care	+		+	+	+		+						+				+			+	+						
	efficiency/productivity initiatives	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+				+	+		+	+	+
	increase/decrease in contributions	+	+	+	+	-	-			-	+					-		+		-	-	+	+	+				
	increase/decrease in point of access charges		-	-	-	+	-	+			-	-	+	+	+	+						+						

Source: ASISP country reports and National Reform Programme reports

+

+

-

+

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS

Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Constitutional Affairs
- Justice, Freedom and Security
- Gender Equality
- Legal and Parliamentary Affairs
- Petitions

Documents

Visit the European Parliament website: <http://www.europarl.europa.eu/studies>

PHOTO CREDIT: iStock International Inc.



ISBN: 978-92-823-4177-3
doi: 10.2861/13253