

Next Generation EU leaves women behind

**Gender Impact Assessment on the
EC proposal for #nextGenerationEU**

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Study commissioned by The Greens/EFA Group in the
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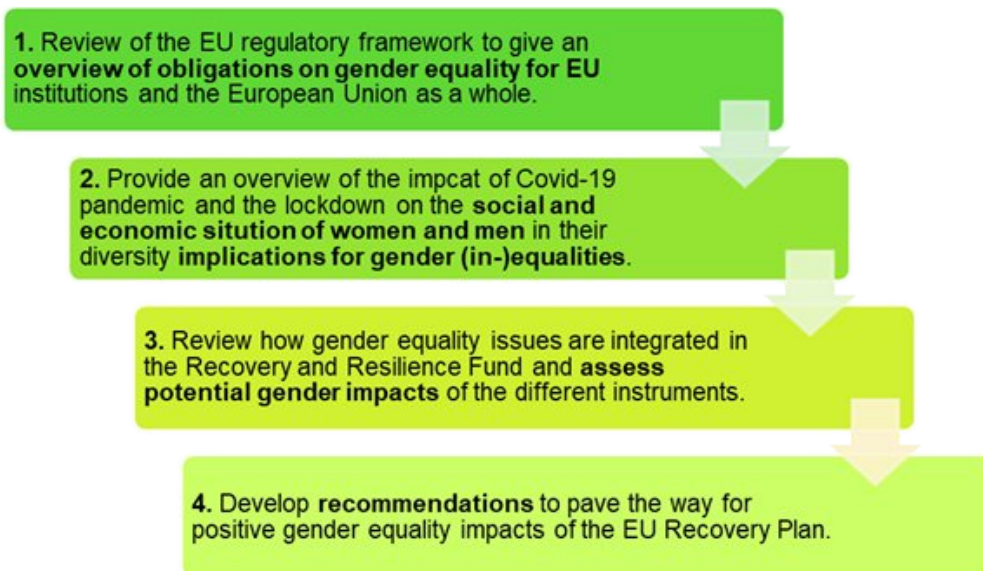
Executive Summary

Aim of the Gender Impact Assessment

This study's aim is to provide an overview of potential gender impacts of the Recovery and Resilience Fund proposals presented by the European Commission in May 2020. To achieve this, a preliminary gender impact assessment of the proposals for the Recovery and Resilience Fund has been carried out. It puts forward recommendations which on one hand seek to avoid any potential negative impacts or gender-specific risks, and on the other hand aim to facilitate positive impacts on gender equality resulting from the EU Recovery Plan.

Methodology

The Gender Impact Assessment (GIA) of the EU Recovery and Resilience Fund (RRF) uses a 4-step approach:



Ten key indicators of high relevance to gender equality were selected as a basis for the Gender Impact Assessment of the Commission proposals, namely:

- employment and related issues;
- infrastructure investments;
- care and unpaid work;
- work-life balance;
- gender-based violence;
- sexual and reproductive rights;

- social situation and protection, especially for the most vulnerable (wherein all of the aforementioned factors are viewed as intersectionally as possible)
- governance issues including gender equality in decision-making;
- overall assessment of “dual approach” (both targeted actions and gender mainstreaming & gender budgeting (GM/GB) in proposals)
- GM/GB obligations in implementation.

However, there are limits to the depth of the study, as the Commission proposals are rather vague and particularly the allocation of large amounts of money within the different instruments is highly indeterminate. Thus, this broad scope of how and on what funds will be spent limits the more specific assessment of impacts.



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“The European economic recovery plan is blind in one eye!

Women are disproportionately hit as a result of the crisis - as workers of sectors with rising unemployment and as main carers for children in times of closed schools. But the European stimulus program focuses mainly on male dominated sectors and forgets women. This study provides the evidence in time to take countermeasures. If we want to create employment where it is needed, we need to put gender equality at the core.”

Alexandra Geese

Key issues of gendered social and economic impacts: Highly asymmetric and gendered effects of the Covid-19 crisis

- The Covid-19 crisis has considerable effects on health, social and economic well-being, especially where women are concerned. First and foremost, women have been leading the health response: women make up the majority of the health care workforce, exposing them to a greater risk of infection.
- Simultaneously, women are also shouldering much of the burden at home due to school and childcare facility closures and longstanding gender inequalities in unpaid work.
- The unpaid care sector has acted as the first main buffer of the Covid-19 economic lockdown. It is the most resilient sector that keeps society going in any crisis, taking care of daily and generational reproduction. Following the lockdown, it has taken on a vast amount of public sector work, such as education, health care, and policy meetings, as well as a great deal of the market economy with a broad range of online home-based production and service delivery.
- Women are also at a greater risk of job and income loss, and face increased risks of violence, exploitation, abuse or harassment during times of crisis and quarantine. Indeed, women are more likely to work in one of the four sectors (accommodation/food services; real estate, business and administrative activities; manufacturing; and the wholesale/retail trade) which the ILO (2020) considers being at high risk in terms of job losses and reduced working hours.
- Changes in unemployment rates do not show the full impacts of the crisis on the labour market; there is strong evidence suggesting that many workers drop-out of the labour market, the majority of whom are women working in care-related sector: e.g. estimated 20% drop-out of women for Italy. In April, job-seeking decreased more among women (-30.6%, equal to -305 thousand units) than men (-17.4%, equal to - 179 thousand) in Italy. The increase in the female inactivity rate was more pronounced in the age groups of 35-49 (+ 10.4%, 278 thousand units) and 25-34-year-olds (+ 8.8%, 172 thousand units), which is the phase of life when women usually have children to take care of. In Germany, according to the Institute of Economic and Social Research (WSI), 27% of mothers reduced the number of working hours to look after their children (compared to 16% of fathers).
- On average, only 45% of women's working time is paid, whereas 67% of men's total working time is remunerated (OECD, 2020). 80% of care in the EU is provided by informal carers, 75% of whom are women, many with migrant backgrounds. Among parents of young children, women are more affected by work-life conflicts resulting from Covid-19 than men. Women with

young children (up to and including 11 years old) have been considerably more impeded from devoting the amount of time they wanted to their paid work than men (24% vs. 13% respectively).

- Even before the crisis, gender-based violence was wide-spread within the EU. According to the data released by EIGE, 33% of women aged 15 or over have experienced physical and/or sexual violence and 55% have experienced sexual harassment. There is a documented rise in domestic abuse during times of crisis and natural disasters. As normal life shuts down, victims – who are more often women – can be exposed to abusers for long periods and are cut off from social and institutional support. For example, France recorded a 32% jump in reported domestic violence in just over a week, with Lithuania registering 20 % more reported domestic violence over a three-week lockdown period, compared to the same period in 2019. In Cyprus, calls to helplines have increased by 30%.



- Women are at greater risk of poverty: 23.3 % of women and 21.6 % of men in the EU remain at risk of poverty or social exclusion (EIGE). Women are potentially more exposed to material hardships due to the Covid-19 crisis, especially if they are single parents.

- Women are under-represented in economic and political leadership positions. The gender imbalance has become far more noticeable during the Covid-19 crisis, especially in bodies convened to deal with the Covid-19 crisis, such as designing economic stimulus and recovery measures.

Photo by Luke Jones on Unsplash

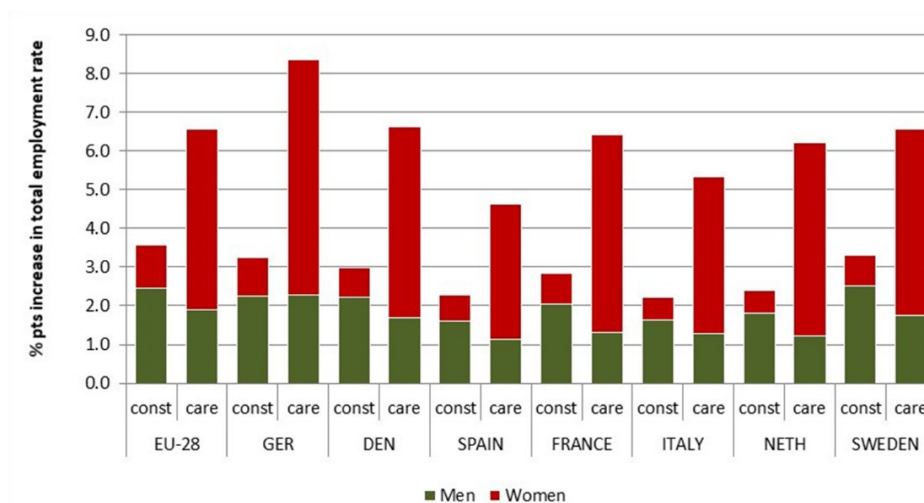
Why gender equality must be at the core of recovery

1. Investing in care infrastructure has greater employment stimulus effects

Investing in care infrastructure is an important and more effective way to recovery and employment creation¹ than investment in physical infrastructure. The employment effects of investing in care are at least two times greater than investing in construction, even when discrepancies in working hours and wages are adjusted for, demonstrating that these greater stimulus effects are not due to poor wages and working conditions in care. Investment in care also yields far more employment for women, whose jobs have been most at risk, and is not substantially less beneficial for men. This is why it is particularly effective in creating employment (and therefore GDP) and make the stimulus package effective.

Figure 1 shows the effects of investing 2% of GDP in either construction or care in terms of increases the total employment rate for women and men, for EU-28 and selected countries. For some countries, such as Germany, the total effect of jobs created for men by investing in care is equal to the number of jobs created by investment in construction, while the amount of jobs created for women is 6 times higher. This would decrease the gender employment gap, whereas investment in construction would increase it by creating very few jobs for women.

Figure 1: Employment effects of investing 2% of GDP on construction or care



Source: Jerome de Henau, Susan Himmelweit (2020).

¹ De Henau, Jerome/Himmelweit, Susan (2020), Stimulating OECD economies post-Covid by investing in care, Open University IKD Working Paper, <http://www.open.ac.uk/ikd/publications/working-papers>

2. Macroeconomic gains of gender equality

- Increasing worldwide evidence of macroeconomic gains from gender equality exists.² The European Institute for Gender Equality (EIGE) calculated that the cost of employment loss associated with women's care responsibilities in the EU equals about EUR 370 billion per year. Investing in an effective comprehensive gender equality strategy is, therefore, a strategic investment since half of the €750 billion recovery instrument could be recovered each year.
- Moreover, the study shows that up to 6 million additional jobs for women could be created by 2050, increasing per capita GDP by up to 5.5%, reducing poverty and inequality, and improving the well-being of children³. Of course, when women drop out of the labour market, national GDP falls, as well as household income. Furthermore, women drive 70-80% of consumer spend, also thanks to their role as caregivers, so if their income decreases, national wealth and efficiency decrease as well.
- The cost to the EU of gender-based violence against women was estimated to be EUR 259 billion⁴, an annually recurring cost which amounts to more than one-third of the EUR 750 billion recovery instrument. Investments in ending violence against women will not only end intolerable suffering and create a more democratically resilient and human rights-based European Union but also incidentally save billions.

3. Building resilience through gender equality

- Building resilience in the European economy through gender equality: Investment in care and social innovation is needed to create an enabling environment in which all women and men, in all their diversity, can fully enjoy their fundamental human rights. Combatting gender-based violence and promoting gender equality requires investments in public services, health, education and awareness-raising, women's economic empowerment, social security and income support, support for the home-based economy and gender mainstreaming as well as equal opportunities strategies in all measures proposed by the recovery instrument.

² EIGE (2017), Economic Benefits of Gender Equality in the European Union; Overall economic impacts of gender equality, Vilnius, <https://eige.europa.eu/gender-mainstreaming/policy-areas/economic-and-financial-affairs/economic-benefits-gender-equality/economic-case>

IMF (2013), Strategy, Policy, and Review Department and Fiscal Affairs Department: Women, Work, and the Economy: Macroeconomic Gains from Gender Equity, <https://www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf>

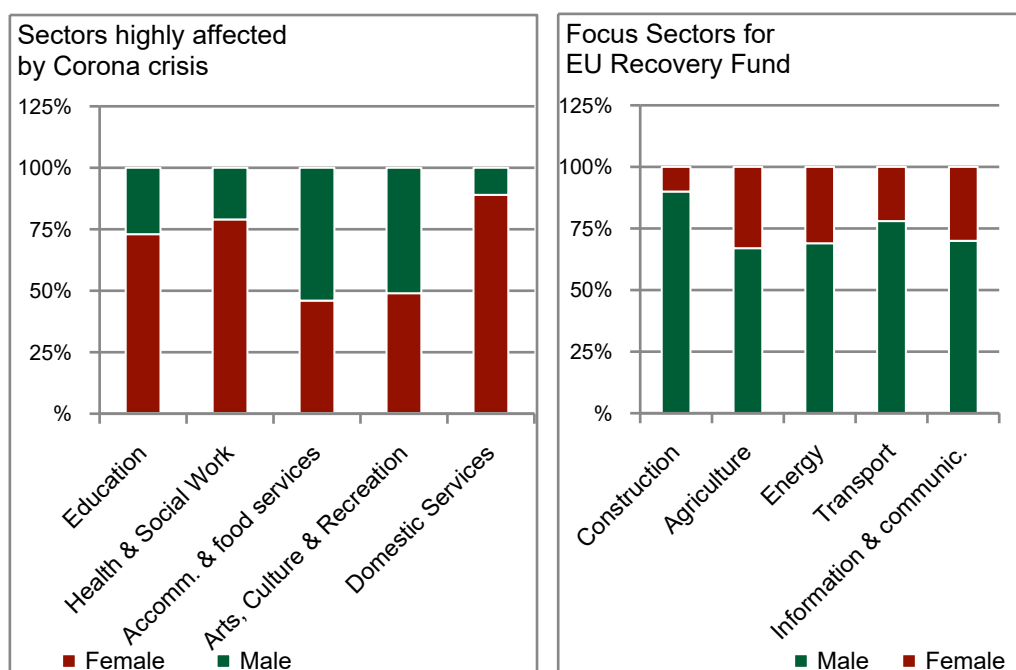
³ EIGE (2020), Beijing + 25: the fifth review of the implementation of the Beijing Platform for Action in the EU Member States. Area F — Women and the economy: care responsibilities and insecure jobs limit women's empowerment, <https://eige.europa.eu/publications/beijing-25-fifth-review-implementation-beijing-platform-action-eu-member-states>

⁴ EIGE (2014), Estimating the costs of gender-based violence in the European Union: Report, <https://eige.europa.eu/publications/estimating-costs-gender-based-violence-european-union-report>

Main results of the Preliminary Gender Impact Assessment

- The Recovery Plan, and especially the legislative proposals, are gender blind. The large funds, in particular, fail to address the challenges related to the Covid-19 crisis in the care sector and the specific challenges for women.
- The EU Recovery Fund focuses on economic stimuli for sectors with high shares of male employment, for instance, the digital, energy, agriculture, construction and transport industries (see figure 2), while many of the sectors highly affected by the Covid-19 crisis have high shares of female employment⁵.
- While there is a focus on transformation towards a digital and green economy, the need to focus on a recovery of the care sector is not addressed.
- Linking the European Recovery and Resilience Facility (mobilising € 560 billion) to the European Semester poses potential gender risks. Research on the previous country-specific recommendations, a core coordination instrument in the European Semester, shows that most recommendations are gender blind. This process doesn't support democratic and transparent deliberation for crucial economic and budget policy decision processes.

Figure 2: Female and male employment in selected sectors, shares, EU-27, 2019

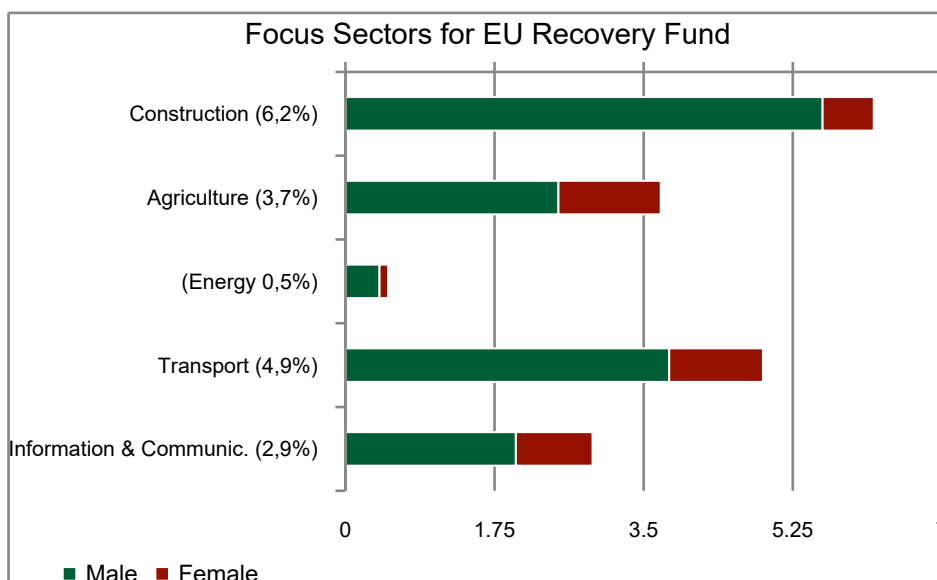
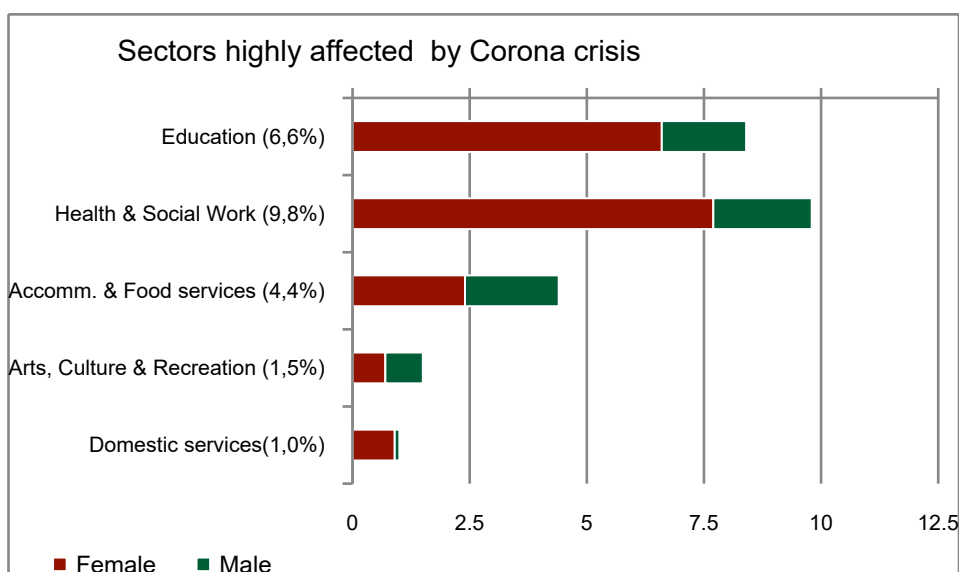


Source: Eurostat

⁵ The analysed sectors were chosen using the preliminary scientific data on the sectors hit hardest by the Covid-19 crisis (OECD, 2020). The classification methods for grouping industries varies from country to country. What is commonly called the HORECA sector (Hotel-Restaurant-Café) actually corresponds to the European NACE definition of "Accommodation and food service activities"). The wholesale and retail trade, which also has been affected by the crisis, was not included in this sector as the European NACE categorisation of industrial sectors groups it together with the repair of motor vehicles and motorcycles, which would give misleading information regarding the proportions of women and men in the sector.

Figure 3: Share of employment on the total EU employment by sector and gender, EU-27, 2019

Figure 3 shows, for each of the analyzed sectors, two different data: near the description of the sector, there is the share of employment of the sector concerning the total employment in the EU Member States; each bar shows the internal distribution of the employment by gender within the sector (where dark green represents the male employment and dark red the female employment rate).



Key recommendations

- The focus of the recovery and stimulus instruments must be shifted to include investment in sectors with the highest employment potential for using the funds effectively.
- Include a focus on investment in care in the Recovery Plan in addition to a digital and green transition, because it not only has highly positive employment and economic recovery effects but also addresses the key challenges towards building truly resilient European economies.
- All Next Generation EU proposals and projects should have robust gender impact assessments, sex-disaggregated data and the application of Gender Budgeting in planning, implementation, monitoring and evaluation, with gender mainstreaming applied to budgets and investments.
- Assessment criteria for national recovery and resilience plans, which are a prerequisite for Member States to receive funds under the RRF, should include national gender equality plans for recovery and strategies to address gender issues emerging in the crisis, including gender-based and domestic violence.
- All governance, management and implementation bodies should be required to consult gender equality experts and shall be gender-equal.
- Increase funding to the European Institute of Gender Equality as the main body in the provision of gender equality expertise within European institutions.