Workshop on Main Causes of Female Poverty

WORKSHOP FOR THE FEMM COMMITTEE

2015
Abstract

Upon request by the FEMM Committee, these in-depth analyses highlight different aspects of female poverty. They complement two other Workshop contributions from a research project of the European Commission and from UNICEF. Wim van Lancker and his team examine the extent of women’s poverty in the EU and the impact of social exclusion through poverty on living and working conditions of women and their children. He concludes with a discussion of policy measures that have been taken in EU Member States for enabling paid employment and ensuring adequate income protection.

Diane Perrons explores the impact of the crisis on female poverty. Multiple differences exist among European Union Member States but overall poverty has increased and women are still more likely than men to live in poverty, though until 2012 the increase for men was greater than that for women. Economic performance and economic policies seem to be associated with poverty. The paper recommends that macroeconomic policy be mainstreamed to identify gender specific outcomes.

Maria Stratigaki focuses on European policies and activities and the role of the European Social Fund in the fight against female poverty. She emphasises the need for developing a holistic methodological approach to face gendered poverty, going beyond tackling poverty exclusively via active labour market policies.
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EFFECTS OF POVERTY
ON THE LIVING AND WORKING CONDITIONS
OF WOMEN AND THEIR CHILDREN

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Abstract

Upon request by the FEMM Committee, this in-depth analysis examines the extent of women’s poverty in the EU and the impact of social exclusion through poverty on living and working conditions of women and their children. The analysis concludes with a discussion of policy measures that have been taken in EU Member States for enabling paid employment and ensuring adequate income protection.

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**CSB MIPI**  CSB Minimum Income Protection Indicators database

**EU-SILC**  European Union Statistics on Income and Living Conditions

**EU-LFS**  European Union Labour Force Survey

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EXECUTIVE SUMMARY

Background

Combating women’s poverty is high on the European policy agenda. The European Commission has committed itself to promoting women’s equality through the Strategy for equality between women and men 2010-2015. One of the five priority areas identified by the Commission in this Strategy is the objective to promote equal economic independence for women and men. In fact, in its Europe 2020 Strategy, the EU has put forward the objective to reduce the number of Europeans living below the national poverty lines with 25% by 2020, lifting over 20 million people out of poverty. In its most recent annual report on gender equality, however, the Commission recognizes that there has not been any progress on that account. Moreover, a recent Oxfam/European Women’s Lobby report on women’s poverty and the crisis suggests that women have been hit harder by the crisis and the austerity measures that have been taken in its wake in several European Member States.

Aim

In this in-depth analysis, the extent of women’s poverty and its impact on women and their children is investigated, and some of the policy measures that have been taken in European Member States to tackle women’s poverty are examined. In doing so, the analysis focuses on women at active age (between 20 and 59 years old) with children, in particular on single mothers and mothers with a migrant background.

In a first step, a brief overview of women’s poverty in the EU is provided. In a second step, the impact of living in poverty on access to employment and basic services, such as health care, housing, and public transportation is examined, including the effects on the poverty risk of children. The third step focuses on policy measures pertaining to work/life reconciliation and income protection, and some of the possible routes for EU Member States to combat women’s poverty are discussed.

Results

While the poverty risk of active age women with dependent children (19%) in EU27 is higher than that of men at active age with dependent children (17%), women’s poverty rates vary greatly between Member States. The poverty gap between men and women is generally larger in countries reporting lower poverty rates for women. In particular migrant women and single mothers are at high risk of being poor, although cross-country differences are significant.

Being poor leads to social exclusion in terms of access to public transportation, primary healthcare services and decent housing. Reduced access to primary healthcare services and

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public transportation is particularly a problem in the Central and Eastern European Member States, while poverty impedes access to decent dwellings in all EU Member States.

Women are much more likely to work in non-standard work arrangements than men, but men working in non-standard work arrangements are much more likely to be at risk of poverty than non-standard working women. This comes about because women in these working arrangements are often secondary earners in the household. Working part-time does not suffice to stay out of poverty for single mothers or for households where both partners work part-time.

Social exclusion through poverty also has an important impact on children passing on the risk of poverty through generations. In many countries, poor children are living in single mother families or in families with a migrant mother, and these families are more likely than other families with children to have only limited attachment to the labour market.

Policies should focus on providing adequate income protection for those families with children in as well as out of work through social assistance benefits, in-work benefits and child benefits, while at the same time enabling parental employment through reconciliation policies such as childcare services and access to paid parental leave. No one-size-fits-all solution is available, but most EU Member States still have a long way to go in providing adequate income protection and providing equal access to reconciliation policies.
1. WOMEN’S POVERTY IN THE EUROPEAN UNION

KEY FINDINGS

- Combating women’s poverty is high on the European policy agenda with specific emphasis on groups at risk of poverty such as older women, lone parents, women with a disability, migrant women, and women from ethnic minorities.

- The poverty risk of active age women with dependent children (19%) in EU27 is higher than that of men at active age with dependent children (17%).

- Women’s poverty rates vary greatly across EU countries, from 7% in Denmark to 30% in Romania.

- The poverty gap between men and women is larger in countries reporting lower poverty rates for women and is related to the share of single mothers.

- In particular migrant women and single mothers are at high risk of being poor.

1.1. The gender poverty gap in the EU27

Figure 1 shows the at risk of poverty rate\(^5\) for women and men at active age with dependent children (see box 1). Throughout EU27 countries\(^6\), 19% of women live at risk of poverty, approximately a 2 percentage point (p.p.) higher poverty risk compared with men. Women’s poverty rates vary greatly across EU countries, with Denmark (7%), Finland (9%), the Netherlands (11%), Czech Republic (12%), Cyprus (12%), Slovenia (12%), and Sweden (12%) reporting relatively low poverty rates while countries such as Romania (30%), Spain (28%), Greece (27%), Italy (24%), and Bulgaria (23%) report high poverty rates.

Although women’s poverty rates are higher compared with men’s throughout the EU27, the differences are not statistically significant in all countries. In particular in the Central and Eastern European Member States Romania, Poland, Bulgaria, Slovak Republic, Hungary, in the Southern Member States Spain, Greece, Portugal, and in Denmark, the gap between women and men is not significant. In these countries, men and women run a more or less equal risk of living in poverty. Most of these countries, with the exception of Denmark, report a very high share of both men and women at risk of poverty. This is in particular the case in Romania, Spain, and Greece. In 18 out of 27 EU countries, the poverty gap between men and women is significant. In particular, the gap is above-average in Germany (5 p.p.), Luxembourg (4 p.p.), Malta (4 p.p.), Lithuania (4 p.p.), Estonia (3 p.p.), Netherlands (3 p.p.), Latvia (3 p.p.), Sweden (3 p.p.), Ireland (3 p.p.), Czech Republic (3 p.p.) and Belgium (3 p.p.).

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5 The at-risk-of poverty indicator used throughout this report refers to income poverty and is one of the sub-indicators of the ‘at-risk-of poverty or social exclusion’ (AROPE) adopted to monitor progress towards the EU2020 poverty target. The AROPE indicator is a broad concept capturing different dimensions of social exclusion, including not only income poverty, but also very low work intensity at the level of the household and severe material deprivation.

6 No data available for Croatia on many of the indicators presented here in this report. For reasons of comparability, Croatia has therefore not been included in the comparative analysis.
Main causes of female poverty - Compilation of in-depth analyses

BOX 1: Definitions

**Families at active age with dependent children.** All analyses in this report and all assessments of gender differences are based on men and women who are between 20 and 59 years old (except students) and living in a household with dependent children. Such selection of people may cause the results presented here to be different to the ones reported by Eurostat.

**Poverty**, poverty risk and at risk of poverty are used as shorthand for the at-risk-of-poverty rate, defined as the share of individuals whose equivalised disposable household income falls below a national threshold (60% of the median household income).

**Household work intensity** is defined as the ratio between the total number of months worked by working-age household Members and the total number of months that they could, in theory, have worked. For the calculation of work intensities, all individuals in the age bracket 20-59 are considered in ‘working age’, except students, who are excluded from the calculation.

**Figure 1: Poverty risk for men and women (20-59) with dependent children, 2012**

It is interesting to note that the poverty gap between men and women is larger in countries reporting lower poverty rates for women (correlation coefficient $r = -0.23^7$); women fare worse in countries with a smaller gender gap in poverty rates. In sum, women do represent

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7 The Pearson correlation coefficient $r$ is a measure of the strength and the direction of the (linear) relationship between two variables. Basically, the correlation coefficient shows whether and how strong two phenomena are related to each other.
a higher share of the poor, but the **gap is wide only in few countries**, and there is no gap at all in other countries\(^8\).

Although poverty figures presented here pertain to individual men and women at active age with children, poverty is actually measured at the **household level**\(^9\). The assumption here is that incomes are shared within the household. This is of course problematic when such assumption is violated, for instance in the case of extended families where grandparents do not necessarily share all of their resources with the children and grandchildren living under the same roof. It is important to bear these assumptions in mind when interpreting the results. Our finding that the gender poverty gap is actually larger in countries that perform better in terms of poverty, and vice versa, and that this is related to the share of single parents in a society is not easy to interpret from a **gender equality perspective**. A low share of single mothers and a small gender gap in poverty could for instance indicate that women in these countries have no ‘exit option’ out of marriage or cohabitation because their material security is dependent on the income of their partner or other adults within the household. Such intra-household inequality is not captured by the conventional at risk of poverty indicator used in this report. For lack of space we cannot pursue this issue further, but the bottom line is that what is **prima facie** good in terms of the gender gap in poverty is not necessarily desirable from a gender equality perspective\(^10\).

### 1.2. At-risk groups

Referring to the European Strategy on equality between women and men for 2010-2015, one of the actions of the European Platform against Poverty and Social Exclusion is to step up efforts to combat poverty, emphasizing specific groups at risk such as older women, lone parents, women with a disability, migrant women and women from ethnic minorities\(^11\). In this section, and throughout the in-depth analysis, we focus on two of these groups: single mothers and migrant women. Since we **focus on the non-elderly population** (women at active age with dependent children), older women are out of the scope of analysis. For disabled women, we refer to the reports of the Academic Network of European Disability experts (ANED)\(^12\)

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\(^8\) This is related to the share of female-headed households in EU countries, in particular the share of single mother households. Countries exhibiting a gender poverty gap generally have a high share of single mother households, and vice versa. E.g. Kim and Choi 2013; Wiepking and Maas 2005; Christopher et al. 2002.

\(^9\) E.g Atkinson et al. 2002.


\(^12\) See [http://www.disability-europe.net/](http://www.disability-europe.net/).
1.2.1. Single mothers

**Figure 2 Poverty risk of single mothers and other families with dependent children, active age (20-59), 2012**

![Graph showing poverty risk of single mothers and other families with dependent children](image)

*Source: EU-SILC 2012. Note:* significant difference between means (p < 0.05).

Figure 2 shows the poverty risk of single mothers in comparison with other households with children. For the whole of EU27, 34% of single mothers at active age are at risk of poverty versus 17% for other families at active age with children, a significant gap of 17 p.p. In all but three countries, Romania, Poland, and Denmark, the **poverty gap between single mothers and other households is significant**. Denmark is the only country succeeding in keeping the poverty risk of both single parents and families with children at bay; for Romania and Poland (and also Spain), the opposite holds true. The poverty risk is high for all families with children.

Single mothers run a particularly high poverty risk in Greece (57%), Luxembourg (51%), Malta (47%), Lithuania (46%), Germany (43%), Latvia (42%), Italy (41%), and Bulgaria (40%). In general, these countries also report the largest poverty gaps between single parents and other families with children: 33 p.p. in Luxembourg, 32 p.p. in Germany, 31 p.p. in Lithuania, 31 p.p. in Greece, 30 p.p. in Malta. Overall there is a positive correlation of medium strength (r = 0.46) between poverty risk of single mothers and that of other households with children. This means that, generally speaking, **countries succeeding in keeping poverty risks down for single mothers also tend to do well for all families with children**, and vice versa. Exceptions are Sweden (poverty gap: 27 p.p.), the Netherlands (26 p.p.), and Czech Republic (24 p.p.), countries combining low poverty rates for families with children with a high share of single mothers being at risk of poverty.
1.2.2. Migrant women

Figure 3: Poverty risk of migrant women and native women (20-59), with dependent children, 2012

![Figure 3](image)

Source: EU-SILC 2012. Note:* significant difference between means (p < 0.05).

Figure 3 shows the poverty risk of migrant women with dependent children compared with the poverty risk of native women. The definition of migrant women is based on country of birth and includes women with a non-EU background. The number of countries included in the graph is limited because measurement of country of birth is not without its problems in the EU-SILC micro data. Migrants are not distinguished by country of birth in Germany, Estonia, Latvia, Malta, and Slovenia. Moreover, the number of observations is too small to make any meaningful comparison in Bulgaria, Czech Republic, Hungary, Lithuania, Poland, Romania, and Slovak Republic.

Across the 15 EU Member States included in the analysis, 33% of migrant women live with a poverty risk versus 16% of native women, a significant gap of 17 p.p. The highest shares of migrant women are at risk of poverty in Greece (52%), Spain (47%), Belgium (39%), Luxembourg (35%) and France (35%). The gap between migrant and native women is largest in these countries as well: 30 p.p. in Greece, 29 p.p. in Belgium, 24 p.p. in Spain, 23 p.p. in Luxembourg and 21 p.p. in France. Although the poverty risk of migrant women is below-average in Sweden (28%) and Finland (27%), the 20 p.p. gap between native and migrant women in these countries is above-average. They perform well in absolute terms, but not so in relative terms. No gap is reported in Ireland and Portugal, but the poverty risk for native women is above average in both of these countries.

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13 E.g. Lelkes and Zolyomi 2010.
2. THE IMPACT OF SOCIAL EXCLUSION THROUGH POVERTY

KEY FINDINGS

- Living at risk of poverty translates into social exclusion in terms of access to public transportation, primary healthcare services and decent housing.

- Poor women are less likely to live in decent dwellings compared with other women in all EU Member States. Reduced access to primary healthcare services and public transportation is more prevalent in the Central and Eastern European Member States.

- Women are much more likely to work in non-standard work arrangements than men, but men working in non-standard work arrangements are much more likely to be at risk of poverty than non-standard working women.

- Single parents and migrant women are more likely to live in households with only marginal attachment to the labour market than other types of households.

- Social exclusion through poverty has an impact on children passing on the risk of poverty through generations. In many countries, poor children are living in single mother families or in families with a migrant mother.

- Child poverty is related to the work intensity of the household, and single mothers and migrant mothers are more likely than other families with children to have only limited attachment to the labour market.

2.1. Transportation

Lack of access to public transportation is an important consequence of living at risk of poverty, as well as a driver of its continuation. E.g. Poverty is often concentrated in neighbourhoods and areas which have less access to basic services such as public transportation, and such reduced access to public transportation is related to fewer opportunities in the labour market, which in turn induces a higher poverty risk. Figure 4 shows the share of women with dependent children at risk of poverty reporting great or some difficulty in accessing public transportation, compared with women with dependent children not at risk of poverty. Accessibility refers to physical access to the service (e.g. distance). Public transportation refers to the bus, metro, tram and similar.

The figure shows that 18% of poor women with dependent children report having poor access to public transportation throughout EU27 compared with 16% of non-poor women with dependent children, a significant difference of 2 p.p. Such average figure conceals vast differences between and within countries, though. It has been shown that limited transport infrastructure is a problem mainly in rural regions with a high dispersion of people and remote villages14. This is reflected in the results. Countries with large rural areas such as Finland, Bulgaria, Poland and Romania also display high shares of women.

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having difficult access to transportation. Lack of adequate access to public transportation is also a problem in Ireland, Italy, Slovak Republic, Slovenia, Germany, and Estonia.

Generally, these countries also display the largest gaps between poor and non-poor women. The gap between poor and non-poor women is statistically significant and particularly large in Romania (13 p.p.), Poland (13 p.p.), Ireland (12 p.p.), Bulgaria (9 p.p.), Estonia (7 p.p.), Greece (5 p.p.), Hungary (5 p.p.), Latvia (4 p.p.), and Italy (4 p.p.). Rather counter-intuitively, in Germany women who are not at risk of poverty report to have less access to public transportation than women who are (-7 p.p.). In other Member States, the gap is small and non-significant, and the share of women reporting difficulties in access to public transportation is below-average. Generally, there are no significant differences in access to public transportation between poor men and poor women. As other analysis shows, only in Romania a significant gender difference can be discerned: men at risk of poverty are 17 p.p. more likely to report difficult access to public transportation than women.

Figure 4: Share of women (20-59) with dependent children having difficult access to public transportation, by poverty risk, 2012

There is a strong correlation (r = 0.72) between poor and non-poor women reporting difficulties in access to public transportation, as well as between men and women (r = 0.90). This means that poor access to transportation affects all citizens, be they men or women, poor or non-poor. Yet, being socially excluded from public transportation generally hits hardest on the poor.
2.2. Primary healthcare services

As part of its Social Investment Package, adopted in 2013, the Commission recognizes the importance of having access to quality health care\textsuperscript{15}. Poverty is both cause and result of poor health, and the Commission argues that reducing health inequalities will contribute to combating poverty. Figure 5 shows the proportion of poor and non-poor women at active age, as well as the gap between poor women and poor men, reporting great or some difficulty in accessing primary health care services (referring to a general practitioner, primary health centre or something similar).

Throughout the EU27, 22\% of active age women with dependent children at risk of poverty report more difficulty in having access to primary health care services compared with 16\% active age women with dependent children who are not at risk of poverty, a significant difference of 6 p.p. Again such average conceals large cross-country differences. The gap between poor and non-poor women is significant and particularly large in the Central and Eastern European countries Slovak Republic (16 p.p.), Romania (16 p.p.), Estonia (12 p.p.), Latvia (10 p.p.), Slovenia (10 p.p.), Lithuania (9 p.p.), Poland (8 p.p.), and Bulgaria (5 p.p.), in the Southern countries Greece (6 p.p.), Italy (7 p.p.), and Portugal (3 p.p.), in Ireland (9 p.p.), and perhaps more surprisingly in the Northern countries Sweden (7 p.p.) and Finland (4 p.p.). In United Kingdom (1 p.p.) and Denmark (1 p.p.) the gap is significant but small. Being poor is not associated with having less access to primary healthcare in the continental welfare states Austria, Belgium, Netherlands and France, as well as in Cyprus, Spain, and Malta.

Basically, there is no gender gap in inequality in access to primary health care. Both women and men with dependent children living at risk of poverty face difficulty in accessing primary health care services. Women report significantly less access to primary health care than men in Portugal (4 p.p.) while in Poland men have significantly less access compared to women (-3 p.p.).

In its 2009 Joint Report on Social Inclusion\textsuperscript{16}, the European Commission called on Member States to ensure equal access to health care as a strategy to reduce poverty, but the results demonstrate that being poor is still impeding access to primary healthcare services in the majority of EU Member States.

\textsuperscript{15} European Commission. 2013b. \url{http://ec.europa.eu/health/strategy/docs/swd_investing_in_health.pdf}

\textsuperscript{16} European Commission 2009. \url{http://ec.europa.eu/social/BlobServlet?docId=3754&langId=en}
Figure 5: Share of women (20-59) with dependent children having difficult access to primary healthcare services, by poverty risk, 2012

Source: EU-SILC 2012. Note:* significant difference between means (p < 0.05).

2.3. Housing

As with access to other basic services such as health care and public transportation, poverty is both cause and effect of living in poor housing conditions. Quality of housing is related to a person’s quality of life, with housing deficiencies often leading to health problems, reinforcing social exclusion. Issues of housing and homelessness have been central to the EU’s social policy agenda\(^{17}\), but it has been established that people at risk of poverty are more likely to live in houses of lower quality\(^{18}\), and are more prone to be evicted and to become homeless.

Figure 6 reports the share of poor and non-poor women at active age with dependent children reporting a problem with a leaking roof and/or damp ceilings, dampness in the walls, floors or foundation and/or rot in window frames and doors. This is an objective measure to assess the condition of the dwelling. In all EU Member States, being poor is related to living in dwellings of poor quality. Throughout EU27, 26% of women at risk of poverty report problems with the dwelling compared with 14% of non-poor women, a significant gap of 12 p.p. The poverty gap is particularly large in Hungary (39 p.p.), Bulgaria (25 p.p.) and Romania (22 p.p.). Some countries report smaller gaps but high shares of non-poor women living in poor housing conditions: Slovenia (28% of non-poor women), Latvia (26%), Cyprus (27%), United Kingdom (20%) and Denmark (20%). It is clear that living in a dwelling of poor quality is not confined to poor women alone nor to the Central and Eastern European Member States; yet the gap between poor and non-poor women is largest in these countries.


\(^{18}\) Lelkes and Zolyomi 2010.
Figure 6: Share of women (20-59) with dependent children reporting a problem with the condition of the dwelling, by poverty risk, 2012

![Graph showing the share of women with dependent children reporting a problem with the condition of the dwelling, by poverty risk, 2012.](image)

**Source:** EU-SILC 2012. **Note:** * significant difference between means (p < 0.05).

## 2.4. Employment

Labour market integration has been heralded as the most effective way out of poverty, yet being at work is not always a guarantee for a poverty-free existence. It has been well established in the literature that in-work poverty is a multifaceted phenomenon that is shaped by individual labour market participation, composition of the household and the institutional context. In particular the employment arrangements of women have been cause for worry, as they are overrepresented in non-standard work arrangements such as temporary employment and part-time employment. These jobs are associated with an hourly wage penalty and fewer working hours per week. Such gender gap in wages and working hours could lead to in-work poverty, in particular in conjunction with taking care of the children, which is still overwhelmingly a women’s affair in European Member States.

Figure 7 shows the share of **women and men at active age with dependent children** in part-time employment. Across EU27, **38% of working women** do so in part-time arrangements versus only **5% of men**, a significant difference of 33 p.p. In all but one country, Bulgaria, part-time work is overwhelmingly a women’s affair. In some countries, more than half of working women are being part-time employed. This is the case in the Netherlands (84%), Germany (74%), Austria (61%), Luxembourg (50%) and Belgium (50%). Generally, the gap between men and women in part-time work is also largest in these countries: 71 p.p. in the Netherlands, 67 p.p. in Germany, 55 p.p. in Austria, 47 p.p. in Luxembourg, 45 p.p. in Belgium. Overall, part-time work is much less prevalent in the Central and Eastern European and Southern Member States.

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19 Crettaz 2013.
20 OECD 2008.
**Figure 7: Part-time workers, men and women (20-59) with dependent children, 2012**

![Graph showing part-time workers by gender and country](image)

**Source:** EU-SILC 2012. **Note:** * significant difference between means (p < 0.05).

In its 2013 *Employment and Social Developments in Europe Review*, the European Commission highlighted the need to tackle in-work poverty, stressing the impact of part-time work and gender segregation on the labour market. Figure 8 shows the **poverty risk of part-time working women and men** at active age with dependent children. In the EU27, 13% of part-time working women are at risk of poverty compared with 29% of part-time working men, a significant gap of 16 p.p. In no EU Member State part-time working women face a higher risk of poverty than part-time working men. The gap is particularly large in the Southern countries Malta (49 p.p.), Portugal (22 p.p.), Spain (21 p.p.) and Italy (19 p.p.). As a matter of fact, research has shown that non-standard work is often clustered within households (e.g. both partners working part-time) in these countries.

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In sum, **part-time work contributes to the risk of being poor**, in particular when its involuntarily done\(^\text{23}\) or when both partners work part-time. Despite the overrepresentation of women in these arrangements, however, men are more likely to be poor when working in part-time jobs. The same holds for **temporary jobs**\(^\text{24}\).

In most countries, the dual earner model has become the norm and the **work intensity at the household level** has become increasingly important for understanding poverty in general and in-work poverty in particular\(^\text{25}\). This explains why non-standard employment such as part-time work is not necessarily problematic from a poverty perspective. This ‘paradoxical’ situation of women facing lower poverty risks can be explained by the fact that poverty is a problem that is measured at the level of the household. Despite generally having a weaker labour market position in terms of employment probabilities and earnings, women tend to be better off in terms of poverty risk than men because they often contribute to the household as **secondary earners**. Part-time working men are more often sole earners, or sharing a household with other non-standard workers, which does not always suffice to make ends meet.

Two conclusions follow from this. First, as argued before, what is beneficial in terms of women’s poverty is not always preferable from a gender equality point of view (e.g. the role of non-standard work). Second, since poverty is measured at the household level, in order to understand the link between poverty and employment, **the relevant dimension to take into account is work intensity at the household level**\(^\text{26}\). Here, the work intensity measure adopted by the European Commission as part of the EU2020 headline poverty indicator (see box 1) is used.

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\(^\text{23}\) Horemans and Marx 2013.  
\(^\text{24}\) Van Lancker 2012.  
\(^\text{25}\) Marx and Nolan 2014.  
\(^\text{26}\) Corluy and Vandenbroucke 2014.
Figure 9 shows the share of single mothers and other households with children, at active age, living in a household with a very low work intensity, meaning that over the year, attachment to paid work of all of the adults at active age in the household has only been marginal. Overall, single parents are much more likely to have a very low work intensity compared with other households with children (27% versus 5%). The gap in EU27 is 22 p.p. Clearly, for single mothers it is a difficult task to juggle paid work and child care27. Yet, the risk of having a very low work intensity is not equally dispersed across societies. On the one hand, in countries such Malta (51%), United Kingdom (44%), Greece (40%), Belgium (41%), The Netherlands (34%) and Ireland (44%), more than one third of single mothers are only marginally engaged in paid employment. On the other hand, in countries such as Slovak Republic, Romania, Slovenia, Estonia and Poland, this is only about a tenth of single mothers.

**Figure 9: Share of single mothers and other households (20-59) with children living in a household with very low work intensity, 2012**

![Graph showing share of single mothers and other households with children](image)

**Source:** EU-SILC 2012. **Note:** * significant difference between means (p < 0.05).

Figure 10 shows the share of migrant women and native women at active age with dependent children, living in a household with a very low work intensity. In general, across the countries included in the analysis, 13% migrant mothers and 7% of native mothers live in households with limited engagement in the labour market, a **significant gap** of 6 p.p. Cross-country differences are more outspoken than in the case of single parents we discussed above. In countries such as Belgium (24%) and Finland (22%), a large share of migrant mothers live in very low work intensity households, and they are much more likely to live in households with only marginal attachment to the labour market compared to natives. The gap is particularly wide in Finland (18 p.p.), Belgium (16 p.p.) and Sweden (11 p.p.), and also significant in France (9 p.p.), the Netherlands (8 p.p.), Spain (8 p.p.) and Greece (8 p.p.). In other countries, there is no gap between the share of migrant and native mothers living in households with very low work intensity. In Ireland, all families with children do particularly bad in terms of labour market attachment, but single mothers even more so (supra).

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27 Van Lancker et al. Forthcoming.
2.5. Child poverty

Living at risk of poverty does not only impact on the lives of women themselves, but also has an impact on the opportunities and the well-being of their children. Research has clearly shown that the consequences of growing up in poverty are far-reaching. First, it is well established that child poverty has adverse long-term effects on the life chances of these children as well as on their opportunities to become future productive adults. Second, given the inheritance of social inequality, children growing up in poverty have a great chance of becoming poor parents themselves. As a matter of fact, little progress has been made in combating child poverty in developed welfare states over the last decades. In its recommendation Investing in children: breaking the cycle of disadvantage, the European Commission acknowledges that tackling the intergenerational transmission is a crucial investment in Europe’s future.

Women’s poverty is particularly relevant in this respect. Figure 11 shows the share of children (0 to 17 years old) living in a household with a migrant mother and/or with a single mother as a proportion of all children, and the share of poor children living in these households as a proportion of all children living in poverty. The results show that, on average, 23% of children are living with a single mother and/or with a migrant mother. Moreover, they make up 39% of all children living in poverty. Cross-country differences are large, though.

On the one hand, children living with a migrant mother and/or a single parent constitute only a small portion of children in Romania (4%), Slovak Republic (4%), Poland (6%), Bulgaria (8%) and Hungary (9%). They are nevertheless clearly overrepresented amongst poor children in Bulgaria (14%) and Hungary (13%). On the other hand, children living with a migrant mother and/or a single parent constitute more than 20% of all children in

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29 TARKI 2010.
the majority of Member States, and even more than 30% in United Kingdom (35%), Austria (33%), Luxembourg (33%), Belgium (32%) and Sweden (30%). In these countries, these children account for more than half of all children living in poverty: 53% in United Kingdom, 59% in Austria, 54% in Luxembourg, and even 69% in Belgium and 70% in Sweden. In the Netherlands (58%), Germany, France, Denmark and Slovenia, they also make up more than half of all poor children.

**Figure 11: Share of children and share of poor children living with single mother and/or migrant mother, 2012**

Household work intensity is a crucial dimension to take into account in order to understand child poverty rates in European welfare states as well. Figure 12 shows EU27 poverty rates for children living with a migrant mother, children living with a single mother and for all children living in households at working age, over five different subsets of work intensity: households with very high work intensity (work intensity ranges between 85% and 100%), households with high work intensity (between 55% and 85%), households with medium work intensity (between 45% and 55%), households with low work intensity (between 20% and 45%), and households with very low work intensity (20% or less).

Although the figure shows the EU27 aggregate which conceals important cross-country differences, some patterns emerge. First of all, living in a household with very low or low work intensity invariably translates in high levels of child poverty in all types of families: the child poverty rate in households with very low work intensity is 73%, in households with low work intensity 57%. This illustrates that the work intensity of the household to which a child belongs, is a crucial factor in explaining her or his poverty risk. Remarkably, the child poverty rate for households with very low work intensity with a migrant is above-average (78%) while for single mother households it is below-average (65%).

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31 Vandenbroucke and Vinck 2013.
Figure 12: Child poverty and share of children in different types of families, over work intensity, across EU27, 2012

Second, looking at the distribution of children over work intensity categories, it becomes clear where the problem really lies. **Migrant mothers and single mothers** are less likely to have a very high work intensity while they are much more likely to have **very low work intensity**. There are interesting differences between the two groups, however. **Single mothers** are much more likely than migrant mothers to have both very low and very high work intensity. Simply put: either they don’t work or they work the full year full time. Although **migrant women** still are more likely than other mothers to live in a household with very low work intensity, the majority of these women live in households with rather strong ties to the labour market (either high or very high work intensity).

This means that single mother households are much more likely to be out of work, which is related to their particular status of being solely responsible for their children. Yet, being in that situation, they tend to be somewhat better protected against poverty compared with other households with children, and in particular in comparison with migrant mothers.

If single mothers work fulltime, they face a higher risk of living in poverty. A sole income in a dual earner society does not always suffice to stay out of poverty. Migrant women are much likely to live in couple households in which one or both partners are likely to have some attachment to the labour market. If they don’t work, however, they and their children face an extremely high poverty risk.

Combating poverty amongst migrant women and single mothers, hence reducing child poverty, will be dependent on the interplay between policies enabling **parental employment** and policies offering sufficient **income protection** at the level of the household. Aply summarized, for some countries the challenge will lie in facilitating paid employment for single mothers, for other countries the challenge will be to provide decent income protection for families out of work and decent pay for those families who are working. Policy options for doing so will be discussed in the next section.
3. POLICIES TO COMBAT WOMEN’S POVERTY

KEY FINDINGS

- Social assistance benefits for single parents with two children fall short of the at-risk-of-poverty threshold everywhere but in Denmark and Ireland. However, single parents on social assistance are somewhat better protected against poverty than couples with children.

- Working full-time at minimum wage only protects a single parent family against the risk of poverty in Ireland, the Netherlands, the United Kingdom, the Czech Republic and Poland. Working full-time at minimum wage for a single earner couple is adequate only in Ireland.

- The redistributive impact of the child benefits in the countries is negligible in Italy and especially Spain. In Ireland and Finland, child benefits have an important impact on the poverty risk of both couples and single parents; and in Denmark on the poverty risk of single parents.

- Parental leave schemes are not always conducive for employment and access to paid leave schemes is limited for low educated mothers.

- Cross-country differences in childcare use are wide, ranging from more than 70% of young children in Denmark to barely 5% in the Czech Republic, Slovak Republic, and Romania.

- Childcare use is socially stratified in almost every Member State, with low income families having much less access to formal care provisions than high income families.

3.1. Minimum income protection

3.1.1. Single mothers

Providing adequate minimum income protection is one of the main policy tools to combat poverty. In its policy documents, the European Commission has repeatedly called upon Member States to provide adequate benefits for those out of work. In this section, we assess minimum income protection policies adopted by the EU Member States. We focus on the policies targeted at single parent families and couples, both in and out of work. This is relevant to assess the role of Member State policies in ensuring adequate income protection for single mothers on the one hand, and for migrant mothers (who are for the large majority living in couple households\(^\text{32}\)) on the other hand. In order to focus solely on the impact of policies, we use model family simulations (see box 2) of a single parent and a couple family with two children, either relying fully on a social assistance benefit or working full-time at minimum wage.

\(^{32}\) Corluy 2014.
Figure 13 shows **net social assistance benefits relative to the national poverty threshold**. In short, the figure allows for an easy assessment whether families out of work are sufficiently protected against poverty. The figure shows that social assistance benefits for single parents with two children fall short of the at-risk-of-poverty threshold everywhere but in Denmark and Ireland, and this is under the most generous of assumptions (i.e. full take-up of other means-tested non-discretionary benefits such as housing allowances, entitled to the full social assistance benefit, etc.). **Social assistance benefits for couples with two children are only adequate in Ireland.** Social assistance benefits are exceptionally low in Romania, Bulgaria and Poland. Greece, Italy and Spain do not have a nation-wide minimum income floor, although in the latter two countries regions or municipalities may install local minimum income protection (schemes of Catalonia in Spain and Milan in Italy are included in the figure).

In general, **single parents on social assistance are somewhat better off than couples** with children. This relates to the results shown in figure 12 supra: child poverty rates in households with very low work intensity are lower amongst single mother than amongst migrant mothers, who often live in a couple household. In particular the Irish case is of interest here. Figure 2 supra showed that single mothers in Ireland had a relatively limited poverty risk while figure 9 showed that they often report a very low level of work intensity; figure 5 showed that the poverty risk of migrant women was low in Ireland as well, and that they too were often living in households with very low work intensity. Here we see that net social assistance benefits for single parents and couples are adequate only in Ireland.

**Figure 13: Net social assistance benefits relative to poverty threshold, 2012**

![Graph showing net social assistance benefits relative to poverty threshold in 2012](source: CSB-MIPI)

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BOX 2: Measuring Minimum Income Protection

Model family simulations are calculations of the net income and the income components of a hypothetical family, according to the applicable tax benefit rules. As the family type is perfectly comparable across countries and over time, changes in net income (components) reflect solely the impact of policies. The analyses presented here are based on the CSB Minimum Income Protection Indicators (MIPI) database. See Van Mechelen et al. 2013 for more information.

The hypothetical families assessed are a single parent and a couple, having two children aged 7 and 14. The single parent either fully relies on social assistance (out-of-work case) or is full-time employed at the statutory minimum wage (in-work case). For the couple, one of the partners either fully relies on social assistance or is full-time employed. The other partner is assumed to be inactive. In countries (AT, DE, DK, FI, IT) where no statutory minimum wage exists, we approach the wage floor through the minimum wage in a low-paid sector (SE is not included). In Bulgaria and Greece, experience-related increases of the gross minimum wage exist. The gross minimum wage reflects the minimum wage for someone with respectively 10 and 6-9 years of experience.

Simulations refer to January 2012, and include all non-discretionary benefits the family is entitled to, assuming zero savings and no eligibility to the social insurance scheme. The simulations for Greece refer to February 2012 in order to capture the substantial cut to the gross minimum wage.

Figure 14: Net minimum wage relative to poverty threshold, 2012

![Figure 14: Net minimum wage relative to poverty threshold, 2012](image)

Source: CSB-MIPI. Note: the red horizontal line represents the national poverty threshold.

Figure 14 shows the adequacy of the net minimum wage relative to the national at-risk-of-poverty threshold for single parents and a single earner couple. Total net disposable income at a full-time minimum wage only protects a single parent family against the risk of poverty in Ireland, the Netherlands, the United Kingdom, the Czech Republic and Poland (and Denmark, Germany and Finland, to the extent the selected sector minimum wage genuinely reflects the wage floor). Although single parents are likely to be in work in Romania,
working fulltime at minimum wage does not suffice to stay out of poverty. Couples are worse off: only in Ireland the net minimum wage suffices for a single earner family to surpass the poverty threshold. This again shows the impact of work intensity at the household, and the relative disadvantage of single earners in a dual earner society. Net income at minimum wage is especially inadequate in Estonia, Spain, Lithuania, Bulgaria and Slovakia for single parents and couples.

3.1.2. Child benefits

Research clearly shows that family-related benefits, or child benefits, have an important impact on child poverty, in particular on child poverty amongst single parents. Recently, the European Commission has called for improving the redistributive impact of child and family benefits in order to make headway in reducing poverty rates. Because child-related benefits are a direct top-up of the household income, they have an important impact on the poverty risk of families with children.

European child benefit systems vary greatly in terms of generosity as well as in terms of its distribution over different types of families. Figure 15 shows benefit levels for single parents and couples, on social assistance and on minimum wage. Child benefits in Italy and Spain are low in a comparative perspective. Most generous child benefits are provided in the Slovak Republic, the United Kingdom, Ireland and Germany. Child benefits in the Czech Republic are also substantial, but only for low income families. The Nordic countries Denmark and Finland are generally characterised by relatively low levels for couples but higher benefits for single mothers. Sweden, in contrast, does not target additional benefits towards single mothers. The same holds for France, the Netherlands and the Slovak Republic.

**Figure 15: Child benefit levels for couples and single parents, in and out of work, 2008**

![Child benefit levels](chart.png)

**Source:** Van Lancker et al. Forthcoming. Note: benefit levels are expressed in purchasing power parities (CPPP).

Single mothers are also favoured over couples in Ireland, the United Kingdom (in case of employment) and Austria. For the model families included, the effect of additional benefits for single mothers in the other countries is modest, to say the least, and Germany even
favours single earner couples over single mothers. In only a few countries, social assistance cases are favoured over working families. Transfers to families with children decrease sharply when entering paid employment in the Czech Republic. In Belgium and the Netherlands, families on social assistance qualify for a slightly higher child benefit. In Italy, a couple on social assistance is not entitled to any child benefit. It is recalled that this analysis looks only at child benefits. Housing and childcare subsidies, for instance, may have an important impact that is not captured here.

Figure 16 shows the **redistributive impact of the child benefits** in the countries included in terms of poverty reduction. In Italy and especially Spain, the impact of child benefits on poverty rates for both couples with children and single mothers is negligible. The combination of low benefits with only limited additional spending towards single mothers turns out to be an ineffective policy instrument as far as combating poverty is concerned. In Spain, the impact of child benefits was not significant while Italy did only somewhat better with a 3% decrease. The Slovak Republic and Sweden reported low levels of poverty reduction as well. At the other end of the spectrum, we find Ireland and Finland reducing the poverty risk of single mothers and couples by almost 50%; Denmark is successful in reducing the poverty risk for single mothers with 40% but is less redistributive towards couples. **The design of the child benefit system clearly matters.** In the Nordic countries, Finland and Denmark succeeded in reducing the poverty risk of single mothers by 40% respectively, but Sweden only by 15%. Sweden is the only Scandinavian country that does not explicitly target benefits towards single mothers. As a corollary, Sweden reports (figure 2 supra) the highest poverty risk for single mothers among the Nordic countries.

**Figure 16: Poverty reduction by child benefits, couples and single parents, 2008**

![Bar chart showing poverty reduction by child benefits, couples and single parents, 2008](image)

**Source:** Van Lancker et al. Forthcoming.
3.2. Employment-related measures

3.2.1. Parental leave

An important aspect of the EU’s focus on employment and the reconciliation of work and family concerns the implementation of leave rules. Leave entitlements enable parents to interrupt employment and to care for their young children at home, thereby temporarily reducing the need for external childcare services. **Leave rules foster parents’ bond with the labour market** by maintaining the contractual link between employers and employees, and even allows in particular women to engage in paid employment in the first place. As such, the provision of parental leave is an important instrument to combat poverty.

The EU has influenced national policymaking on leave rules in a direct, legislative way by introducing legally binding Directives. E.g. the 1996 Parental Leave Directive (96/34/EC), which prescribes a minimum right to three months of parental leave for both men and women. Despite these minimum standards, however, national policies continue to vary considerably, as the conditions and rules, as well as the choice between paid or unpaid leave provisions, were left to the discretion of the Member States. Figure 17 highlights the substantial differences between European countries in terms of parental leave. It is important to mention that the figure shows the situation as it was in 2008, because the 1996 Directive has been replaced with the 2010 Parental Leave Directive (2010/18/EU) which extends the minimum right to parental leave entitlement from 3 to 4 months. The new Directive was to be implemented by Member States no later than March 2013.

![Figure 17: Duration and remuneration of parental leave entitlements in European countries, 2008](http://www.europarl.europa.eu/RegData/etudes/STUD/2015/509999/IPOL_STU(2015)509999_EN.pdf)

**Source:** OECD, 2011. **Note:** only parental and home care leave, excluding maternity and paternity leave. The numbers denote the total length of parental leave in weeks.

Short periods of particularly well-paid leave are beneficial to female employment: young mothers-to-be are encouraged to reinforce their labour market attachment by the facts that taking leave will induce only minor income loss and that they will subsequently be able to return safely to their jobs. This is in particular the case in Denmark, Sweden and

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34 See Moss 2013.
Slovenia. If the duration of the retreat out of the labour market continues for too long, there are fewer incentives for young women to start a career prior to childbirth. It is for instance well documented that the long availability of paid leave in Finland has acted as a labour market disincentive for low skilled women, among whom many migrant mothers. It is no surprise that in Finland the gap between migrant and native mother in terms of very low work intensity is largest of all countries included here (see figure 10 supra).

In its 2010-2015 Gender equality strategy, the European Commission calls on Member States to assess remaining gaps in entitlement to family-related leave. The 2005 ad hoc module of the EU-LFS offers uniquely comparable information on the use of parental leave to empirically explore the existence of such gaps. Figure 18 illustrates the use of remunerated parental leave among families with a working mother, by educational level of the mother.

**Figure 18: Use of remunerated parental leave among families with a working mother, by educational level of the mother, 2005**

![Figure 18](image)

**Source:** Van Lancker and Ghysels 2014. **Note:** the sample includes women having a job at the moment of the interview and living together with at least one own or partner’s child younger than 15. Paid parental leave refers to all types of remunerated parental leave schemes, including both full-time and part-time leave and leave taken by either one or both parents during the last twelve months.

Households with a low-educated mother use parental leave opportunities to a smaller extent than other households do. Since we know that being low skilled is a strong determinant of being poor, such inequality in parental leave uptake suggest that parental leave schemes are in particular out of reach for poor families. Some countries do not exhibit an unequal distribution at all. In Spain, Poland, and United Kingdom, the reason for this outcome is quite obvious: The overall use of parental leave is almost zero. In these countries, parental leave is either unpaid (Spain and UK), or an income test applies to what is, moreover, a rather low benefit (Poland). In Austria and Hungary, a relatively high level of take-up is equally dispersed among educational levels. Even in countries with high rates of take-up, the difference between high- and low-skilled working mothers is statistically significant (e.g. Sweden, Finland, and Greece). Since the figure is limited to working mothers only, inequality in the use of parental leave is not the result of unequal labour force participation but a consequence of inequalities in the effective access to parental leave within the working population.
3.2.2. Childcare

The need to increase childcare provision is propagated by influential international organizations such as UNICEF and the OECD, and is also prominently on the European agenda. At the Barcelona Summit in 2002 as part of the European Employment Strategy\(^\text{36}\), European Member States adopted explicit childcare targets to provide childcare by 2010 to at least 33% of children under 3 years old and to at least 90% of children between 3 and mandatory school age. In its 2013 Social Investment Package, the European Commission stresses the importance of investing in early childhood through high-quality childcare provision in order to break the intergenerational chain of poverty and exclusion.

EU-SILC is currently the only data source allowing calculation of childcare usage among young children in a ‘regular week’ for all EU Member States. Formal care services include care centres, nursery schools, professional child minders and family daycare providers. We present a full time equivalent (FTE) measure of care use in order to take into account differences in the intensity of care use (i.e. hours of attendance per week). It is quite obvious that low-intensity use (say for only a few hours a day) is not sufficient to allow for maternal employment. FTE care use data represents the proportion of children who would be receiving child care if all existing care use was full-time (30 hours per week or more).

**Figure 19: FTE formal care use, children aged 0-2, 2011**

![Figure 19](image)

*Source*: Van Lancker 2013. Ireland is not included in the EU-SILC 2011 UDB.

Figure 19 shows the average FTE measure of formal use for all children below the age of three in the EU27. The disparity in childcare use between countries is enormous, ranging from more than 70% of FTE use in Denmark to barely 5% in Czech Republic, Slovak Republic, and Romania. Sweden, Portugal, Luxembourg and France are countries with FTE use around 45%. A group of countries with above-average use consists of Slovenia, Belgium, The Netherlands, Italy, Malta, and Spain. Germany, Cyprus, and Greece hover around the average, while Finland, Estonia, United Kingdom, Austria, Lithuania, Bulgaria, and Hungary are underachievers with figures ranging from 10% to 30%.

If the provision of childcare services is to be effective in combating poverty and enabling paid work, it should be accessible for those out of work. In sum, **children in low income families should be enrolled**\(^{37}\). To gauge the social stratification of care use, families with young children (defined as families with at least one child below the age of six) are divided into five income groups (quintiles) for each country and the mean FTE formal care use of children living in low-income and high-income households is compared. Figure 20 presents for each country an inequality ratio (IR), i.e. the mean FTE care use among children living in the highest income family (fifth quintile) divided by the mean care use among children living in a low income family (first quintile). An inequality ratio (IR) of 2 thus means that children from high-income families are enrolled in FTE childcare twice as much as their counterparts from low-income families, while an IR of 1 represents an equal distribution of care use.

Denmark and Portugal are the only 2 EU Member States achieving high levels of formal care use for both low-income and high-income families. Sweden (IR: 1.4) comes close to equal outcomes, but the inequalities are not negligible (60% vs 44% in Sweden). We cannot discern a significant difference in Czech Republic, Slovak Republic, Romania, Hungary, Bulgaria, Lithuania, Estonia, Germany, and Malta as well, but only Malta and Germany have surpassed the 33% Barcelona target. The lack of significance might be due to the extremely low levels of care use in some of these countries and should not be interpreted as a good example of ensuring equal access to childcare services.

**No single European country reports significant higher levels of care use for children from low income families compared to their higher income counterparts.** The magnitude of the inequality is particularly striking in countries characterized by low levels of child care use, such as Poland, the United Kingdom, Switzerland and Greece, while use is more equal in countries reporting higher levels of childcare use, such as Sweden, Slovenia, and Italy. Indeed, the inequality ratio (IR) decreases as average usage goes up (r = -0.46). Nevertheless, some of the high-use countries report wide gaps between income groups: Belgium (IR: 3.4), The Netherlands (IR: 2.7) and France (IR: 4) are cases in point.

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\(^{37}\) Van Lancker 2013.
In the case of Belgium, this amounts to 64% of children from high-income families enrolled in formal care compared to only 19% of children living in low-income households. In France, the situation is even more dramatic: an average childcare participation rate of 45% conceals usage rates of 18% for low-income children compared to 71% for high-income children. For childcare services to be an effective instrument in enabling paid work and combating child poverty, the majority of EU Member States have a long way to go in ensuring access for low income families, including single mothers and migrant mothers.
4. CONCLUSIONS

Not all European Member States display a gender poverty gap. Remarkably, in countries where the poverty risk for women is below-average, the gender gap tends to be wider. This is the case (albeit with some exceptions) in the Nordic, continental and Anglo-Saxon Member States. This is related to the higher share of single mothers living in these countries. In the Central and Eastern European countries, the gender poverty gap is usually small or even non-existent, but the risk of being poor is high for all citizens, be they men or women. In this analysis, particular focus was on single mothers and migrant mothers, and both have a higher risk of being poor than other women.

Living in poverty is clearly related to social exclusion in terms of access to basic services in the Central and Eastern European countries and in the Southern countries, while the differences between poor and non-poor women in terms of access to these services is much less outspoken in the Nordic, continental and Anglo-Saxon countries. Access to decent housing is a problem for poor women in all EU Member States, though.

How living in poverty translates in social exclusion on the labour market, and how women's poverty perpetuates itself through child poverty generally, differs across Member States as well. In the Nordic, continental, and Anglo-Saxon countries, women's poverty is in particular a problem amongst migrant families and single mother families. Child poverty is concentrated in these families, and these families often have only marginal attachment to paid labour. In the Central and Eastern European countries and the Southern countries, poverty in general, and child poverty in particular, is more of a problem amongst couples and larger families, and does not have an explicit gender dimension.

A key lesson to be drawn from the results is that available indicators do not necessarily capture the risks of inactive or part-time working women as they measure the income on the level of the household. For instance, women are overrepresented in non-standard working arrangements such as part-time work, but this actually leads to a lower poverty risk compared with part-time working men. The reason for this result is that women are often secondary earners, and a second wage suffices to lift a family above the poverty threshold.

It is therefore problematic to draw the conclusion that such a non-standard work strategy could be a remedy against female poverty. Part-time work contributes to the gender wage and pensions gap. Moreover, part-time work is not helpful for reducing poverty neither for single mothers nor for families in which both partners work in these kinds of flexible work arrangements.

Given the different faces of women's poverty across Member States, there is no one-size fits all policy solution. Most EU countries need to improve access to policies enabling paid employment for women, such as childcare services and paid parental leave; at the same time, most EU Member States fail to provide adequate income protection for mothers out of work as well as for working women. In safeguarding an adequate level of living, child benefits have a key role to play. In that regard, in particular the Southern European countries have ample room for improvement.
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THE EFFECTS OF THE CRISIS ON FEMALE POVERTY

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Abstract

Upon request by the FEMM Committee, this paper explores the impact of the crisis on female poverty. Multiple differences exist among European Union Member States but overall poverty has increased and women are still more likely than men to live in poverty, though until 2012 the increase for men was greater than that for women. Economic performance and economic policies seem to be associated with poverty. The paper recommends that macroeconomic policy be mainstreamed to identify gender specific outcomes.

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LIST OF ABBREVIATIONS

AROPSE At Risk of Poverty and Social Exclusion
AROIP At Risk of Income Poverty
AROIWP At Risk of In-Work Poverty
CAM Cambridge-Alphametrics Model
EERP European Economic Recovery Plan
JG Job Guarantee
SGP Stability and Growth Pact
SMD Severe material deprivation
WBG Women’s Budget Group
UK United Kingdom

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EXECUTIVE SUMMARY

Background

The European Union is recovering from the deepest crisis it has experienced and which has been associated with an increase in the number and proportion of women and men at risk of poverty and social exclusion.

Both the extent of the crisis and the extent of poverty have varied significantly between Member states, so too has the extent to which women and men have experienced poverty. As a consequence, it is difficult to discern or explain the impact of the crisis on women or men.

A further difficulty arises from the way that the economic policies have changed in the post crisis period: first coordinated expansion through the European Economic Recovery Plan (EERP) followed by uncoordinated but nonetheless simultaneous fiscal consolidation. It seems that in neither case were these policies gender mainstreamed.

Aim

- The purpose of this paper is to explore the effects of the crisis on female poverty.
- The paper aims to investigate the connections between the macroeconomy, macroeconomic policies and the impact on poverty of women and men.

Main Findings

There are multiple differences across European Union Member states in the scale of poverty and how it has changed with the economic crisis.

The Baltic States experienced the crisis most steeply and had a very steep decline in GDP and a corresponding rise of poverty. By contrast, at no time did Poland experience any negative growth, though the steep decline in poverty since 2005 has halted and there was a flat lining of poverty.

Greece has taken the longest time to recovery from the crisis and poverty in all its forms – both income poverty and material deprivation have been increasing. Greece has been required to pursue strong fiscal consolidation policies. The UK government has also chosen to follow this route and these countries are considered in more detail.

If all Member states are to realise the objectives in EU 2020 in relation to poverty and social exclusion, it is critical that the connections between macro-economic policies and social outcomes are considered. For some countries, in particular the UK and Greece, fiscal consolidation is associated with increased poverty for women and men without being effective in reducing the debt.

Young women and men and especially those who are self-employed or are employed on temporary contracts have high levels of in-work poverty.

Social transfers play an important role in mitigating the risk of being in poverty. In some countries social transfers have been reduced as part of the fiscal consolidation strategy.
It is important to recognise that both the scale of fiscal consolidation that is required and the manner in which it is carried out are political choices rather than technical necessities and are associated with differentiated social outcomes.

Alternative policies exist and some are more likely than others to lead to higher levels of economic growth and reduce the poverty levels among women and men. Two policies are highlighted: the idea of the state acting as ‘employer of last resort’ and second, increasing state expenditure of social infrastructure, for example social care, as well as physical infrastructure. The latter policy is likely to have a positive impact not only on reducing debt but also poverty among women.

For this reason, it is important to subject macro-economic policies to gender mainstreaming in order to examine how their outcomes differ for women and men and for different income groups. Such analysis is important in the quest to meet EU2020 targets with respect to women and poverty.
INTRODUCTION

This in-depth analysis will address the following issues:

- The impact of the crisis has varied across the Member states of the European Union as has the policy response making it is difficult to identify the precise impact of the crisis.

- Overall the numbers and proportions of women and men living at risk of poverty and social exclusion has increased.

- While the extent of poverty among women continues to be substantially higher than for men, the numbers of men in poverty increased more than did the numbers of women between 2008 and 2013 (the latest date for comparable Eurostat data). The number of men at risk of poverty increased by 3.6 million compared to an increase of 1.4 million women.

- Overall, in the EU28, 123 million people are living at risk of poverty and social exclusion, 65.1 million women and 58.8 million men but the full impact of the crisis on poverty may not yet be known.

- The macroeconomic response to the crisis was two-phased: a first coordinated expansionary phase was followed by an uncoordinated phase of fiscal consolidation which in some countries led to reductions in social transfers. Some reductions are still being implemented so the full impact of the crisis on poverty may not yet be known.

- The recession reversed the decline of the proportion of the population at risk of poverty and social exclusion (AROPSE), one of the key EU2020 indicators.

- While the gender gap in those at risk of income poverty after social transfers has fallen by 0.9% since 2008, the before social transfers gap has widened by 0.5% which means that women are particularly at risk from cuts in welfare support.

- Macro-Economic policies need to be gender mainstreamed to ensure that potentially different outcomes for women and men are identified.

- Fiscal consolidation is having an adverse impact on poverty. Two strategies are identified that would potentially expand employment, reduce poverty, especially among women, and reduce government debt: the ‘employer of last resort’ and spending on social as well as physical infrastructure.
1. THE ECONOMIC CONTEXT – CRISIS, RESPONSE AND RISING POVERTY

KEY FINDINGS

- The impact of the crisis differs across European Union Member States.
- The changes in the extent of poverty have also varied.
- While the extent of poverty among women continues to be substantially higher than for men, the numbers of men in poverty increased more than did the numbers of women.
- Across Europe, there is some association between economic performance and the extent of poverty.
- Overall, fiscal consolidation has led to increases in the number of people at risk of poverty and social exclusion.

1.1. Economic crisis and recovery

Contemporary Europe is emerging slowly and unevenly from the deepest recession ever recorded as a consequence of the financial crisis of 2008 see Figure 1.

Figure 1: The economic crisis in the European Union – selected countries

Source: Data from Eurostat (2015) Real GDP growth rate – volume percentage change on previous year. Available at: http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do
The recession reversed the decline of the proportion of the population at risk of poverty and social exclusion (AROPSE), one of the key EU2020 indicators. This measure of poverty and social exclusion includes both an income poverty dimension (which is the share of population earning a disposable income lower than 60% of the median equivalent income) and an exclusion dimension, which is measured by severe material deprivation and/or no or very low work intensity. Someone at risk of poverty may experience any one of these aspects of poverty. While differentiated by gender, this measure is adjusted or 'equivalised' to reflect household size and presumes that the adults have equal access to this income, which may not necessarily be the case given gendered power relations. Further if a household consisted of two adults of opposite gender they would each contribute to the male and female index in the same way which may understate the woman’s poverty if she had a lower work income and the male income was not shared equally between them (see Goods et.al. 1998 and Bettio et al 2012: Box 5.1).

Overall the number of people living AROPSE increased from 116.6 million in 2008 to 121.6 million in 2013 (excluding Croatia). Including Croatia, this number increases to 122.9 million people: 57.8 million men and 65.1 million women or 24.7% of the EU population, meaning that 23.7% of men and 25.4% of women (See Figure 2) are living in AROPSE in 21st Century Europe, one of the richest economic blocs in the world.

Looking at the gender distribution of poverty and social exclusion for the European Union as a whole, women continue to be over represented but to varying degrees in different countries. Bulgaria has the highest level with 49.4% of women and 46.5% of men living in poverty. High levels are also recorded in the Baltic States, as well as Hungary and Croatia: all 30% or above for women and men. The Nordic States, together with the Czech Republic, by contrast, are characterised by levels considerably lower than the EU average.

In the majority of countries, the proportion of women AROPSE is higher than for men and in 3 countries the figure for women is 3% or more higher than that for men: Czech Republic (+3%), Lithuania (+4.7%) and the UK (+3%). Only in Spain (-1.2%) and Portugal (-0.1%) is the reverse the case, with the proportion of men at risk of poverty being higher than that for women, by the percentages indicated (all data from Eurostat 2015).
Figure 2: Poverty in the European Union (27) countries
2005-2013*


*Data for Croatia is only available from 2010 but makes no difference on the overall percentage of people at risk of poverty.

As often happens in recessions, industries where men are over represented, manufacturing and construction, were the first to be affected by the crisis and, as a consequence, the number of men AROPSE increased by 3.6m compared to an increase of 1.4m women since the onset of the recession in 2008 in the EU as a whole. This first phase of the crisis could perhaps be described as a ‘masculinisation of poverty’ as men’s share of poverty increased, though it is important to stress that women continue to constitute a greater proportion of people AROPSE as portrayed in Figure 3.
This pattern for the EU as a whole is found in virtually all Member States, though the scale of change varies. In only four countries does the proportion of men AROPSE decrease – Denmark, Lithuania, Germany and Sweden, but in each case the change is small, and if the onset of the crisis is set at 2007 instead of 2008, the male proportion increases in these countries too, albeit to a small degree. For Estonia, Slovenia, Luxembourg, Slovakia and Greece, the number of men AROPSE increased by more than 3%. **Despite this increase in the male share of poverty, a wide gender gap remains and the number of women AROPSE also increased see Figures 2 and 3.**

At European Union level, it is difficult to discern the precise impact of the recession and subsequent recovery on poverty for a number of reasons.

First: European Member States came into the crisis from very different starting points. The Baltic States and Member States from Eastern Europe have only recently joined the EU and are in some ways still in the process of transitioning from very different economic and social systems. Thus the overall measure reflects mixed dynamics (see Bettio et al 2012).

Second: while poverty levels are directly affected by economic change, these are moderated by social policies and social transfers which vary substantially between different countries.

Third: there are different measures of income. The measure used so far, people AROPSE, one of the EU 2020 indicators, is both composite and relative, containing an income dimension and two components: material deprivation and household work intensity, each of which could move in different directions.
Fourth: the income measure is relative (annual income below 60% of median income), so if overall income declines, the poverty line will also decrease. This means that some people may no longer be defined as income poor statistically, even though their circumstances may have remained the same or deteriorated. A further problem arises because the data always has a year’s delay, as people surveyed are asked to report on their income in the previous year.

Fifth: people have characteristics other than their gender that influence their levels of well-being, including age, household status, their race, ethnicity and sexuality, as well as levels of education and experience. How these differences intersect with gender will affect the form and experience of poverty and it is important to recognise the significance of these differences when making recommendations. Where multiple dimensions of social disadvantage intersect, the depth of poverty and exclusion is likely to intensify. In the UK, for example budget cuts linked to fiscal consolidation are calculated to affect women to a greater extent than men (WBG 2015) and on women belonging to Black and Ethnic Minority (BME) groups in particular (Sandhu and Stephenson 2015).

A final reason why it is difficult to assess the impact of the crisis is that there was a two phased response, first a period of coordinated fiscal expansion linked to the European Economic Recovery Plan introduced in 2008 (EERP) along traditional Keynesian principles, followed in 2010 by a simultaneous but nonetheless uncoordinated phase of fiscal consolidation, on the basis of more orthodox neoliberal economic thinking discussed further below in 1.2.

### 1.2. European crisis, recovery and poverty

There was a rapid response to the decline in growth in the form of the EERP in 2008, and while neither poverty, or women or men, were mentioned, there was concern about rising unemployment especially among men (European Commission 2008). The EERP aimed to prevent overall economic collapse and ensure that the decline took the form of a short lived V shaped recession rather than a double dip or long drawn out recession (Leschke and Jensen (2012)). The EERP resulted in a coordinated, largely, countercyclical expansionary response, though implemented and financed largely by Member States, and aimed to stimulate demand by investments in physical infrastructure to support the construction sector, and innovation in research and development oriented towards the manufacturing industries. In addition, there were attempts to expand employment by lowering social security contributions on low paid sectors and reduce the indirect tax on labour intensive industries.

Initially, growth recovered quickly and some intentions of the EERP were realised. At the EU level, economic growth has taken this V shaped form with growth recovering from mid-2009. The recession was deepest in the Baltic States, Greece remains in negative growth, while Poland did not experience any negative growth throughout the period. More generally, the impact of the crisis has varied between Member States and divided between those who experienced a very sudden and deep collapse of the economy and those where the crisis was less noticeable. In the majority of states, the decline in growth was similar to EU 28 average of negative growth of - 4.4% in 2009 (see Figure 1).

While the counter cyclical economic strategies stimulated growth, they also increased government deficits and debt highlighted in the spring 2010 by the scale of sovereign debt in Greece and their inability to pay. Growing concerns about the scale of both deficits and debt led to a simultaneous, but largely uncoordinated, introduction of fiscal consolidation, which took the form of austerity and cuts in
Main causes of female poverty - Compilation of in-depth analyses

**public expenditure from 2010.** The aim was not only to reduce the size of the public sector deficit and debt but also to promote growth which the IMF (2010) predicted would follow as direct consequence. Many countries throughout the world followed this two-phased response – first expansionary counter cyclical policies followed by an about-turn towards fiscal consolidation (Ortiz and Cummings 2013). In some, but not all Member States, there were reductions in social support (Bettio et al 2012). In the UK, in 2008, social support was expanded until 2010, but then severely cut by the 2010 Coalition government’s ‘expansionary fiscal contraction’ strategy. The speed of policy turnaround makes it difficult to assess the impact of the crisis and the impact of these very different strategies for recovery.

Fiscal consolidation led to a downturn in economic growth between 2010 and 2012 and while a double dip recession was avoided, growth has remained fairly flat and at a lower level than before the crisis. Greece and Cyprus still had high negative growth rates in 2013 (data for 2014 not being available), see Figure 1.

**Social spending and various forms of income support became one of the key targets for cuts** in government spending, and may explain why poverty continued to increase, the only signs of any reduction being in 2012, following an increase overall and sharp increases in countries most severely affected by the crisis, especially in Southern Europe and to a lesser extent in the Baltic States that recovered more quickly.

As the extent of the crisis and the form of the recovery has varied between different European Countries, it is difficult to assess the impact on poverty with any precision; however, there does seem to be an association between economic performance and the extent of poverty. Figure 2 demonstrates that the crisis has had a clear impact on the numbers of people AROPSE. Following a steady fall in the percentage of people at risk of poverty between 2005 and 2009 (from 25.3% to 23.3%), poverty increased up until 2012 reaching 24.5%, and higher among women than men. The latest data available from Eurostat (2015) show that this percentage fell in 2013 (see Figure 2) but in some countries, including the UK and Greece, more cuts in public expenditure are anticipated so the extent of poverty may increase again.
2. CRISIS, INCOME POVERTY, AND MATERIAL DEPRIVATION

KEY FINDINGS

- The number of people at risk of income poverty and material deprivation increased after Fiscal Consolidation.
- Social transfers have played a critical role in lessening the impact of the crisis, especially on women.
- There has been an increase in the number of people experiencing in-work poverty, especially young women and men and women on temporary contracts.
- The number of people experiencing material deprivation has increased by 6 million since the crisis, and among women rather more so than among men.

So far, the focus has been on the overall measure of people AROPSE, differentiated only by gender. Both components of these measures can be decomposed further to provide a fuller picture of poverty, which is necessary for both explanation and recommendations.

Income can be separated from social exclusion and measured before and after social transfers have taken place and social exclusion can be divided into severe material deprivation and low work intensity.

As said, besides focusing on the gender dimensions, it is also possible to see how these broad trends can be differentiated further. In this paper the focus is on the in-work poor as women and men in these groups have been affected by the crisis in significant ways. The extent of poverty and the gender balance also varies depending on different measures of poverty and material deprivation used.

2.1. Overall income poverty

Similarly to the broader measure of people AROPSE, there is a clear increase in the proportion of the population at risk of income poverty (AROIP) after 2008 for both women and men after social transfers have taken place, so these statistics are not discussed in detail.

One measure of particular interest is the proportion of people at AROIP before social transfers and with pensions considered to be social transfers. The extent of people AROIP on this measure is not only much higher for all countries, as would be expected, but the post crisis rise is extremely steep for some of the countries most deeply affected by the crisis, in particular Greece and Spain, see Figure 4.

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2 See Bettio et al (2012) for a more comprehensive review of different types of poverty in Europe though with less recent data.
Apart from Greece, there is a marginal decline in AROIP before social transfers in 2011, perhaps reflecting the effect of the expansionary economic policies in Phase 1 of the economic policy response (as income measures always contain a year’s delay). However, poverty increases again between 2012 and 2013. Poland is included in this diagram to reflect the diversity of experiences between Member States. Poland, in common with some, but not all of the new Member States, shows a steep decline in poverty between 2005 and 2008 before levelling off with the crisis.

**Figure 4: People at risk of income poverty before social transfers and pensions**

The overall difference between women and men is higher on the before social transfers AROIP than after social transfers, 4.5% compared to 1.0% in 2013, reflecting that women’s incomes rely to a greater extent than men’s on social transfers. The reason for this reliance derives from the gender division of labour overall and especially with respect to caring responsibilities, resulting in women’s lower participation in, and vertical and horizontal segregation of, the paid labour force, which affects pension income, as well as women’s longer life expectancy.

At the EU level, the economic crisis is associated with changes in the size of the gender gap on the before and after social transfers AROIP measures. These changes are quite small but interestingly they are in opposite directions. While the AROIP gender gap after social transfers has fallen by 0.9% since 2008, the before social transfers gap has widened by 0.5% see Figure 5. The former change is a case where gender equality has increased but probably as a consequence of the relative deterioration in men’s labour market circumstances, especially in the first phase of the crisis, while women’s greater dependency on social transfers and over representation among pension recipients provided them with relative protection. The increase in the gender gap before social transfers may reflect a deterioration in women’s labour market experiences that are not always reflected in the labour market participation rates or unemployment rates, associated with reduced hours for example for people working on
flexible contracts, but these issues which are discussed further in 2.3 on in-work poverty still require further analysis.

**Figure 5: Gender gap in risk of income poverty before social transfers and pensions (% change 2005-2013)**

Source: Eurostat (2015) (source: SILC) \[ilc_li09\]
Note: The gender gap is measured by the difference between the female and male poverty rates. The larger the gap the greater is the disadvantage experienced by women.

The change in the proportion AROIP before social transfers since the crisis has been especially high for young people (aged 18-24) compared to the overall working population (18 -64) and to the total population and again generally more so for young men see Table 1. In Greece the impact on women is greater than that for men.
Table 1: Change in people AROIP before social transfers 2008-2013 (% change)

<table>
<thead>
<tr>
<th>Share of population</th>
<th>EU 27</th>
<th>Greece</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>2.4</td>
<td>11.9</td>
<td>4.5</td>
</tr>
<tr>
<td>men</td>
<td>2.6</td>
<td>11.7</td>
<td>4.6</td>
</tr>
<tr>
<td>women</td>
<td>2.1</td>
<td>12.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Total Working Age Population 18-64</td>
<td>2.1</td>
<td>12.5</td>
<td>4.2</td>
</tr>
<tr>
<td>men</td>
<td>2.5</td>
<td>11.8</td>
<td>4.4</td>
</tr>
<tr>
<td>women</td>
<td>2.0</td>
<td>13.2</td>
<td>4.0</td>
</tr>
<tr>
<td>Total Young People 18-24</td>
<td>4.0</td>
<td>16.3</td>
<td>9.4</td>
</tr>
<tr>
<td>men</td>
<td>4.8</td>
<td>15.5</td>
<td>11.2</td>
</tr>
<tr>
<td>women</td>
<td>3.1</td>
<td>17.0</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Source: Eurostat (2015) At-risk-of-poverty rate before social transfers (pensions included in social transfers) by poverty threshold, age and sex (SILC) [ilc_li09]

While the measure of AROIP before transfers is hypothetical, as people do receive social transfers owing to the European Social Model, it is important for indicating how the need for social transfers has increased since the crisis, and therefore making it difficult for states to cut back on social spending without serious risk to the well-being of the population and especially to women, who are more likely than men to rely on social transfers. Changes in the before social transfer measure also relate to the question of in-work poverty discussed in 2.2 below.

2.2. In-Work poverty

In-work poverty refers to individuals who are employed and whose household equalised disposable income is below 60% of national median equalised income. Since 2008, the proportion of people at risk of in-work poverty has increased (AROIWP).

Being in work, either as self-employed or as an employee is generally considered to be the best route out of poverty. Since the crisis there has been a marginal increase (0.4%) in the proportion of the employed population (aged 18-64) in in-work poverty, with the proportion of men being higher than for women. For young people (aged 18 and 24), the problem is more serious and especially so for young women as both the scale of the problem and the post crisis increase has been higher than for young men and for the working population as a whole, see Table 1. In all cases, the average figures disguise very wide variation between states in terms of both the scale of the problem and the impact of the crisis. These are displayed in Figure 4 which highlights both the scale of the problem for different groups of people and the countries where the impact of the crisis has been particularly severe for particular groups of workers.

Setting aside the general and very important caveat that the experience varies across the European Union, the main increase in-work poverty is among women on temporary contracts. For the EU, the increase is 1.8%, but this average is comprised of very different trends. Both the largest increases: Latvia, Estonia and
Hungary all above or close to 10%, and the largest decrease: Romania -15.1%, are found in the new Member States. Sweden also records a large increase for women, though the overall scale remains marginally less than for men. However, without further research, these changes could reflect a variety of phenomenon – with decreases optimistically people moving into permanent work and increases, as in the case of Sweden, reflecting labour market activation programmes. Please see Annex I, Table 2 for an overview of all Member States.

2.3. Material Deprivation

In the European Union 27, in 2013, the number of people who are experiencing severe material deprivation (SMD) is 47.6 million people (2.2 million more women than men) which is 6 million more than in 2008 or an increase of 1.1% of the Union’s population. When Croatia is included, then in a further 306 thousand men and 317 thousand women are added. Overall, in the EU, 9.6% of women and 9.4% of men are living with SMD in 2013. There is very wide variation between Member States with levels of over 20% in Hungary, Romania, Greece, and Bulgaria – the highest at 43%.

The overall small increase in the proportion of people living with SMD disguises wide variations between states in terms of the scale of change and whether women or men have experienced the biggest change. Two of the countries which experienced severe crisis, Ireland and Greece, show changes in completely the opposite directions, with men experiencing the biggest increase in Greece – up 10.2% compared to 2.6% for women while in Ireland it was women who experienced more change with an increase of 8.1% compared to 3.9% for men. Other countries experiencing sharp increases were among those where the level of SMD was already high – Hungary up 9.3% for men and 5.3% for women.

People who experience SMD are likely also to experience the second dimension of social exclusion, namely low work intensity, which in turn is linked with in work poverty. As with all the figures discussed, there is a wide degree of variation between Member States.

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3 Share of population living in households lacking at least 4 items out of the following 9 items: i) to pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, or could not afford (even if wanted to) vi) a car, vii) a washing machine, viii) a colour TV, or ix) a telephone.

4 2013 is the latest date for which data was available for all Member States.

5 The 2014 figure for Bulgaria for 2014 is much lower at 33.1%.
3. ECONOMIC POLICY AND POVERTY: RECOMMENDATIONS

KEY FINDINGS

- The way fiscal consolidation has been pursued in the EU has not resulted in a reduction in debt in many countries but has resulted in an increase in poverty among women and men.

- A gender analysis shows that there are a number of ways in which fiscal space can be managed.

- State investment in social infrastructure and the state as employer of last resort is a potentially positive way of reducing poverty, especially among women, and contributing to debt reduction.

3.1. Reconsider macroeconomic policy

Since 2010, Member States, to varying degrees, have attempted to restore economic stability and meet Stability and Growth Pact (SGP) conditions: a public sector deficit of no more than 3% of GDP and a public debt of no more than 60% of GDP, and thus engaged in fiscal consolidation. Yet, by 2013, ten Member States were still above the deficit guidelines, 16 above those for debt. Public debt is rising in all but two of the countries where it already exceeds 60% of GDP (Germany and Hungary), as it is for the EU as a whole (Eurostat 2014). At the same time, on all measures considered in this paper, the numbers of people at risk of poverty are increasing in the majority of Member States and especially so for women and those already experiencing social disadvantage.

So it is time to reconsider the macroeconomic picture and ensure that macroeconomic policies are subject to gender mainstreaming, discussed in 3.2 below. Nobel Prize Winner Paul Krugman (2013) points out that there is neither convincing academic rationale, nor evidence to support fiscal consolidation when economic growth is low. Following Keynes, Krugman argues that ‘the boom, not the slump, is the right time for austerity’ something subsequently conceded by the IMF (2013).

There is general agreement that countries cannot run up government deficits and debt indefinitely, not least because large amounts of public money would have to be spent on interest repayments to creditors. But there is no clear idea as to what a maximum should be, nor is there only one way to restrict the public deficit. The maximum would depend in part on what the debt was being used for – whether it was generating returns in the future or whether it was being dissipated in unproductive ways. Moreover, paying down the public deficit could come from taxation, either from an increase in productive work or through raised taxes, especially considering that Europe has ‘the highest level of private wealth per capita in the world’ as well as ‘the greatest difficulty in resolving its public debt crisis. It should be noted that tax rates, especially on top incomes, have been falling since the 1980s (Piketty: 2014:540).
3.2. Gender mainstreaming: a gender analysis of fiscal space

A gender analysis shows that there are a number of ways in which fiscal space can be managed and each of these has gender differentiated outcomes. Figure 7 in Annex 2 portrays fiscal space as a diamond, with different forms of finance identified on the four corners. These are the amount received from official development assistance, such as the European Central Bank, the IMF or co-financing through the Structural Funds; the amount of domestic revenue raised through taxation; the extent of government expenditure; and the deficit or the gap between the amount of government expenditure and the amount of revenue raised either through taxation or borrowing. The size of all these elements is variable and in principle ‘there is always an alternative macroeconomic strategy that is economically feasible; but different strategies imply different distributions of the costs and benefits’ (John Loxley – one of the leaders of the Alternative Canadian Federal Budget cited by Elson 2006:120). This means for the European Union that the SGP criteria for debt and deficit are political choices rather than technical necessities, in the sense that there is no academic rationale for these levels. The important issues are what the debt or deficit is being used for and how it will be financed (see Figure 7).

Peter Heller (2005), writing in the IMF magazine, defines fiscal space as the ‘room in a government’s budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the state of the economy.’ In this definition, the ‘state’ of or needs of the ‘economy’ are prioritised and these ‘needs’ are determined by a neoclassical view of the economy which advocates a small state, low budgetary deficit, and minimum taxation to allow maximum market flexibility. These conditions are similar to the SGP criteria but represent a particular set of economic priorities that are particularly advantageous to wealth holders as they work to protect the value of their money and yet have social class and gender differentiated effects, to the disadvantage of women and low income groups (Elson and Cagatay 2000). But this is not the only definition of fiscal space. The UNDP defines fiscal space as the:

‘financing that is available to governments as a result of concrete policy actions for enhancing resource mobilization, and the reforms necessary to secure the enabling governance, institutional and economic environment for these policy actions to be effective, for a specified set of development objectives’ (UNDP 2007:1).

This definition which would seem to suit the long standing objectives in the European Union for economic growth and social cohesion, or smart, sustainable and inclusive growth as in Europe 2020, can be modified to recognise gender differentiated interests:

‘fiscal space is the available financing, designated by policy choices, to provide the necessary resources for a specific set of social, economic, and environmental objectives, taking into account the specific needs of marginalized groups using race, gender and class impact analysis’ (Ida 2013).

These alternative definitions bring questions of social purpose and gender justice into decisions regarding fiscal policy, highlighting that these are political rather than technical in character and opens the way for gender mainstreaming and gender responsive budgets, tools which in principle are capable of working of harmonising economic and social interests and ensuring that the economy works for the benefit of people rather than vice versa.

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6 The Alternative Federal Budget is a ‘what if’ exercise which each year prepares a budget that prioritises an economic social and environmental agenda that they consider better reflects the interests of the majority of Canadians.
3.3. Poverty and gender budgeting in the UK\textsuperscript{7} - an example

3.3.1. Poverty and social exclusion in the UK

In the UK, income poverty has fluctuated, but largely fallen for both women and men in the post crisis period but not on the income poverty and social exclusion measure, see Figure 7. In part, this illustrates how the measure of poverty is relative and in this period real earnings have been falling but the relative value of benefits was retained as payments were indexed to inflation.

\textbf{Figure 6: Poverty and social exclusion in the UK}

![Figure 6: Poverty and social exclusion in the UK](image)

Source: Data from Eurostat (2015) SILC [ilc_li02 and ilc_il09]

The latest data available (2013) which relates to people’s incomes in 2012 does not reflect the various reductions in benefits introduced in the Welfare Reform Act which came into effect in 2013. This Act aimed to ‘make work pay’ via a cap (i.e. an upper limit) on amount of income any individual or family can receive in benefits overall and by changing the way that benefits were linked to inflation. These changes will be facilitated by the gradual implementation of a Universal Credit System that will group together the various benefits including housing, children and income support. In addition an under occupancy charge, known as a ‘bedroom tax’ was introduced for working-age council or housing association tenants which cut their housing benefit if they were deemed to have ‘spare’ bedrooms. In addition, the rules governing the benefit process were extended and codified in a ‘Claimant Commitment’ and sanctions for noncompliance were intensified. In extreme cases this would lead to a withdrawal of all benefits for up to 3 years with the only recourse being to a state hardship fund and various charities. Evidence of the impact of these changes on poverty data is not yet available, but concerns have been raised by the Churches (Church Action on Sanctions 2015) as well as the Trussell Trust (2015) which has seen the numbers of people using their food banks increase from 25,000 in 2008-9 to nearly one million in 2013-14.

\textsuperscript{7} Several European countries practice Gender Budgeting, for example in Iceland it was used by the post crisis government and in Italy it is used at the local level.
Many of these changes have been introduced as part of the Coalition government’s deficit reduction strategy. However the income tax personal allowance has also been raised. Detailed analysis shows that the overall impact of this combination of cuts and ‘give aways’ on the deficit has been neutral, but there has been a clear shift in distribution away from benefit claimants and towards tax payers (De Agostini, Hills and Sutherland 2014:5). Their analysis shows that the losers were lone parent families, large families, children, and middle-aged people (at the age when many are parents) and the gainers included two-earner couples, and those in their 50s and early 60s. Further, they found that overall, the changes were regressive as the ‘bottom half lost (with the poorest groups losing most as a proportion of their incomes) while the top half gained, with the exception of most of the top 5 per cent’ (though with the exception of the very top).

In 2015, there are signs that the UK economy is recovering and as a consequence the scale of the deficit has fallen giving the government an opportunity to inject some money into the economy while retaining its overall fiscal plan. However, in the 2015 Budget (HMSO 2015), the government intends to use this opportunity to raise personal tax allowances further as well as expand investment on a range of physical infrastructural projects while maintaining the scale of welfare cuts and in government departmental spending. The impact on poverty is not yet known but securing the intended cuts in welfare will be extremely difficult as some areas including health and education, the largest elements together with pensions for older people, are protected meaning, there is likely to be a large impact on those, again disproportionately women, who rely on the forms of support that will have to be cut.

### 3.3.2. Proposals of the UK Women’s Budget Group

As indicated in section 3.1, choices regarding how to reduce the deficit and debt are political rather than technical and as the UK Women’s Budget Group (2015) demonstrates in their gender analyses of UK budgets this is not only a redistribution of income between social classes but there are clear gender implications to the disadvantage of women. Women are over represented among lone parents and among those receiving benefits. Given women’s lower earnings, they are less likely to pay income tax and so do not gain from any reduction in the personal allowance (WBG 2015). In addition, women are more likely than men to be employed in the public sector, which has and will continue to experience more job losses. When the distribution of the cuts was analysed in 2010, 78% fell on women (House of Commons 2010) and they continue to impact on women, more so than men (WBG 2015).

While the UK government provides an equalities impact statement to accompany the budget these tend not to recognise the full extent of a universal change such as an increase in the personal tax allowance impacts on different groups of people in different ways – something that gender responsive budgeting demonstrates. As a consequence of such analysis, the UK WBG together with the Scottish Women’s Budget Group have produced an Alternative F Plan (WBG 2015). This plan makes a number of recommendations including changes in taxes and benefits to reverse the redistributive impact of current policies: improvements in working conditions to raise the earnings of low paid workers and investment in social as well as physical infrastructure which is discussed in more detail.

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8 Stockhammer (2013) writing for the IMF makes similar recommendations with respect to workers pay.
Investment in physical infrastructure, for example, roads, railways, telecommunications as a classic Keynesian remedy for boosting economies at times of low growth. The WBG builds on this perspective but argues for investment in social infrastructure as well, by which they mean investment in the care economy – childcare and elderly care, not only in terms of physical facilities but also in terms of the employees to run these services. Such investment has been shown to have a greater multiplier effect on economic growth as well as create more jobs overall and for women workers than similar amounts of investment in physical infrastructure, for example, roads (Antonopoulos and Kim 2011). Such investment would therefore contribute to two ways of redressing women's poverty: by providing jobs and providing services.

3.4. Specific actions and tailored policies for different sub groups

One of the main arguments of this in-depth analysis is that, to redress poverty, it is necessary to link economic and social policies via gender mainstreaming of macroeconomic policies.

Targeted measures are also necessary to ensure that the most disadvantaged groups in society are reached by social policy and these schemes would vary according to specific circumstances.

In order to link the macroeconomic issues discussed above with specific actions, the paper focuses on just one scheme - to raise employment - as low work intensity as well as in work poverty is a major form of poverty among women.

Many countries have adopted strategies to encourage people into work and/or make benefits conditional on participation in various work programmes. Sometimes these schemes are welcomed but they can also be considered rather punitive. An alternative possibility is for the state to act as 'employer of last resort'. This idea rests on sound economic principles going back to Hyman Minsky as well as Keynes.

The scheme works because the state “can divorce profitability from the hiring of workers and can create an infinitely elastic demand for labour” (Antonopoulos et al 2011a:34). More specifically, following such a policy, it is possible for the state to 1. absorb willing and able labour; 2. provide much needed income support to the most vulnerable groups; and 3. stimulate effective demand from feedback loops. The evidence to date comes largely from simulation models, but the new Syriza led government in Greece intends to implement this policy as part of the New Deal for Greece - see Box 4.1

3.4.1. A gender sensitive macroeconomic scenario for better social and economic outcomes

Under the new government, Greece intends to create some 300,000 jobs for the unemployed under a direct public employment scheme.

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9. It should be noted that the newly appointed Deputy Minister of Labour and Social Solidarity of Greece is Rania Antonopoulos, formerly a Director of UNIFEM and academic scholar at the Levy Institute. She has advocated such a scheme in her academic work for the Levy Institute.
Box 1 Expanding Employment: The Jobs Guarantee Programme

A practical illustration – the case of Greece.

The Syriza-led government in Greece is planning to introduce a New Greek Deal – similar to the policies of Franklin D Roosevelt in response to the depression of the 1930s. One aspect of this is a Jobs Guarantee Programme.

“The Job Guarantee (JG) program would offer the unemployed jobs, at a minimum wage, on work projects providing public goods and services. This policy would have substantial positive economic impacts in terms of output and employment, and when newly accrued tax revenue is taken into account, which substantially reduces the net cost of the program, it makes for a comparatively modest fiscal stimulus. At a net cost of roughly 1 percent to 1.2 percent of GDP (depending on the wage level offered), a midrange JG program featuring the direct creation of 300,000 jobs has the potential to reduce the unemployed population by a third or more, once indirect employment effects are taken into account. And our research indicates that the policy would do all this while reducing Greece’s debt-to-GDP ratio—which leaves little room for excuses.”

Source: Antonopoulos (2014 et.al.).

No reference here is given to the gender dynamics but such a policy could be gendered. Elsewhere, Rania Antonopoulos and Kijong Kim (2011b) show, on the basis of an input-output analysis and micro stimulation, that investment in social care generates more jobs – over twice as many - as the same amount of investment in construction; and these jobs are likely to be more stable over the long term. In addition, Antonopoulos finds that they contribute towards pro-poor growth and gender equality and respond to a clear and expanding social need. On the basis of simulation models such policies are predicted to lead to higher levels of economic growth and to reductions in the deficit and debt than do current policies. Effectively, these schemes are predicted to pay for themselves.

Such findings are supported by the work of Hannah Bargawi and Giovanna Cozzi (2014) - using the Cambridge-Alphametrics Model (CAM). Simulations from this model show that a gender-sensitive macroeconomic scenario based on an expansion of government investment and expenditure and targeted at female employment would produce better outcomes in terms of EU economic and social objectives than the ‘business-as-usual’ approach of pursuing austerity. More specifically, they find that this would result in higher levels of employment, greater reductions in the employment differential between men and women, higher levels of economic growth and a greater reduction in debt. By expanding the level of employment especially among women, by providing care they would increase the opportunities for other women to work and provide services these policies are likely to reduce poverty and social exclusion overall but especially among women.
4. FINAL CONCLUSIONS

Since the economic crisis of 2008, poverty has increased in the European Union and while the scale of the increase among men has been larger than that among women, the number and proportion of women living at risk of poverty and social exclusion is higher for women than men.

The extent of poverty varies widely between countries for the overall poverty rate, for specific forms of poverty and for different sub-groups of the population. These differences make it difficult to assess the impact of the crisis on the EU as a whole or make specific recommendations.

The management of the macro-economy influences social outcomes and given the social division of labour between women and men these outcomes are gendered.

To ensure that the economy works for people, rather than vice versa, social objectives need to be included as a target for economic policy alongside the nominal economic variables such as debt and deficit specified in the SGP.

To ensure that the economy works for women as well as men, gender mainstreaming needs to be applied to all EU policies including the SGP.

Often, an implicit assumption in political debates is observed that the economy and economic policies are wealth-creating or productive while social policies are costly and concerned with redistributing rather than creating wealth, and should therefore be set aside while policy focuses on the urgent task of dealing with the crisis and restoring growth. The idea that economic growth can be redistributive or that social policy can be economically productive are consequently overlooked (Perrons and Plomien 2013) - and yet austerity policies lead to low growth and impact negatively on women who are placed in triple jeopardy of being more likely to experience cuts in public services, losing employment as public sector jobs are cut and loosing income as benefits are cut.

Given the depth of poverty experienced by low income people - women and young people in particular - specific measures need to be introduced alongside the gender mainstreaming of macroeconomic policies to ease their situation.

By gender mainstreaming macroeconomic policies and taking specific actions to assist those in greatest poverty, especially in relation to employment and child care, it is more likely that the European Union will move towards the objectives of EU 2020 for smart sustainable and inclusive growth.
REFERENCES

Main causes of female poverty - Compilation of in-depth analyses


## ANNEX 1

### Table 2: In work poverty in the European Union 2013

<table>
<thead>
<tr>
<th>GEO Type</th>
<th>W 18-64</th>
<th>M 18-64</th>
<th>W 18-24</th>
<th>M 18-24</th>
<th>Self Employed</th>
<th>Workers on temporary contracts</th>
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<td>5,5</td>
<td>11</td>
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</table>

Source: Eurostat (2015) (SILC) [ilc_iw01-iw05]. Note: The figures highlighted in red indicate that there has been an increase of more than 4% since 2009 in the age-related data and since 2008 in relation to the temporary or permanent status.
ANNEX 2

Figure 7: Bringing gender to the negotiation of fiscal space

Source: Modified from UNDP 2007

NB There are few technical constraints on the size and shape of the fiscal space but rather the space could be pulled in different directions depending on political decisions that ideally would be in the social interest which includes gender equality. For example with respect to domestic revenue mobilization a gender audit is likely to show that women, as lower earners are more likely to benefit from reducing indirect taxes while men are more likely to benefit from lowering the tax thresholds.
THE POSITIVE IMPACT OF A GENDER SENSITIVE APPROACH TO THE FIGHT AGAINST POVERTY

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Abstract

Upon request by the FEMM Committee, this in-depth analysis focuses on European policies and activities to lift women out of poverty and on the role of the European Social Fund in the fight against female poverty. Moreover, the in-depth analysis intends to present the need of developing a holistic methodological approach to face gendered poverty, instead of tackling poverty exclusively via active labour market policies. Finally, this analysis provides proposals on how Member States could integrate a gender equality dimension into the measures addressing poverty and social exclusion.

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LIST OF ABBREVIATIONS

CoE Council of Europe

EC European Commission

EIGE European Institute for Gender Equality

EP European Parliament

ESF European Social Fund

EU European Union

EU MS European Union Member States

FEMM European Parliament Committee Women's Rights and Gender Equality

GM Gender Mainstreaming

MMF Mid-term Financial Framework

MS Member State

OMC Open Method of Coordination

SIP Social Investment Package

TEU Treaty on the European Union

TFEU Treaty on the Functioning of the European Union
EXECUTIVE SUMMARY

Aim and contents of the study

The aim of the present In-depth Analysis on "The positive impact of a gender sensitive approach to the fight against poverty" is to contribute to the European's Parliament's FEMM Committee Workshop on the "Main Causes of Female Poverty".

To this end, the study:

- presents and discusses EU activities and policies that aim to lift women out of poverty, by emphasizing the Europe 2020 Strategy and the flagship initiative "European Platform against Poverty and Social Exclusion", as well as in the role of the European Social Fund in the fight against poverty;
- argues on the need to design and develop policies to tackle gendered poverty in a multifaceted and holistic approach, by taking into consideration the current economic crisis and the emergence of new vulnerable groups facing poverty risks;
- focuses on the importance to address poverty as a structural problem and not as an individual characteristic, in order to support women (more probably) to avoid falling in the "poverty trap";
- provides practical and specific recommendations and proposals on how Member States could improve their activities against poverty and integrate a gender equality dimension into the measures preventing poverty and lifting men and women out of poverty.

By way of conclusion, the In-depth Analysis states that policies aimed against poverty in the EU tend to neglect how poverty affects differently men and women and as a result are more likely to fail to get both out of poverty. Consequently, it promotes a holistic approach to public policy making which should further investigate the connection between equal access to the labour market and social inclusion with a focus on gender differences.
INTRODUCTION

Recent policy developments on the European level have recognised that women are more likely to be living at risk of poverty and social exclusion. The phenomenon of “feminisation of poverty” that has been defined by European policy documents, indicates that women are the most vulnerable group of the population in exposure to poverty in a life-cycle perspective, they have a higher incidence of poverty than men and that their poverty is more severe than that of men. The risk of poverty is especially increased for certain groups of women in the EU, such as single mothers, young women (16-24 years) and older women (65 year and over), but also women members of certain other disadvantaged groups, such as immigrants, ethnic minorities and the disabled, as well as the long-term unemployed and inactive, or those living in rural areas, may also face more difficulties than men. The risk of poverty for households led by women is one third higher than that for other households and single mothers are in the same situation as large families, if not worse in many cases. In general, women’s contribution to the development of the family, society, and the economy is regularly underestimated and underpaid.

In this context, the European Institutions design policies to promote strategies and measures in Member States that address the needs of women in poverty, ensure women’s equal access to economic resources and credit, and tackle gender inequalities in the exposure to poverty and social exclusion. According to the Resolution of the Council of Europe on the “Feminisation of poverty” (2007), poverty can be described as “the impossibility of meeting a person’s minimum biological, social, spiritual and cultural requirements” and its’ eradication is directly linked to human’s rights and dignity protection. This multi-dimensional phenomenon analysed under a gender perspective is connected to the vertical gender segregation of the labour market, the gender pay gap, inequalities of women’s and men’s access to and disposal of resources, women’s limited power and access to decision making centres, and to the limited participation of women in the democratic process that restricts their access to civil rights.

The European commitment to fight poverty and social exclusion has been expressed by giving priority to economic growth, job creation and labour market policies targeting at the explicit quantitative objective “to lift at least 20 million people out of the risk of poverty and social exclusion” by 2020. However, the analysis of poverty in exclusive terms of labour market policies limits its understanding only as a consequence of existing inequalities between women and men in the labour market. Most EU strategies and policies fail in incorporating the structural dimension of poverty and gender that produces multiplier effects and limits effectiveness of policies and measures. In fact, social cohesion is a policy objective that cannot be reached only through increasing employment rates. Poverty depends on the organization and interlinks between all sectors of the society: the labour market, the family, social security systems, the political life, functioning of democratic institutions etc. The structural dimension of poverty is closely related with its’ gender dimension that goes beyond the statement that women are potentially a vulnerable group of citizens. As the analysis will show, gender differences in society and poverty are interconnected. They grow together and are mutually reinforced in periods of economic crisis. In this sense, feminization of poverty is not only a quantitative trend but it is also a

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2 In 2007, the Parliamentary Assembly of the Council of Europe adopted the Resolution entitled: "Feminisation of poverty" in which the term "feminisation of poverty" is defined: "means that women have a higher incidence of poverty than men, that their poverty is more severe than that of men and that poverty among women is on the increase".
qualitative dimension and it is necessary to be addressed by a gender sensitive approach. In this context, policies need to tackle gendered poverty in a multifaceted and holistic approach and Member States should be encouraged to analyse the gender impact of their social protection systems in order to ensure that they are not discriminatory and that they are well-adapted to the needs and aspirations of all citizens, women and men.
1. EUROPEAN POLICIES ON GENDER AND POVERTY

KEY FINDINGS

- The European Union has developed policies addressing the combat of female poverty and social exclusion. The Europe 2020 Strategy correlates the reduction of women’s poverty to the objective of inclusive growth and – in spite of the fact that does not contain an explicit gender equality pillar - includes in its’ flagship initiatives the European Platform against Poverty and Social Exclusion aiming to ensure social inclusion and economic cohesion.

- The European Social Fund reflects the priorities of the Europe 2020 Strategy, contributes to the promotion of equality between women and men and supports targeted actions with the aim of increasing the sustainable participation and progress of women in employment, thus combating the feminisation of poverty, reducing gender-based segregation, combating gender stereotypes in the labour market etc. However the evaluation of the ESF for the period 2007-2013 reveals that the actions on supporting the inclusion of women at poverty risk are far from being at the top of the Members’ States policy agendas.

- The Gender Mainstreaming Community of Practice (GenderCop) developed actions and actively supported managing authorities within the ESF for the period 2007-2013 in order to ensure that a gender dimension is being incorporated into all stages of the programming, implementation and evaluation process.

- The European Parliament has adopted resolutions that specifically address and refer to women’s poverty and social exclusion in the EU and has emphasized on the effects of the economic crisis on gender equality.

Gender equality is a fundamental right, a common value of the EU, and a necessary condition for the achievement of the EU objectives of growth, employment and social inclusion. European Policies on Gender and Poverty emphasize the need to reduce women’s poverty and to provide their social inclusion. In this context, European policy developments commit the European Union to making a decisive impact on the combat of poverty and social exclusion as a significant factor to promote inclusive growth and social justice.

In practice, on the one hand, gender equality and non-discrimination are considered horizontal principles expected to be mainstreamed in policies against poverty and social exclusion by Member States in the Europe 2020 Strategy. On the other hand, this overarching strategy has been criticised for its lack of an explicit gender equality pillar and in general for its’ weak or reduced interest in gender equality issues, that is mainly reflected only via its flagship initiatives.

The target of the Europe 2020 Strategy for overcoming social exclusion is to “lift 20 million people out of poverty and social exclusion”. It connects the reduction of women’s poverty to the objective of inclusive growth. Elderly women and women heads of single parent families are understood to be included among vulnerable groups with a higher poverty risk. Increasing employment is implicitly recognised by the Strategy as an

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important tool for combating female poverty. The Europe 2020 target for **inclusive growth** includes an employment rate of 75% for all (from about 63% of women’s current one) and is expected to be achieved by getting more women into the labour market.

Moreover, the **European Platform against Poverty and Social Exclusion**, which was launched in 2010 and will remain active until 2020, is one out of the seven flagship initiatives of the EU 2020 Strategy and consists of a tool aiming to ensure economic, social, and territorial cohesion by helping the poor and socially excluded and enabling them to play an active part in society. The European Commission Communication on the Platform explicitly notes that “the gender divide is clearly visible and women are generally more at risk than men”. In other words, the Platform is designed to help EU countries to reach the Strategy’s headline target of lifting 20 million people out of poverty and social exclusion. It aims to **protect and promote women’s social inclusion**; to ensure economic, social and territorial cohesion; to guarantee respect for the fundamental rights of people experiencing poverty and social exclusion; to enable them to live in dignity and take an active part in society; and to mobilise support to help people to integrate in the communities where they live, get training, find a job and have access to social benefits. The European Platform against Poverty and Social Exclusion includes five areas of action that provide key initiatives to promote equal economic independence and to monitor the transposition of Directives on leave entitlements. The **Annual Conventions** of the European Platform against Poverty and Social Exclusion provide a valuable opportunity for dialogue between policy makers, key stakeholders and people who have experienced poverty. The (last) Fourth Annual Convention of the European Platform Against Poverty and Social Exclusion, in November 2014, focused on **social innovation** and how new creative ideas can contribute to address social needs and to improve people’s lives, and examined different aspects of poverty and priority areas for action, such as homelessness and child poverty, as well as issues of gender, discrimination, accessibility and participation.

EU 2020 priorities are being reflected also in other relevant EU policy documents, which have a strong focus on combating poverty. In 2010, the European Union, taking into account the great risk of women’s social exclusion, adopted the **Integrated Guidelines of the EU 2020**. In particular, Guideline 7 “Increasing labour market participation and reducing structural unemployment” mentions that: “MS should increase labour force participation through policies to promote active ageing, gender equality and equal pay and labour market integration of young people, disabled, legal migrants and other vulnerable groups. Work-life balance policies with the provision of affordable care and innovation in work organisation should be geared to raising employment rates, particularly among youth, older workers and women, in particular to retain highly skilled women in scientific and technical fields.” Moreover, in Guideline 10 “Promoting social inclusion and combating

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4 For economic, social and territorial cohesion see Article 174 of the TFEU. For the Structural Funds regulations please see http://ec.europa.eu/regional_policy/index.cfm/en/information/legislation/regulations/.

5 (a) Delivering actions across the whole policy spectrum such as the labour market, minimum income support, healthcare, education, housing and access to basic banking accounts; (b) Better use of EU funds to support social inclusion. The Commission has proposed that 20% of the European Social Fund (ESF) be earmarked for fighting poverty and social exclusion; (c) Promoting robust evidence of what does and does not work in social policy innovations before implementing them more widely; (d) Working in partnership with civil society to support more effectively the implementation of social policy reforms. The participation of people experiencing poverty is now acknowledged as a catalyst for inclusion strategies; (e) Enhanced policy coordination among EU countries has been established through the use of the open method of coordination for social protection and social inclusion (Social OMC) and the Social Protection Committee in particular.


7 “Promoting social inclusion and combating poverty Member States’ efforts to reduce poverty should be aimed at promoting full participation in society and economy and extending employment opportunities, making full use of
poverty”, MS are encouraged to develop actions and adopt measures in order to support gender equality, to protect women from poverty and social exclusion and to ensure income security, especially for single-parent families and/or older women.

The Strategy for equality between women and men 2010-2015\(^8\) recognizes that “the ways in which women and men experience poverty and social exclusion are still quite different” and includes “economic independence of women” as the first of the its six top priorities”. Gender gaps in terms of poverty and social exclusion are highlighted as follows: “Women face a higher poverty risk, particularly lone parents and the elderly, when the pay gap becomes a 'pension gap'. Barriers to employment are also reflected in higher inactivity rates and higher long-term unemployment rates. In addition, amongst disadvantaged groups (i.e. migrant workers, disabled, elderly) gender gaps tend to be much wider and cause many problems for women. Active ageing policies and specific measures in the pension sector are needed to ensure that women have adequate means when they retire\(^9\).

The Report\(^10\) of the European Parliament's FEMM Committee on the Evaluation of the Strategy for equality between women and men 2010-2015 notes that the EU does not have "competence per se to legislate in matters relating to social wellbeing other than through employment related issues and most social policies remain within the competence of MS". However, FEMM’s Report also presents policy proposals to relieving the risk of poverty across the EU by the European institutions’ initiatives and refers to the Treaty on the Functioning of the European Union (TFEU) and the Treaty on the European Union (TEU) that emphasize on the need of a horizontal social clause (Article 9 of the TFEU) and call for combating social exclusion and for the promotion of social justice and protection (Article 3 of TEU).

Furthermore, the Commission has committed itself to strengthen Gender Mainstreaming (GM) in the Open Method of Coordination (OMC) for Social Protection and Social Inclusion, to address issues of poverty and social inclusion, such as pensions, which are of great concern for women, and to provide a manual to actors involved in the process.

In 2008, the "Manual for Gender Mainstreaming Social Inclusion and Social Protection Policies\(^11\) was published by the European Commission (EC), following the indicators of “Women and Poverty” adopted in 2007 by the Portuguese Presidency. The manual recognizes that: "notable is women’s greater exposure to poverty, especially of

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\(^9\) Manual for Gender Mainstreaming, Social Inclusion and Social Protection Policies


Main causes of female poverty - Compilation of in-depth analyses

those in their retirement, as well as of single mothers and women members of certain disadvantaged groups such as ethnic minorities and immigrants” and aims to provide MS practical guidance in preparing their National Reports on Strategies for Social Protection and Social Inclusion and to facilitate their wide dissemination.

1.1. The European Social Fund

1.1.1. Provisions of the legislation

The new EU regulations for the Structural Funds under the Mid-term Financial Framework 2014-2020 (MFF 2014-2020) are designed to reflect the priorities of the Europe 2020 Strategy. In fact, the European Structural Funds are important instruments in the implementation of European strategies aiming at reaching the above mentioned goals and objectives, which, as already presented, have a strong focus on tackling poverty and social exclusion.

The European Social Fund (ESF) is one of the EU’s Structural Funds, set up to reduce differences in prosperity and living standards across EU Member States and regions, and therefore promoting economic and social cohesion. It is stated that at least 20% of all ESF funding should be earmarked for reaching the target for the reduction of poverty for Europe in 2020. Over the previous MFF period 2007-2013, some €75 billion were distributed to the EU Member States and regions on employment-enhancing projects. Today ESF accounts for about 10% of the EU budget.

In accordance with the above mentioned policy documents, the Common Provision Regulation for the Structural Funds 2014-2020\(^\text{12}\) states in Article 7 on “Promotion of equality between men and women and non-discrimination”: “The Member States and the Commission shall ensure that equality between men and women and the integration of a gender perspective are taken into account and promoted throughout the preparation and implementation of programmes, including in relation to monitoring, reporting and evaluation. The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes”.

In other words, through the ESF, the Member States and the Commission should ensure that the implementation of the priorities financed by the ESF contributes to the promotion of equality between women and men, non-discrimination and equal opportunities in accordance with Article 8 TFEU and shall also support specific targeted actions within any of the investment priorities, with the aim of increasing the sustainable participation and progress of women in employment, thus combating the feminisation of poverty, reducing gender-based segregation, combating gender stereotypes in the labour market and in education and training, and promoting the reconciliation of work and personal life for all as well as the equal sharing of care responsibilities between men and women. The ESF guidelines require MS to promote women’s employment and thus to help achieve Europe 2020 targets.

1.1.2. Evaluation of the European Social Fund’s Support to Gender Equality

The Synthesis Report[^13] on the **Evaluation of the European Social Fund’s Support to Gender Equality** provides an overall assessment of the ESF’s (2007-2013) support to gender-equality policy by drawing an overall picture of the gender sensitivity of ESF programmes. Especially on actions on enhancing women’s access in employment the Report concludes *"that the inclusion of women at risk in the access to employment measures financed by the ESF is far from being at the top of the agenda and policy debates in the Member States".*

It further states that, in some cases, the formulation of the generalist target of the former Lisbon Strategy on growth and employment which aimed at the creation of more and better jobs in order to increase high quality human capital, turns out to be detrimental to more vulnerable groups and prompts Member States to speed down *“in their policy debates about the importance of continuing to make efforts to reach higher equality goals”*. The evaluation of ESF’s support to women at risk of poverty reveals a **continued resistance to acknowledge the fact that poverty is a highly feminised phenomenon**, and that *“there are differences between the various groups of socially excluded people that need to be analysed and approached from a gender perspective if more efficiency and effectiveness is expected from shrinking public funds”*. Moreover, the Report presents that some countries that include in their policy priorities beneficiaries of vulnerable groups which are highly feminised, fail to or do not integrate a gender aspect in the relevant implemented projects.

Furthermore, the report claims that, although all MS have specific priorities and objectives on increasing female employment and access in labour market, most of them choose to accomplish these targets only by emphasizing on provision of training and teaching job search skills and not by developing a GM approach. Consequently, gender mainstreaming continues to be an **elusive aim** that only very few countries have taken seriously and are applying in practice in the case of ESF activities.

1.1.3. Gender Mainstreaming Community of Practice (GenderCop)

During 2010-2014, the ESF **Gender Mainstreaming Community of Practice (GenderCop)** developed actions and material, and actively supported managing authorities and intermediary bodies within the European Social Fund in order to apply a Gender Mainstreaming strategy in the implementation of the ESF priority axes. This learning Network was set up by the EC taking into consideration ESF regulations according to which a gender dimension should be integrated into every step of the fund's implementation at all levels and should be incorporated into all stages of the programming, implementation and evaluation process. In this context, GenderCoP supported the implementation of a GM strategy within the ESF and helped in overcoming the lack of European coherence in the way that the GM obligation of the ESF is being implemented by the MS and in monitoring the quality of GM implementation in all countries. One out of the three working groups that were set-up by Gender-Cop was on the thematic area of Poverty and Inclusion. Main tasks of this **Gender-Cop working group on Poverty and Inclusion** were to plan relevant activities, investigate how to involve ESF managers in these activities, and collect good practices from MS in this thematic field. Gender-Cop's
contributions have been significant in ensuring better quality in the work on GM within the ESF, in its’ prioritization in all phases of ESF management and its sustainability within the ESF Managing Authorities.

Moreover, in 2013, the European Commission, in an effort to provide MS with guidance on how best to use EU financial support, notably from the ESF, to implement the outlined objectives and on how to enhance their social policy in order to help them to address poverty and social exclusion in a better way, adopted the Social Investment Package (SIP). The Package presents the importance of measures to increase women’s participation in the labour market and highlights several available tools to support European countries in tackling social challenges. In particular, SIP is an integrated policy framework that takes account of the social, economic and budgetary differences between Member States and aims to ensure social’s protection systems’ response to people's needs, to promote the design of simplified and better targeted social policies and to upgrade active inclusion strategies in the Member States.

1.2 The European Parliament

The European Parliament adopted in 2005 a non-legislative Resolution on women and poverty in the European Union. For a long time, this Resolution was the first and only political resolution that specifically addressed and referred to women’s poverty and social exclusion in the EU. More recently, the EP has amplified worries about increased poverty of women in the context of the on-going economic and social crisis. In particular in 2013, in its non-binding Resolution on the impact of the economic crisis on gender equality and women’s rights, it argues that the position of women in the EU have been affected by the economic crisis in specific ways that impact more on their every-day lives. The Resolution refers to “a silent crisis”, faced by women, that takes place in the EU, which worsens and weakens their condition and is linked to the crisis of welfare, education, care and social provisions. The Resolution specifically identifies as a cause for this “silent crisis” the austerity measures and budget and government spending cuts, and urges the European Commission and the Member States to take initiatives to boost job training, re-skilling, teleworking and female entrepreneurship as well as to fight against gender stereotypes in the workplace and encourage women to enter professions, in which they are under-represented. The direct reference to national government’s choices and strategies with regards to public spending and welfare priorities is a significant step towards a more concrete approach to GM in policies against poverty.

The 2013 Resolution was based on the 2011 Report on the face of female poverty in the European Union in which the European Parliament recognized that “the feminisation of poverty” means that women had a higher incidence of poverty than men, that their poverty was more severe than that of men, and that poverty among women was increasing.
Moreover, in the above mentioned Report it was noted that preventing and reducing women’s poverty is an important component of the fundamental principle of social solidarity.

The Report presents in details several aspects of women’s poverty and – among others –:

"[..] 4. Stresses that gender inequality hinders poverty reduction and endangers the prospects of economic and human development;

5. Calls on the Member States to mainstream the concept of gender equality in all employment policies and special measures so as to improve access to employment, avoid over-representation of women in precarious employment, increase sustainable participation and promote the progress of women in the employment sector, as well as to reduce gender segregation in the labour market by tackling the direct and indirect causes;

6. Indicates that female poverty is not only the result of the recent economic crisis but the consequence of various factors including stereotypes, existing gender pay gaps, barriers caused by the lack of reconciliation between family and work life, the longer life expectancy of women and, in general, the various types of gender discrimination, victimising mostly women; [...]"

9. Suggests that it is necessary to maintain, at both European and national level, a firm commitment to making further progress towards gender equality, by means of strategies furthering the Commission’s guidelines on parity between women and men, the European Pact for Gender Equality adopted by the Council of Europe, and the framework of action on gender equality concluded by the European social partners;

10. Stresses that gender equality is one of the prerequisites for sustainable growth, employment, competitiveness and social cohesion; [...]"

Despite the strong commitment of EU official policy documents like the ones mentioned above, gender equality is not properly integrated in the national policies that are supposed to follow the EU guidelines and policy priorities. One of the reasons for this mismatching between EU objectives and effective national policies is correlated to the fact that gender analysis of poverty is not adequate to grasp the whole range of gendered dimensions of poverty. Understanding of poverty as a multifaceted social problem and not only as a problem of low employment rate, will certainly improve policy responses.
2. GENDER AND POVERTY IN ECONOMIC CRISIS

KEY FINDINGS

- Gender dimensions of poverty are usually conceived as a direct result of gender gaps in the labour market and women are understood only as a vulnerable group. Most analyses face difficulties in incorporating a more structural aspect of poverty and gender that is connected with a larger scope of economic and social cohesion.

- Gendered society and poverty are interconnected phenomena, they grow together and they are mutually reinforced in the periods of economic crisis. Multiplier effects of the structural aspects of gender and poverty can be demonstrated in the dynamic movement of two vicious circles: the generational effect (transmission to younger generations) and socio-political effect (between sectors and across society).

- Gendered impact of the economic crisis is closely connected to public sectors cuts, difficulties for work life balance, increase of precarious employment and the deregulation of employment relations. However, the multifaceted character of poverty of women suggests that policies should aim at tackling the broader sectors of economic and social life than the labour market: the family, social security systems, the political life, democratic institutions, etc.

2.1 Gendered Dimension of Poverty. A better understanding

EU analysis of gender and poverty perceives gendered dimensions of poverty as a direct result of existing inequalities between women and men in the labour market. Most EU strategies and policies face difficulties in incorporating the structural aspects of poverty and gender that produce multiplier effects and limit the effectiveness of policies and measures. In fact, social cohesion cannot be reached only through increasing employment rates. The structural character of poverty suggests that policies should aim at tackling the organization and interlinks between all sectors of the society: the labour market, the family, social security systems, the political life, democratic institutions, etc. The structural dimension of poverty is closely related with its gender dimension that goes beyond the statement that women are potentially a vulnerable group of citizens. Gendered society and poverty are interconnected phenomena, they grow together and they are mutually reinforced in the periods of economic crisis. In this sense female poverty has both quantitative and qualitative aspects.

Measurable consequences of the recent economic crisis include changes in employment rates, pay gaps, and income. Progress in reducing gender gaps in the labour market was drastically interrupted by the economic crisis. During the first period of the crisis, male dominated sectors were the first to be hit resulting in the reduction of gender gaps but for the wrong reason. In the second period of the recession and the economic crisis, women’s employment became more precarious, temporary and less paid. Women moved from the public sector to the private sector in which they were more exposed to the deregulation of working conditions. The impact of economic crisis in qualitative terms reveals the importance of the multiplication of the effects of poverty on women due to the close links between several sectors of the society.
This multiplication effect can be demonstrated in two vicious circles of gendered poverty: 

The first vicious circle is the generational one. Poverty is transmitted to the younger generations through socialization, especially by poor mothers. It can therefore be concluded that risks of poverty for women and men have a different impact on future generations.

The second vicious circle is the socio-political effect. Women and their paid and unpaid work are situated at the heart of labour market and family policies. Women's, risk of poverty has a multiplier effect across different parts of society. Through negative incentives like gender blind social security or tax provisions, or the crisis, women’s participation in the labour market is lower and consolidates or even increases their domestic and caring responsibilities. Women with caring tasks, in turn, become more vulnerable for temporary and precarious jobs as they need to combine work and care. Political life may be also affected by this vicious circle of poverty. Poverty creates a fertile ground for the emergence of racist, sexist and homophobic discourse and leads to gender based violence. In countries more hit by the economic crisis, poverty has a very negative impact on human rights and democratic procedures. Extreme ideologies maybe downplayed at the times of economic growth and of a flourishing social welfare state but at the times of increasing poverty may find a space for expanding. It has been observed that in societies that have experienced severe unemployment and recession, like Greece, the rising electoral influence of the extreme right has also affected mainstream political parties and politicians, who have also adopted such discourses.

It can be concluded that understanding the gendered dimension of poverty as set out in the analysis above will improve policy effectiveness of anti-poverty policies and demonstrate the benefits of addressing not only individuals but also the organization of the whole society.

2.2 Women in poverty in the recent economic crisis

During the past decade, the European Union has undergone a deep financial crisis that had a significant impact on gender equality. However the impact of the crisis differs significantly from Member State to Member State. Taking into account the differences between Member States, relevant studies have identified general trends with regard to gender and employment. As the report of the European Network of Experts on Gender Equality (ENEGE) has argued, the gender gaps in employment, unemployment and pay have been reduced, at least during the initial stages of the economic crisis. This was mainly because the recession hit first and foremost male dominated sectors, such as the construction industry, and reflected the downgrade of male work and pay rather than an improvement in the employment conditions of women. In fact, these reductions of the gender gaps in employment may manifest biases, such as the lack of effective indicators to measure the spread of precarious, part-time, and occasional employment, which are dominant amongst female workers, as well as the impact of the austerity measures that governments have adopted against the recession and sovereign debt on gender equality. If one takes into...

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account how austerity measures, in particular public sector cuts, may impact on women, new gender issues and problems arise\textsuperscript{20}.

- **Public sector cuts** are likely to have a deep impact on female employment since the proportion of women in the public sector is very high across Europe. This may affect in particular Member States which experience more severe problems with sovereign debt, recession and unemployment, and are undergoing programs of structural adjustment, which prioritize the reduction of public servants through early retirement schemes, reduction of new positions, temporary suspension and dismissals of public sector employees.

- Public sector cuts also tend to affect the **work life balance** in particular in specific MS, where they result in the reduction of available childcare, the increase in parents’ contributions to childcare, the reduction of available services in childcare i.e. all day schools, but also the abolishment of child, motherhood and parenthood benefits. These are likely to influence mostly vulnerable groups, such as single parent families with children.

- There is evidence to suggest that at least in certain Member States, the **deregulation of employment relations** in the private sector leads to violations of gender equality provisions of employment laws and to direct and indirect discrimination against women. For example, the Gender Equality Section of the Greek Ombudsman has reported a rise in violations of women’s rights, such as paid maternity leave, prohibition of dismissals during pregnancy or maternity leave, etc.\textsuperscript{21}

- The economic recession and the austerity measures have contributed to the spread of already **precarious employment** of women.\textsuperscript{22} Women in Europe tend to be over-represented in part-time, temporary, occasional, underpaid and undervalued jobs. During the economic crisis, precarious forms of employment have spread to new sectors, including male dominated ones. These processes have been supported by government policies promoting the deregulation of the labour market and undermining previous labour rights policies and labour negotiations. Since these forms of employment are often undeclared, uninsured and insecure they cannot be measured accurately by existing indicators.

The impact on gender relations of the policy priorities and agendas that have been introduced at the European and national level as a response to the economic crisis should also be addressed and analysed. Firstly, it can be observed that at the European level and in Member States where the impact of the crisis is less intense, commitment to GM and gender equality remains strong, is still widely respected as a principle in policy making, and still figures prominently in the policy agenda. At the national level, however, in Member States hit more by the economic crisis, gender issues are nowadays considered to be secondary compared to issues seemingly linked to the immediate economic survival and structural adjustment.

In other words, in the “state of exception”\textsuperscript{23} that has been declared in Member States like Greece, Portugal, Ireland or Spain, previous developments on gender equality have been ignored or marginalized. Broadly speaking, gender equality and women’s rights tend to be continuously undermined because they are considered as being secondary to the more


“pressing” financial concerns. As a result, gender equality and GM tend to be considered as “luxuries”.24

Second, the impact of the crisis on gender relations is often viewed and analysed in a very static manner. For example, a lot of the academic literature on the Greek case has shown that at least at the early stages of research the economic recession led to a reduction of gender gaps, although both male and female employment and unemployment indicators took a downwards trend. This trend was documented in several studies, which used these findings to propose gender neutral social policies such as minimum income or a guaranteed social protection of the poor.25.

As explained above, the impact of the economic crisis on gender equality may prove to be more far-reaching than initially anticipated and expected. This is mainly because the reduction of gender gaps has legitimized the adoption of seemingly gender neutral austerity policies. During the next stages of the economic crisis, austerity measures lacking a gender perspective may prove to have a very negative impact especially on vulnerable groups of women like single mothers or migrant women.26. These issues are highlighted in the reports of NGOs, labour unions and women’s groups that tend to bring to the forefront problems emerging because of the austerity measures that cannot be taken from official statistics.27.

24 An example may be found in the abolition of the Ministry of Gender in Spain after the beginning of the recession and the recent drastic reduction of the Organizational Chart of the Greek governmental body for gender equality.
26 European Women's Lobby (2012), The price of austerity – the impact on women’s rights and gender equality in Europe, Brussels: European Women's Lobby.
3. THE POSITIVE IMPACT OF A HOLISTIC APPROACH TO GENDERED POVERTY

**KEY FINDINGS**

- The substantive elimination of gender gaps through appropriate policy design remains a key challenge. Policies need to tackle gendered poverty in a multifaceted and holistic approach in synergy with the promotion of women’s greater labour market participation.

- The dual approach with a consequent application of GM in parallel with specific actions is essential. This means in the context of the EU2020 Strategy to integrate gender equality objectives in all policies aiming at reducing poverty and social exclusion. Aiming at gender equality should be conceived as a priority in all national action plans.

- New opportunities offered by EU funding through the ESF are important. They suggest more precise priorities and targets than in previous periods. All policy design and implementation tools developed by the Gender CoP for national ESF planning can contribute to economic and social cohesion by promoting effective gender equality.

As mentioned in the first part of the in-depth analysis, EU policies for employment and growth have focused on employment as the main source of growth and social cohesion. It is widely known that **sustainable growth** requires the development of an agenda that focuses first and foremost on people; and this can be effectively achieved by integrating a gender perspective. Moreover, gender equality appears to be a **necessary condition** for the achievement of the EU objectives of growth, employment and social inclusion that prevents the waste of human capital. It is true that the European Social Model and the guarantee of a high level of protection of employment and social security have oriented ESF funding to the creation of employment.

**Differences in economic activity and working patterns** between women and men are a significant factor when it comes to the risk of poverty, and employability enhancement seems to be an appropriate way to strengthen economic independence and financial security. Consequently, measures which support gender equality in the labour market need to be reinforced and focused on reducing the risk of poverty faced disproportionately by women.

Policy measures that prevent poverty are particularly needed to support women facing multiple discriminations and forms of **economic and social exclusion**, such as women who are long term unemployed and who are identified as one of the most vulnerable groups. During the current economic crisis, new vulnerable groups facing poverty risks have emerged and policies towards measures - like the minimum income etc - have been developed. However, if EU policies address poverty as an individual characteristic and not as a **structural problem**, women (more probably) will risk falling into the “poverty trap” of either minimum income or low salaries. For women living in under an economic recession,
the double burden of paid and unpaid work is a decisive factor for increasing the risk of poverty.

In this context, policies need to tackle gendered poverty in a multifaceted and holistic approach in synergy with the promotion of women’s greater labour market participation in the context of the European EU2020 Strategy. The elimination of gender gaps through appropriate policy design remains a key challenge. Taking into account gender differences in disadvantaged groups, GM’s further development in the fight against poverty and exclusion is essential. The lack of understanding of gender issues clearly indicates the need to continue the dual approach with a consequent application of GM in parallel with specific actions, and to integrate gender equality as a priority in all national action plans.

To this end, EU policies and especially EU Structural Funds are useful tools for promoting the objective of gender equality. This can be done through relevant European policies and guidance for MS to understand the issue of gender mainstreaming and to support them in including it in a more meaningful and efficient way into their national policies. In addition, European guidelines have to be more specific on how gender should be mainstreamed into all stages of the policy cycle (policy design, debate and implementation) for an examination of women’s different needs and their integration into the different measures taken in the Member States. Moreover, special efforts are needed to support those Member States facing financial debt and rising unemployment rates to recognise the mainstreaming of gender equality in their structural adjustment plans as an appropriate tool for initiating growth. In other words, if MS would mainstream gender equality in a more concrete and direct way in policies and in government budget planning, not only the “silent crisis” would be reversed but new growth perspectives would be opened for the society as a whole with a positive effect for the reduction of poverty.

The experience of ESF implementation for the period 2007-2013 showed that there is a significant gap between vision, planning, implementation and final results regarding gender equality. In particular, the Synthesis Report on the Evaluation of the European Social Fund’s support to Gender Equality (2007-2013) underlines that in many cases, despite the specific comments and suggestions from equality advocates, there is no mechanism that actually insures that men and women equally profit from the outcomes of the implemented Operational Programmes (OP). The theoretical introduction of GM in the planning of OP’s should be made operational in the adopted approaches and their implementation.

In addition, the support of micro and community policies could be useful as they address the living and working conditions in everyday life. A social innovation approach may be helpful for designing new measures and actions. More generally speaking, the support in childcare and other social infrastructure as well as the provision of universal social services may tackle the gender division of labour in paid and unpaid work with a large benefit for poor women. For women with low pensions, support for restructuring social security schemes and pension reforms are necessary to mitigate the effect of disadvantages like the motherhood penalty and discontinued careers, they accumulated during their working life.

In conclusion it could be said that one of the main consequences of the low priority of GM in most EU Member States that experience more severely the impact of the crisis is that the potentially positive impact of a gender sensitive approach to poverty is being undervalued. While certain groups of vulnerable women, i.e. pensioners and single parents may be targeted as vulnerable groups, issues like the gender gap in employment, wages, unemployment as well as precarious work in feminized sectors remain outside policy making decisions, design and implementation. Policies aimed against poverty in the EU tend to neglect how the crisis affects differently men and women and as a result they are more likely to fail to get both out of poverty. Women facing multiple forms of economic and social exclusion call for different policy responses depending on the stage of the life cycle and the multiple dimensions of discrimination and exclusion they experience.

Referring to the perspectives and opportunities offered by EU funding through the ESF (on the basis of its Article 7) the European Community of Practice on Gender Mainstreaming (Gender CoP) argued that: “The CPR Regulation 2014-2020 focuses on gender equality objectives and the dual gender equality approach more than in previous funding periods. But requirements that gender equality be integrated into all steps of planning and programming, as well as into procedures and thematic issues/areas of intervention (and that this needs to be reflected in all chapters and articles of the regulation) are lacking”. It is evident that a dual approach (specific actions in favour of the groups of vulnerable women, as well as effective GM throughout the policy cycle of actions funded by the European Social Fund 2014-2020) represents an important tool for tackling poverty, especially of women.  

31 See also: Esposito, M. (2014), Poverty, social inclusion and gender in the European Social Fund, The European Community of Practice on Gender Mainstreaming (GenderCop), for a comprehensive analysis, data, indicators and resources on this issue.
4. RECOMMENDATIONS

**KEY FINDINGS**

- Developing policies for gender equality and the adoption of a dual approach (gender mainstreaming and specific action in favour of women), if introduced in a broad scope of social and economic sectors (labour market, social security, pension schemes, care for the dependent etc) are necessary to tackle gendered effects of poverty and social exclusion. A holistic approach to gendered poverty suggests multi-faceted policy objectives as well as a wide range of policy making tools, methods and stakeholders.

A holistic approach to public policy making needs to further investigate the connection between equal access to the labour market and social inclusion with a focus on gender differences and should include the following policy developments and actions:

- **Participation of all stakeholders in the social development processes.** This objective includes actions that encourage women’s participation in political and economic decision making, as well as actions that support the mobilization of academic institutions and NGO’s, in order to contribute and improve the effectiveness of anti-poverty policies and targeted measures.

- **Development of a gender-based methodology to monitor, address and combat female poverty.** Production of new qualitative and quantitative statistical indicators that will offer more accurate data - gender and age disaggregated - on poverty and on all forms of precarious employment, especially in sectors where women are overrepresented, across the EU, is necessary in order to investigate all aspects of social exclusion and design new policies. Furthermore, it is important to conduct further research on the gender specific impacts of the economic crisis on female employment rates and on the patterns developed for the reconciliation of professional, family and personal life, in collaboration with national bodies and research organizations. These actions may contribute to a better knowledge of the gendered impact of poverty and facilitate the assessment of economic performance from a gender perspective.

- **Ensuring GM implementation in policies and strategies for employment and social security.** For the development of a holistic methodology to combat poverty and social exclusion it is crucial to take into account the gender dimension and incorporate a gender aspect in the provisions of labour legislation. This could include regulations that strengthen monitoring tools to detect violations of employment rights, support protection, and monitor the implementation of relevant laws, emphasizing on precarious feminized sectors of economic activities, such as paid domestic work and care. In the same context, restructuring of pension schemes is also required so that they counterbalance gender gaps in pensions and encourage universal and income based systems of social security.

- **Integration of the gender perspective in economic and social policies.** It is essential to improve social monitoring and to better assess the performance of social policies on the European level by effectively introducing the gender dimension and
through mainstreaming gender equality in the economic and financial agreements between the European Union and the MS (for example in programmes for structural adjustment).

- **Planning and implementation of targeted gender equality actions and measures to combat poverty.** Member States should develop effective anti-poverty programmes and implement measures to improve employability and to integrate or reintegrate socially marginalized and most disadvantaged groups of women. In that direction these measures need to be specialized and targeted aiming at meeting the needs of the most vulnerable women: lone parents, long-term jobseeker, precarious workers, young unemployed, low pensioners, migrant and ethnic minorities etc.
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Main causes of female poverty - Compilation of in-depth analyses


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