



Recovery for whom? The Juncker's Plan must not be a missed opportunity for gender equality in Europe

Written by

Giovanni Cozzi, Senior Economist, Foundation for European Progressive Studies (FEPS)

Jerome De Henau, Senior Lecturer, The Open University



SOURCE: EUROPEAN PARLIAMENT

The 315 billion Investment Plan for Europe proposed by European Commission President Juncker represents a good point of departure from the usual and exclusive focus on fiscal containment and public debt reduction. However, its almost exclusive focus on physical infrastructure spending and investment in male-dominated industries will further **undermine progress towards gender equality**, in terms of pay and conditions as well as employment opportunities for women.

In his political guidelines presented at the European Parliament in July 2014 President Juncker argued for the need of additional investment 'in the areas of infrastructure, notably broadband and energy network, as well as transport infrastructure in industrial centres; education, research and innovation; and renewable energy and energy efficiency'. Further, Mr Juncker pledged that 'a significant amount should be channelled towards projects that can help the younger generation back to work' ([European Commission, 2014](#)).

However, nothing is mentioned within this Plan on investment in social infrastructure, which is crucial to achieve gender equality and a more sustainable economy. The social infrastructure includes all the activities and services that meet the needs of an economy to maintain and reproduce its productive capacity – but also quality of life and well-being – through healthcare, education, childcare and long-term care.

The impact of austerity policies on women and men

We have seen how initially the global financial crisis led to a decline in domestic and global demand in male dominated manufacturing, construction and financial sectors. However, as crisis turned into recession across Europe, secondary impacts via private sector demand have affected a range of industries and led to job cuts, wage freezes and increased job insecurity for both women and men in Europe. Further, it is now evident that the implementation of **harsh austerity policies** is having an **overwhelmingly negative impact on women** ([European Commission, 2012](#)).

First, cuts in government expenditure have led to a further deterioration of female-dominated public sector jobs and pay. Second, recruitment freezes or job cuts have also resulted in increased working intensity for those remaining in employment, and women have been disproportionately affected by such changes. Third, cuts in care-related spending or increase eligibility criteria for receiving support towards care costs and family benefits have hit women in the labour market in particular. Many have reduced their work commitments or have left the labour market entirely as a result of such an increase in cost.

Ultimately, as highlighted by the [UK Women's Budget group](#) these cuts have reduced employment opportunities for women and have made it harder to combine earning a living and taking care of families.

Achieving a caring economy

In such an environment where women have been hardly hit by the crisis and its policy responses, we argue that Juncker's Investment Plan for Europe should also focus on investing in **social infrastructure** for ensuring a balanced and sustained economic recovery. Investing in care services in particular is not only essential but it is also a more effective way of generating employment than simply investing in physical infrastructure. Indeed the main characteristics of care and education services are that they are very labour-intensive, female-dominated, and rely little on import goods so that for a given amount of investment, more jobs can be created locally than in physical infrastructure. Further, as many women are currently constrained by gender norms to provide unpaid



care or to rely on informal economy care, more employment could be freed up by relieving them from such constraints, if quality care services are provided. More men would also be incentivised to provide more of these services (unpaid and paid).

“Any progressive investment plan should also focus on social infrastructure”

Therefore, a long-term recovery that would not only be more gender-equitable but also more sustainable should focus its efforts on achieving a **caring economy**, where care for people as well as for the environment is the central objective. This means that any progressive investment plan for Europe should not only focus on investing in physical, and in particular green, infrastructure but also on social infrastructure.

In a recent FEPS Policy Brief, Hannah Bargawi (SOAS, University of London) and Giovanni Cozzi, highlight how a **gendered expansionary macroeconomic scenario** for Europe would lead to significant gains in terms of employment for both women and men and economic growth. In this brief, the authors compare two scenarios for Europe: one of continued austerity and one where austerity policies are rolled back and gendered reflationary fiscal policies together with significant increases in private and public investment are the key drivers for stimulating future growth and job creation for women

TABLE 1: TOTAL FEMALE AND MALE EMPLOYMENT (MILLIONS OF PERSONS)
SOURCE: BARGAWI AND COZZI (2014)

		2012	2020
Female	Austerity scenario	22.43	21.66
	Gendered scenario		26.08
Male	Austerity scenario	30.37	30.32
	Gendered scenario		32.04

and men in Europe. In particular, the authors assume that government spending and investment is directed more towards the creation of jobs for women than men. In other words, implicit in this assumption, is the need to marshal investment towards both social and physical infrastructure.

Their gendered expansionary scenario achieves important **gains in terms of increases in total female and male employment** compared to the austerity scenario. For instance, as highlighted in Table 1, in the South Eurozone, where the female-male employment gap is higher, under the austerity scenario total employment is projected to stagnate. On the other hand, under the gendered scenario, female employment in millions would increase from 22.43 million in 2012 to 26.08 million by 2020, at the same time male employment would increase by 1.6 million from 30.37 in 2012 to 32.05 by 2020.

The gendered expansionary scenario would also lead to important **gains in terms of GDP growth**. Projected growth rates under the austerity scenario are much lower across Eurozone, averaging at around 1% over the period 2015-2020, whereas under the gendered scenario growth in the Eurozone would reach 3% over

the same period. Further, as a result of the higher growth rate, government balances and debt would significantly improve.

Ultimately, this study demonstrates that **a gendered investment strategy is indeed economically feasible, and it would lead to significant gains for both women and men in Europe.**

It follows that a serious reconsideration of the role that the care economy plays in generating sustainable and equitable growth is needed. Investing in social infrastructure requires substantial public funding to guarantee professional and high quality provision that is widely accessible and affordable for the users.

A good starting point would be to **consider spending in health, care and education services as investment** – and not just as current expenditure that add to public deficits – as it builds and sustains the social and human capital of our economies in the long-run. As such, this type of investment, supported by public funds, should play a much more prominent role in any investment plan for Europe rather than being sidelined, as it is currently the case in the Juncker’s plan.

