

# The Treaty of Rome and equality

By [Hélène Périvier](#)

The Treaty of Rome: Article 119, Title VIII, “Social Policy, Education, Vocational Training, and Youth”, Chapter 1: Social Provisions: *Each Member State shall during the first stage ensure and subsequently maintain the application of the principle that men and women should receive equal pay for equal work.*



Europe’s institutions take pride in the fact that one of their founding values is the principle of equality between women and men<sup>[1]</sup>. Indeed, as early as the Treaty of Rome, the question of equal pay was the subject of negotiations that resulted in the adoption of Article 119, guaranteeing “the application of the principle that men and women should receive equal pay for equal work”.

On closer inspection, the motives that led the signatory countries to adopt this article are not linked, at least not directly, to considerations of justice or to egalitarian values that the Member States might have upheld right at the outset, thereby making equality a founding “value” of Europe’s institutions. No, the motives are above all economic in nature.

The Treaty of Rome is aimed at economic integration and not at

a political or social union. Re-examining the genealogy of Article 119 sheds light on the tension between economic issues related to the organization of trade and production and social issues, particularly those related to justice and equality.

### ***Guaranteeing fair competition***

Article 119 seeks to organize fair competition within the new space for the free movement of goods, services and people. Of the six countries signing the Treaty, it was France that demanded an article on equal pay. Indeed, unlike some of its partners, including Germany, France had already adopted legislation on women's wages and equal pay. In the framework of restructuring industrial relations after the Second World War, the French State had developed occupational classifications and a wage hierarchy that led in some branches to affirming the principle of equal pay, even if there was still substantial potential for discrimination (Saglio, 2007). In July 1946, the Croizat decision abolished the 10% reduction on women's wages. Finally, the Law of 11 February 1950 generalized collective bargaining agreements and introduced the principle of "equal pay for equal work" (Silvera, 2014).

France therefore feared that an opening up to competition in the market for goods and services would disadvantage productive sectors in which the proportion of women was high, especially in textiles (Rossilli, 1997). In 1956, the International Labour Organization (ILO), conscious of these issues, commissioned a report by a committee chaired by the economist Ohlin on the social consequences of European economic integration. The question of equal pay was raised explicitly (point 162, p. 64), and data at hand, the report denounced the risk of unfair competition in highly feminized industries (Ohlin, 1956) [2]. The differences in social rights between Member States called for labour market regulation in order to avoid distorting competition within the common market. The discussions, which led to Article 119, did not include discussion of women's rights or fair pay for women's

work (Hoskyns, 1996).

### ***Principles of supranational justice and economic pragmatism***

The inclusion in the Treaty of Rome of the principle of equal pay was thus motivated by economic and not ethical considerations, and it is for economic reasons that, even though the principle was announced, it was not applied immediately, as it would have led to a massive increase in wage costs (unless men's wages were cut). Despite all this, principles of justice were not completely alien to this process. Indeed, they were part of the international approach to the affirmation of human rights in the post-war years: the United Nations Universal Declaration of Human Rights of 1946 [\[3\]](#) affirms equal rights in its preamble, and the 1944 Declaration of Philadelphia, which underpinned the mandate of the ILO, states that, "all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity" [\[4\]](#). The ILO Equal Remuneration Convention (No. 100), adopted in 1951, states that, "Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value" [\[5\]](#). Some European countries adhered to the stated principles faster than others, including Belgium and France, which ratified Convention 100 respectively in 1952 and 1953. These countries pulled along their partner signatories to the Treaty of Rome in their path, in order to limit the distortion of competition that would result from a lack of uniform adherence to this principle of justice in an integrated economic area.

In looking further back at the genesis of texts pertaining to equal pay, economic motivations can also be found: the founding text of the ILO in 1919 does include the principle of

equal pay, regardless of gender, for work of equal value (Section II., Article 427, 7) [6]. This particular attention to equality is explained partly by the trade unions' fear that men's wages might fall. Indeed, during the war, women had worked for lower wages doing jobs reserved for men in peacetime. Demanding equal pay made it possible to contain this unfair competition represented by women (Ellina, 2003; Hoskyns 1996).

### ***The metamorphosis of Article 119***

It is fruitless to seek the historical roots of the affirmation of the principle of equal pay, as the economic argument is articulated around considerations of justice. This dialectic led the actors of the moment to draw on one or to reaffirm the other. During the Treaty of Rome negotiations, differences between countries concerning entitlement to paid leave, the regulation of working time and the payment of overtime were also identified as sources of the distortion of competition. It is thus not so much the place of gender equality in the negotiations between the signatory countries that is to be questioned as the very nature of a Treaty that aims at economic integration and not the harmonization of the social policies of the signatory countries. At the time, economic integration was probably the least confrontational perspective from which to negotiate and bring about a rapprochement between European countries.

Article 119 of the Treaty of Rome, although intended to regulate competition, has become a pillar of the construction of European law on equality and the fight against discrimination. In the late 1970s, under the impetus of feminist movements, this principle was used more and more and became a founding principle of Europe's institutions (Booth and Bennett, 2002). In 1971, the Court of Justice of the European Communities referred to it in declaring that the elimination of discrimination on the grounds of sex is one of the general principles of Community law (see the Defrenne

judgment<sup>[71]</sup>). In 1976, the scope of equal pay was extended by the 1976 Directive (76/207) to cover all the terms of hiring and training as well as working conditions (Milewski and Sénac, 2014). As a tool for regulating the common market, it has become a principle of law.

### ***Finding the spirit of Philadelphia once again***

The principle of equality as set out in the Declaration of Philadelphia does not rely on the economic interest of promoting gender equality but affirms this principle as a value in itself. During the negotiations preceding the signing of the Treaty of Rome, the harmonization of social provisions was achieved by generalizing the principle of equal pay to countries that had not yet taken it on board, not by asking countries that had already adopted it to abandon it. In this approach, the principle of justice takes precedence over the economic perspective: the evaluation of the economic consequences of having a principle of equal pay that had not been generalized in an integrated economic space led to its adoption by all the member countries in this space, and ultimately to strengthening it.

Since the 2000s, there has been a shift in the promotion of policy on equality: it is no longer a question of analyzing the economic consequences of the principles of justice or conversely of denouncing the infringement of the principles of justice of certain economic policies, but rather of overturning the hierarchy between the two perspectives. Equality is promoted in the name of the real or phantom economic benefits that it would produce. Supranational organizations, European institutions and national forces all tout the virtues of equality in terms of economic prosperity. The assertion of the principle of justice in itself is no longer sufficient to establish the merits of equality policies, which are a priori considered costly. Equality, which is often reduced to increasing women's participation in the labour market and their access to positions of

responsibility, is a source of growth and wealth. It is no longer a question of a complex articulation between economic forces and founding principles, but rather the justification of these principles based on the profitability or efficiency of the market economy (Périvier and Sénac, 2017, Sénac, 2015). This approach, far from anecdotal, is endangering equality as a principle of justice, and distances us from the humanist approach of the supranational institutions during the first half of the 20th century. Have we lost the spirit of Philadelphia (Supiot, 2010)?

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Notes:

[1] [http://europa.eu/rapid/press-release\\_MEM0-07-426\\_en.htm](http://europa.eu/rapid/press-release_MEM0-07-426_en.htm)

[2] [http://staging.ilo.org/public/libdoc/ilo/ILO-SR/ILO-SR\\_NS46\\_engl.pdf](http://staging.ilo.org/public/libdoc/ilo/ILO-SR/ILO-SR_NS46_engl.pdf)

[3] [www.un.org/en/universal-declaration-human-rights/](http://www.un.org/en/universal-declaration-human-rights/)

[4] [http://blue.lim.ilo.org/cariblex/pdfs/ILO\\_dec\\_philadelphia.pdf](http://blue.lim.ilo.org/cariblex/pdfs/ILO_dec_philadelphia.pdf)

[5] [http://www.ilo.org/wcmsp5/groups/public/-ed\\_norm/-declaration/documents/publication/wcms\\_decl\\_fs\\_84\\_en.pdf](http://www.ilo.org/wcmsp5/groups/public/-ed_norm/-declaration/documents/publication/wcms_decl_fs_84_en.pdf)

[6] [http://www.ilo.org/public/libdoc/ilo/1920/20B09\\_18\\_fren.pdf](http://www.ilo.org/public/libdoc/ilo/1920/20B09_18_fren.pdf)

[7]

<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:61975CJ0043&from=EN>

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# Do separated fathers bear a greater sacrifice in their standard of living than their ex-partners?

by [Hélène Périvier](#) OFCE-PRESAGE

The recent study published by [France Strategy](#) on the sharing of the costs of children after a separation has caused a stir (see in particular [Dare feminism](#), [Abandoning the family](#), as well as [SOS Papa](#) [all in French]). The study analyses the changes in the standard of living of both the former spouses, taking into account the interaction between the [indicative scale for child support](#) and the tax-benefit system. This approach is stimulating, as it endeavours to see whether the redistribution effected through the welfare state fairly and equitably deals with the costs of the child borne by each former spouse.

It is reported that after separating, the living standards of the two former partners fell sharply. In addition, simulations of typical cases “indicate that as a result of applying the scale [the indicative reference scale provided to judges] under existing social and tax legislation, the care of children causes a significantly greater sacrifice in the



standard of living of the non-custodial parent than of the custodial parent". In other words, separated fathers are making a greater sacrifice in their standard of living than are the mothers, if the judge were to apply the indicative scale to the letter. But [according to the Ministry of Justice](#) the scale is not applied by judges, as both situations are always very specific. So the study looks at what the standard of living of the separated parents would be if the scale were applied, and not at their actual standard of living. However the table of results presented in the [note on the front page](#) is titled, "Estimating the loss of living standards incurred by the parents of two children (as a percentage compared to the situation with no child, calculation net of state aid)". Someone reading this quickly could easily think this was the real situation of separated parents.

Even though the study is based on the scale for support payments and not on the decisions of the judges themselves, it raises a relevant question. But the results are weakened by significant methodological problems: the concept of the sacrifice in the standard of living does not take into account the gender division of labour and its impact on mothers' careers; the typical cases highlighted are not necessarily representative (in particular concerning marital status prior to separation); using the equivalence scales [\[1\]](#) leads to conflating the "household standard of living" and "the individual standard of living"; and finally, an approach based on maintaining the child's standard of living would have led to a completely different result. Ultimately, proposing the micro-simulation model as an aid to the judges' decision-making seems somewhat premature in light of these criticisms.

### **On the concept of "a sacrifice in the standard of living"**

In all the cases simulated, the separated parents' living standards go down relative to their situation as a couple (assuming unchanged income). This result is consistent with other recent work, such as [Martin and Périvier, 2015](#); [Bonnet,](#)

[Garbinti, Solaz, 2015](#); and the [report of France's Family Council \(the HCF\)](#). A separation is costly for both parents due to the loss of economies of scale (e.g. two homes are needed instead of one, etc.). In addition to the decline in living standards for each parent, the authors calculate the "sacrifice in living standards" experienced by the parents after the separation.

The "living standard sacrifice" is supposed to be calculated by comparing the cost of the child to the disposable income that the parent would have had if there were no child. However, the living standard sacrifice made by the mother with custody of the child (or the father, respectively) is actually calculated by comparing the child's cost with the standard of living of a single woman without children with the same salary level as the separated mother (and the same for the father).

This method cannot be used to estimate the "living standard sacrifice", since forming a couple and a family are accompanied by a gender division of labour, which has been widely documented in the literature and which implies that the separated wife has a salary level, and more generally a career, that is different from what she would have had if she had remained single with no children. If a woman senior executive living in a couple stops working in order to look after the children and then the couple separates, the concept of the "living standard sacrifice" would imply a significant gain in the quality of life for this woman, since the cost of the children would be relative to the RSA minimum income, whereas she would have received a higher salary if she had not had children because she would have continued to work.

In other words, the proper counterfactual, that is to say the situation with which we must compare the level of the separated parent so as to assess the living standard sacrifice that she (or he) suffers, should be the income that the woman (or man) would have had when separated (taking into account their individual characteristics) if she (or he) had not

entered a couple and if she (or he) had not had children. By doing this, the calculations would have led to a significantly greater sacrifice by the woman than that calculated in the study. Here we see the need for an economic approach that integrates the behaviour of agents, compared with an accounting approach.

### **Atypical typical cases?**

The authors used the micro-simulation model *Openfisca* to simulate different situations and assess the loss in living standard by each former spouse after the separation.

The typical cases are used to understand the complex interactions between the tax-benefit system and, for the subject matter here, the indicative scale of child support payments. The criticism usually made of typical case studies is that they do not reflect the representativeness of the situations simulated: so to avoid focusing on marginal cases, data is added about the frequency of the situations selected as “typical”. With respect to the distribution of income, in three-quarters of the cases the women earn less than their male partners ([Insee](#)). What would be needed is to look at the distribution of income between spouses before the break and see what are the most common cases and then to refine the operation by retaining only those cases where the judge sets a support payment, i.e. in only 2 out of 3 cases ([Belmokhtar, 2014](#)).

Likewise, focusing on the case of a couple with two dependent children is not without consequences [\[21\]](#), since with only one dependent child the amount of family benefits falls, meaning that the social benefits received by the mother would be lower (in particular the family allowance is paid only starting from the second child) as would her standard of living. Statistics provided by the [Ministry of Justice](#) indicate that the average number of children is 1.7 in the case of divorces and 1.4 in the case of common-law unions ([Belmokhtar, 2014](#)).

Finally, nothing is said explicitly about the marital situation prior to the separation: marriage or common-law?

– Either the authors are considering married couples. In this case, if the salaries of the ex-spouses are different (case 4 described as “Asymmetry of income”), how is the loss of France’s marital quotient benefit (*quotient conjugal*) distributed? After divorce, the tax gain resulting from joint taxation is lost: the man then pays a tax amount based on his own salary and no longer on the couple’s average salary. This additional tax burden hits his living standard, and the “living standard sacrifice” calculated for the divorced father would then partly reflect the loss of this marital quotient benefit, and not the cost arising from the expense of a separated child.

– Or the authors consider only common-law couples, which seems to be the case given the vocabulary used – “separation, union, separated parents, etc.” – but then this brings back the criticism about the representativeness of the typical cases, since more than half of the court decisions regarding the children’s residence are related to divorces ([Carrasco and Dufour, 2015](#)). Moreover, the support payments set by the judge are all the more distant from the scale in the case of a separation and not a divorce, which limits the scope of the study.

### **On the proper use of equivalence scales**

Equivalence scales are used to compare the living standards of households of different sizes, by applying consumption units (CU) to establish an “adult equivalent”. These scales are based on strong assumptions that do not allow the use of this tool in just any old way, i.e.:

- that individuals belonging to a single household pool their resources in entirety;
- that people belonging to the same household have the same

standard of living (the average standard of living is calculated by dividing the total household income by the number of household CUs). This assumption flows from the first; the standard of living is equated with well-being.

Equivalence scales give an estimate of the additional cost linked to the presence of an additional person in a household. They say nothing about the way in which resources are actually allocated within the household. This is due to the hypothesis that resources are pooled, which is questionable (see in particular [Ponthieux](#), 2012) and which leads to attributing the household's average standard of living to each individual member. A couple has 1.5 CU. In fact, a couple A in which the man earns 3 times the minimum wage (SMIC) and the woman 0 times the SMIC would have the same standard of living as a couple B in which both earn 1.5 times the SMIC. This method can be used to compare the average living standards of two households, but not the living standards of the individuals who compose them. The woman in couple B probably has an individual standard of living that is higher than the woman in couple A, due to her greater bargaining power given the equal wages earned. So comparing the average living standards of the couple with the living standards of the individuals when the couple separates is misleading.

Likewise, to assess the financial burden represented by the children for the separated mother, for example, the authors apply the CU ratio linked with the children out of the total household CUs to the woman's disposable income (salary minus the taxes paid, plus the benefits received and the support payment by her ex-partner for the two children in her care). But there is nothing to say that the separated mother does not allocate more resources to the children than is estimated by the CU ratio (with regard to housing, for example, she might sleep in the living room so that the kids each have their own room).

The methodological criticisms made of equivalence scales limit

their use (see [Martin and Périvier, 2015](#)). They are not suitable for comparing the living standards of individuals, but only the living standards of households of different sizes.

### **What about the child's standard of living?**

There is not much literature estimating the standard of living of separated parents. To fix CUs per child in accordance with the marital status of their parents (in couples or separated), the authors rely on an Australian study that leads them to increase the CU attributed to children once the parents are separated. The cost of a child of separated parents is higher than that of a child living with both parents. They opt for the following formula:

- a child living with both parents corresponds to a CU of 0.3;
- a child living with the mother in conventional custodial care is 0.42 CU and 0.12 for the non-custodial father, i.e. 0.54 total CU for the two households.

Thus the cost of a child of a separated parent is 80% higher than that of a child living with both parents. It is likely that most separated parents do their best to keep the lives of their children unchanged after a separation. An approach that seeks to maintain the child's standard of living makes it possible to take this into account. By increasing the cost of children by 80% when they live with both parents, and redistributing this in proportion to the CUs allocated for the children of separated parents, the custodial parent has a greater loss in living standard than that of the non-custodial parent (see the Table). This method is also questionable because it applies the additional CUs of children of separated parents over children living in couples to the monetary cost calculated in the case of a couple raising the children. But if this approach is chosen, then the result is reversed.

**Table. Other method for estimating the loss of living standard borne by the parents of two children, with each parent earning 1.5 SMIC, after a separation, assuming that the indicative scale for child support is applied**

	Couple	Custodial parent	Non-custodial parent	Total separated parents
CU* 2 children	0.6	0.84	0.24	1.08
Additional CU* for children of separated parents relative to those living with both parents				8%
Distribution of total cost of children between the separated parents		78% (soit 0.84/ 1.08)	22% (soit 0.24/ 1.08)	
Cost of children	10812	15136	4325	19461
Disposable income after transfers, income tax and child support payment	37841	24923	14932	
Distribution of total cost of children's lifeless loss level for children	10812	15136	4325	
Disposable income for the adult	18020	9787	10607	
Income level per adult**		-46%	-4%	
Loss in living standard Jelloul and Cusset (2015)		-25%	-33%	

\* CU = consumption unit.

\*\* CU = 1.5 for the couple and 1 for separated parents.

Sources: Jelloul et Cusset (2015); author's calculation.

Any statistical analysis is based on assumptions used to “qualify” what we want to “quantify”, which is inevitable (either because we do not have the information, or for reasons of simplification and to facilitate interpretation). Assumptions that are too strong, results that are too sensitive, and perfectible methodologies are the daily lot of researchers. Providing insights, asking good questions, opening up new perspectives, feeding and feeding off of contradictions – this is their contribution to society.

The study published by France Strategy has the merit of initiating a debate on a complex subject that is challenging for our tax-benefit system. But the answers that it gives are not convincing. While the authors acknowledge that, “The interest of these simulations is above all illustrative,” they nevertheless also want that “at least they provide judges and parents with a tool to simulate the financial position of two households that have resulted from a separation by integrating the impact of the tax-benefit system”. This seems premature in view of the fragility of the results presented.

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[1] To compare the standard of living of households of different sizes, equivalence scales are estimated from surveys and using a variety of methods. They are used to refer to an “adult equivalent” standard of living, or a “consumer unit” (CU). From this perspective, the standard of living of a household depends on its total income, but also on its size (number and age of its members).

[2] While Figure 7 of the working document summarizes the situations by the number of children, in the note the focus is on the case with two children.

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# Equality at risk from simplification

By [Françoise Milewski](#) and [Hélène Périvier](#)

## Legislating to promote equality

The laws on equality in pay and in the workplace have come a long way since 1972, from the affirmation of the principle of equality to the production of a detailed numerical diagnosis that puts flesh on the bones of inequality (via the Comparative Situation Reports that have been drawn up since 1983 under the Roudy law) as well as to the duty to negotiate. The 2006 law paved the way for hitting recalcitrant companies with financial penalties, as set out in an article in the 2009 law on pensions. There were numerous attempts to limit the scope of the law up to 2012, when things were more or less



clarified: companies are now obliged to produce a CSR, which reports annually on the state of inequality in well-defined areas; they must then conduct negotiations on occupational equality and equal pay and, if there is no agreement, they are required to take unilateral action. There are exhaustive controls, with agreements or plans to be filed with the government (no longer on a one-off basis as in the first formulations of the implementing decree). Companies that fail to comply with the law are put on notice to remedy this on pain of financial penalties of up to 1% of payroll.

The duty to negotiate entails collective management of the issue. Since 2012, the number of agreements signed has increased, as have formal notices and sanctions. While the content of the agreements and plans is often too general, it's a start. The framework law of 4 August 2014 on equality has complemented and strengthened these arrangements.

### **Simplification: naïveté or retreat?**

On the occasion of the Rebsamen bill on social dialogue, this long legislative process is suddenly being called into question under the pretext of simplification. In the bill's initial version, the requirement to produce a detailed diagnosis in a CSR is gone, having melted into the company's single database. The duty to negotiate on occupational equality also disappears, integrated into other negotiations (quality of life at work).

Given the extent of the reaction (associations, individuals, unions, researchers, etc.), the three ministries concerned issued a statement reaffirming certain principles, including that "it shall continue to be obligatory to transmit all the information that is currently found in the CSR". Amendments will be tabled to that effect. But nothing is settled. The gender indicators remain integrated into the single database, so the CSR loses its specificity. Negotiations that focus on equality are not restored, and their frequency remains unclear

(annual? triennial?). Uncertainty remains.

Whatever the outcome of the parliamentary debate that is starting up on social dialogue, business has been given the signal that equality policy can be challenged, that previous requirements are ultimately not all that imperative, and that the measures taken in recent years can be relativized in the name of simplification.

If, by leaving it up to the social partners to negotiate on gender equality, this issue had emerged on its own and led to significant progress, no law on the subject would have been necessary. It was in response to inertia and persistent inequality that constraints were imposed on companies. It is because our society needs to make gender equality a fundamental principle that laws, coupled with constraints, were approved. The complexity of the social dialogue on this subject reflects the resistance of the different parties. This simplification is at best naive, and at worst a refusal to come up with public policy to promote equality.

In the field of equality, vigilance is vital. Removing the constraints means going back on the principle of equality. A desire for equality requires clear, ongoing political will: continuity and coherence in public policy is crucial.

This is the meaning of a statement by men and women researchers that was published on the *Les Echos* website on 19 May.

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# Women's employment and unemployment: decreasing inequality?

By [Françoise Milewski](#)

The deterioration of the labour market since the start of the crisis has hit men and women differently. Recent trends show that adjustments are being made in different ways. Gender inequalities are producing differentiated trends in employment and unemployment, which is leading in turn to specific forms of inequality.

Since spring 2008, category A job searches [\[1\]](#) have increased for both men and women, but much more for the former (93% against 60%). The trend was more uneven for men under the influence of the business and public policy cycles, especially partial unemployment measures.

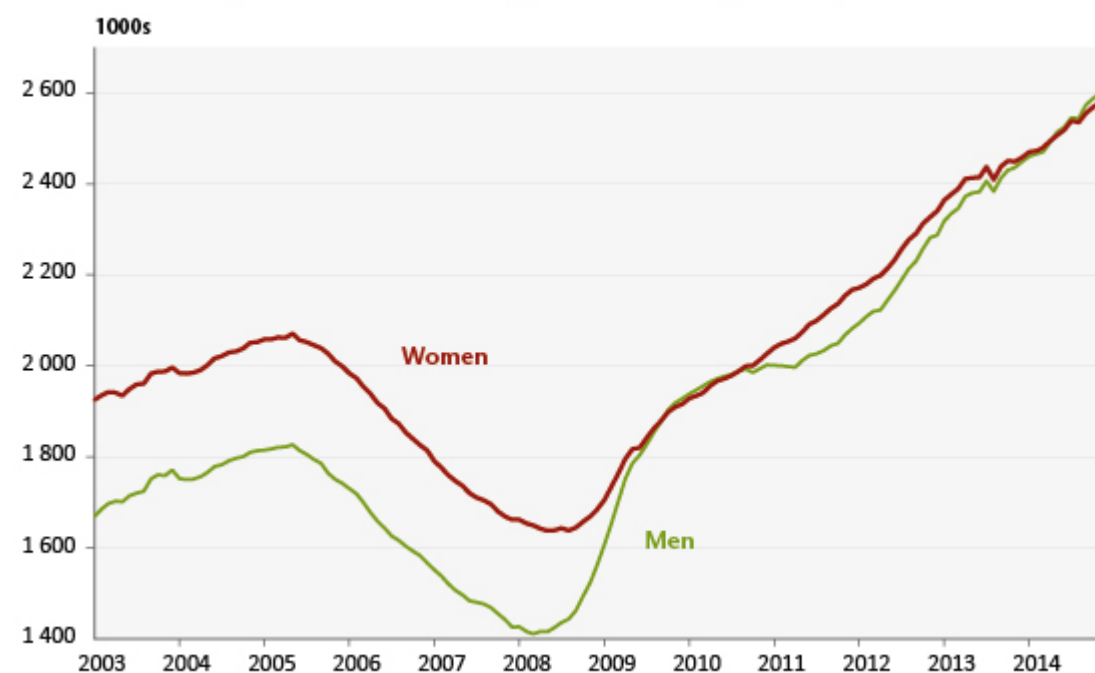
Men jobseekers have outnumbered women jobseekers since November 2008. In December 2014, men represented 52.9% of jobseekers. But this breakdown is close to their respective shares in the labour force and in employment. It is the previously existing situation that was abnormal: women, a minority on the labour market, had been a majority in category A unemployment.

Despite this, job searches by those on low hours [\[2\]](#), that is to say, people who have a part-time job but are registered at the job centre because they want to work more, are mostly by women (55.4%); this proportion has not changed much from before the crisis. Women are also over-represented in category B, short-term low-hours jobs. The increase in job applications from those on low hours was slower and less uneven than those in category A. It was also less differentiated by gender.

Overall, if we take into account demands for jobs from categories A, B and C, there have been slightly more men jobseekers than women since summer 2014 (50.2% in December 2014). This is a new feature of the labour market (Figure 1).

This characteristic holds true for those who are under age 25 and age 25 to 49. In contrast, more women over the age of 50 are unemployed than men, due to the high level of job applications from those working low hours.

**Figure 1. Demands for jobs from Categories A, B and C**



Source: DARES.

### **The impact of the lack of gender diversity of professions and employment sectors**

These trends are due to changes in employment. Women are concentrated in the service sector, and men more in industry and construction. But the greatest job losses have occurred in industry and construction. The services, which are traditionally less cyclical, have seen fewer job losses, and even some job creation in a few years (from 2010 to 2012 and then in 2014) if interim work is reassigned to the user sectors. This job creation has been on a small scale, but women's employment has suffered less from the crisis, or at least in a different way. It fell in 2009, then increased

slightly, and then stabilized. This is of course a break in the trends for growth rates in the 1980s, 1990s and 2000s, but there is a clear difference with men's employment, which fell significantly in 2009 and again in 2012 and 2013. The 1980s and 1990s were already not favourable years for men's employment.

Single-sex trades result from the gender-biased school experience and job training, and reinforce this in return. This explains why there are such great differences in job opportunities between sectors. Service jobs, particularly personal services, are the preserve of women: their supposedly "innate" skills lead them to do in the commercial sphere what they are already doing in the family sphere: upbringing, educating, caring for others, cleaning, etc.

Inequalities in career guidance thus have a "positive" counterpart in employment, at least if we confine ourselves to the volume of jobs. But the poor quality of certain jobs and their under-valuation also stems from this.

### **A trend in employment rates favouring women**

The participation and employment rates can be linked with the unemployment rate (according to the ILO [\[31\]](#)) in order to clarify both the differences between women and men and the profound differences by age group.

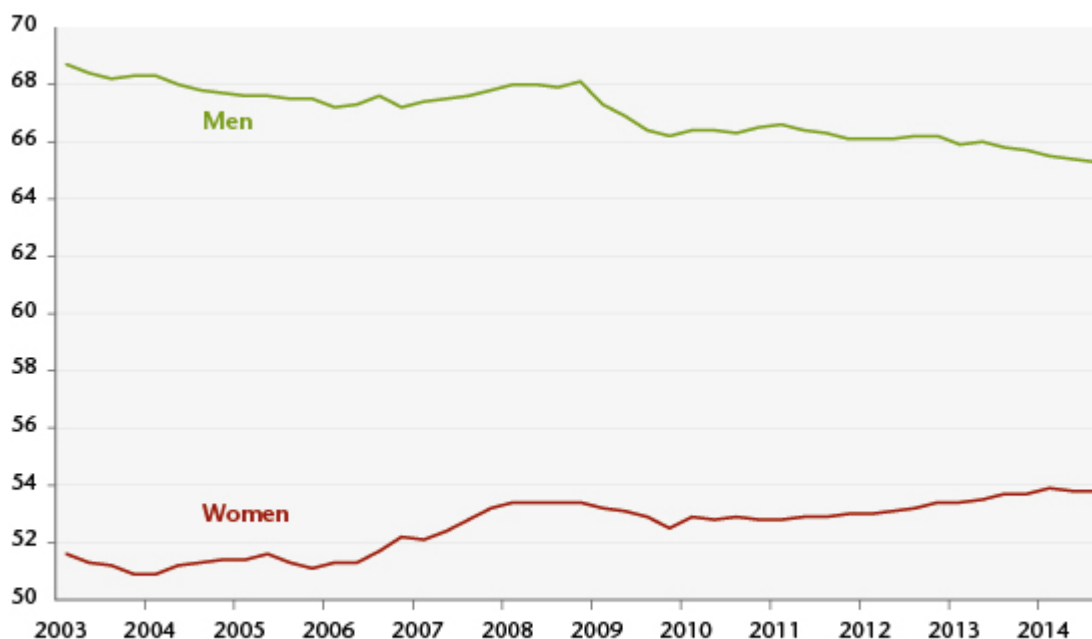
Taking all ages combined, women have increased their labour force participation rates over the period 2008-2014 (2.3 points). Their employment rate fell between 2008 and 2010 and then recovered to exceed its pre-crisis level. The unemployment rate thus rose sharply in the initial period of the crisis, then stabilized before rising again since early 2012, with the increase in the employment rate remaining lower than in the participation rate. The full-time employment rate at first declined and then stabilized, while the rate of part-time employment rose slightly. The share of part-time

employment is up from early 2008, but only by 1 point.

With respect to men, the participation rate increased very slightly (+0.6 point) while the employment rate decreased significantly (-2.1 points), resulting in the greater increase in unemployment. The decline in men's employment rate is associated essentially with full-time employment. As the level of part-time employment is still very low, its increase has had little impact on the overall picture. The share of part-time employment for men did, however, rise from 5.5% in spring 2008 to 8% in the third quarter of 2014.

The employment rate in full-time equivalents is therefore diverging: the rate for men fell over the period, while women's rate, following a decline at the start of the crisis, has been picking up at a moderate but steady pace since 2011 (Figure 2).

**Figure 2. Employment rate in full-time equivalents**



The employment rate in full-time equivalents is the ratio of the labour force (in jobs in full-time equivalents) to the total population.

Source: INSEE, job surveys, over age 15.

The “halo” around unemployment [\[4\]](#) has grown, particularly among men (+37.4% compared with +8.8%), but women are still over-represented in it (56.9% of the total at end 2014).

However, these averages reflect trends that differ greatly by age group. The stabilization of the male participation rate is the result of a decline for both young people and those aged 25-49 together with a rise for those over age 50. But the rise in the employment rate of older workers has not been sufficient to offset the decline in other categories. For women, only the participation rate for those aged 15-24 has been declining, and the higher employment rates of those over 50 has offset the decline in the rates for both young people and, more moderately, for those age 25-49.

### **Older employees have been especially affected**

The labour force participation, employment and unemployment of older workers are atypical because this age group's position has been weakened by the impact of the later retirement age. The trends in unemployment rates have been similar for both genders, including in terms of volume. The participation rate has risen steeply since 2009: for men, this follows a long period of decline until 1995, then a rise due to the 1993 pension reform, followed by a renewed decline (moderate) between 2003 and 2008. The rise since 2009 petered out in 2013 and 2014 (due to the end-of-work measures affecting workers age 60 with lengthy careers, which in practice mainly affected men). For women, the increase has been continuous since 1990: after plateauing between 2005 and 2008, the rise picked up pace, without the tapering-off seen at the end of this period for men. The steadier increase for women reflected the rise of the participation rates of the younger generation in previous decades. The employment rates have not risen as steeply as the participation rates, as unemployment has increased for both sexes. The difficulty of finding a job has also pushed up part-time employment rates, especially for women. The share of part-time employment reached 10.2% for men at the end of the period (still significantly below women's rate: 33.4%).

The unemployment rate of 25-49 year-olds increased for both sexes, especially for men, leading to a convergence in rates

since end 2012. However, men's activity rate declined slightly since the beginning of the crisis, in contrast to women's rate, which on average stabilized over the period. The fall in employment rates was very marked for men (-5.2 points), and less so for women (-1.7). This was also the case for full-time employment rates. The share of part-time employment has been increasing a little for men, but is still very low (just over 5%), while it has stabilized for women. The employment rates in full-time equivalents have changed very differently: the rate has fallen steeply for men, but only a little for women. The deterioration in the volume of employment is thus hitting men in particular. But the levels are still very different.

### **Young women do not benefit as much from their education**

The unemployment rates for men and women under age 25 converged in the early 2000s, in contrast to other age groups. Since then, they have tended to evolve similarly. The level of the labour force participation rates differs significantly, with women's rate still about 7 percentage points below that of men. The participation rates have declined in tandem since the crisis began, as have employment rates. Young people who are unable to find jobs are prolonging their education.

It is the rate of full-time employment that has declined the most, especially for young men. The part-time employment rate failed to offset this decline: it remained stable for men, except since the end of 2012, when it rose slightly, while it decreased for women (but only moderately).

It is striking to see the large difference in the respective levels of part-time employment even at this age (about 4 points). But the cause is not parental duties! The reason needs to be sought instead in the nature of the jobs associated with different professions and industrial sectors. Part-time work as a share of all employment came to nearly 35% for women at year-end, against 17% for men. This, however, is up sharply over the last six quarters. It is too early to say



that this represents a rupture with previous trends, with the crisis leading young men to take jobs that they previously refused, or that they are shifting more towards service sector work that hasn't been hit as hard.

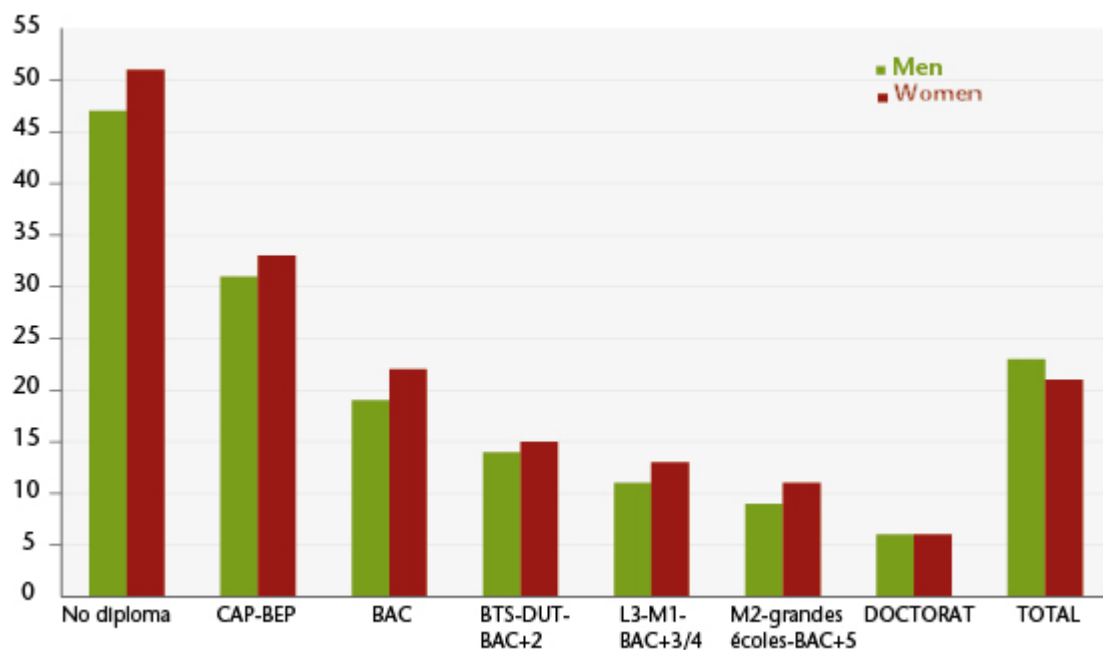
The level of training is to the advantage of women. Yet it is clear, first, that a diploma offers protection against unemployment and the crisis (the highest unemployment rates are among those with few or no qualifications), and second, that girls do better in school and on average graduate more frequently. How then is it possible to explain that the unemployment rate is equivalent for men and women? An INSEE study on career starts was conducted in 2010 over the period 1984 to 2008[5]. It showed that in the early 1980s significantly more women were unemployed relative to men during the initial five years of working life, but that the gap has narrowed, with the unemployment rates converging in 2002. In 2007 and 2008, the female unemployment rate had fallen even lower than that of men at career start, thanks to the rise in their educational level. For the same level of training, young men usually fare better on the labour market: young women still tend to have higher unemployment rates and lower salaries because of the educational specialties they have chosen. The INSEE estimated that for identical degrees, specialties and job lengths, women's risk of unemployment was 7% higher than for men during their initial years of work.

What about since the crisis? The CEREQ conducts work surveys on the future of young people leaving the education system. The last of these "Generation surveys" was conducted in 2013 on the 2010 generation[6]. It shows a worsening situation due to the crisis and very sharp differences by degree level. In 2013, three years after leaving school, 22% of young people were still hunting for work. This is the highest level ever seen in the CEREQ surveys. The increase over the 2004 generation was 16 points for young people without degrees and 3 points for long-term higher education graduates.

Better-educated women are standing up to the crisis better. For the 2010 generation (contrary to the 2004 generation), the employment rate for men decreased so as to match women's rate, and the unemployment rate for women is lower than that for men. Young men are more exposed to long-term unemployment. Women's relative advantage is due to their higher level of schooling, which has risen more than that for men.

But there are persistent inequalities in the labour market, to the disadvantage of women: for comparable schooling at any level (from non-graduates to high school diploma +5 years, except the PhD level), the unemployment rate for women is higher than for men (Figure 3). Thus, women's lower level of unemployment is due only to their higher level of education, which does not have a full impact.

**Figure 3. Unemployment rate at 3 years for the 2010 generation**



Source: CEREQ.

### **A reconfiguration of inequality**

The inequalities between women and men are shifting, but persistent. Unemployment has increased less among women during the crisis than among men. This is due, first, to the sectoral distribution of their jobs (especially in the service sector) and to single-sex trades. Second, raising the average level of

education has enabled women to withstand the crisis better, but the magnitude of this effect is lower than it should be. It is therefore not enough to wait for time to do its work: even among the young generations, there is still discrimination in hiring and in the initial years of working life. Unless, of course, we await a time (hypothetical and hardly desirable) when generations of highly skilled women will exist side by side with generations of unskilled men, and labour market inequalities finally diminish...

Job quality is also a real challenge: part-time work is spreading among men, especially the older and younger age groups, but it is still particularly widespread among women, who continue to assume most parental duties. But part-time work is also more common among women under age 25 who are not yet in this situation.

Service jobs, particularly personal services, offer opportunities for the less skilled, but often part-time. Do we really want women to more readily accept "poor" jobs?

What is taking place is, therefore, a reconfiguration: women are improving their educational level, and the increasing numbers of them with higher qualifications are becoming a stable part of the workforce. However, they benefit less from their training, not only in terms of their salary and career progression, but even when they first begin their working lives, including in terms of employment and unemployment. Less-qualified women are at a particular disadvantage and form the core of the "precarariat", which is growing. Deregulating the labour market tends to amplify inequalities by forcing those in a weaker position on the labour market to accept part-time work with reduced hours on a large scale. So it is not enough to wait for inequalities to disappear or even diminish.

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[1] Category A: Job seekers registered at the French Pôle emploi job centre who are unemployed and required to conduct a positive job search.

[2] Job seekers registered at the French Pôle emploi job centre who are required to conduct a positive job search and have worked fewer hours (78 hours or less during the month) for category B, or more hours but less than full time (more than 78 hours in the month) for category C.

[3] An unemployed person within the meaning of the International Labour Office (ILO) is a person of working age (15 or older) who has not worked, even for one hour, during the given week, is available for work within two weeks, and has begun an active job search in the previous month (or found a job that starts within three months). The unemployment rate is the ratio between the number of unemployed and the number of people in employment (employed or unemployed).

[4] The halo around unemployment includes people who do not have jobs and want to work but who are not considered unemployed by ILO standards as they are not available to work within two weeks and / or are not seeking work.

[5] “Femmes et hommes en début de carrière. Les femmes commencent à tirer profit de leur réussite scolaire” [Women and men at the start of the career. Women are beginning to benefit from their success at school], Alice Mainguené and Daniel Martinelli, *Insee Première*, no. 1284, February 2010, [http://www.insee.fr/fr/themes/document.asp?ref\\_id=ip1284](http://www.insee.fr/fr/themes/document.asp?ref_id=ip1284).

[6] “Face à la crise, le fossé se creuse entre niveaux de diplôme” [In the face of the crisis, the gap is increasing between diploma levels], Christophe Barret, Florence Ryk, Noémie Volle, *Bref CEREQ* no. 319, March 2014, <http://www.cereq.fr/index.php/publications/Bref/Enquete-2013-a-upres-de-la-Generation-2010-Face-a-la-crise-le-fosse-se->

# Recession and Austerity: Gender Equality Jeopardized

By Anne Eydoux, [\[1\]](#) Antoine Math, [\[2\]](#) and H el ene P erivier [\[3\]](#)

The crisis that began in 2008 has hit European countries diversely, causing economic and labour market disequilibria of more or less magnitude. As with past global crises, the current one has gendered implications. While women's employment is said to have been preserved relative to men's in the early stage of a recession, austerity plans implemented in several countries to limit public deficits and debts are deemed to affect female workers more deeply. How gendered are labour market changes in recession and austerity and how should cross-country differences be analysed? [This special issue of the Revue de l'OFCE](#) notably points out the protective role of the gendered segregation of labour markets (i.e. the fact that women and men do not work in the same sectors or occupations): male-dominated sectors (construction, industry, etc.) are generally first hit in recession, while female-dominated sectors (services and the public sector) remain quite sheltered from a quick drop in the demand for labour – but are exposed to job losses at a later stage.

This collective publication aims to shed light on the differences in the gendered dimensions of past and/or present crises and related policies' impacts on European labour markets. The issue includes several comparative papers that either deal with gender at the European Union (EU) level,

encompassing a variety of European countries, or that focus on more specific groups of countries, such as those most hit by the crisis and austerity (central and eastern European (CEE) countries, southern countries) or 'continental' countries (France, Germany). To complete the picture, a focus on specific country cases helps understanding the great variety of crises and how related policies impact on gender in labour markets. For instance, in Germany where female employment has apparently been spared the effects of recession in quantitative terms, the focus is on the low quality of women's jobs. In central and eastern Europe, as well as in southern countries such as Greece, Portugal and Spain, male and female employment has been so deeply affected in quantitative terms (both in the recession and in the austerity phase of policy) that poverty and material deprivation have increased for all. In the UK, the impact of the recession and austerity has been selective, increasing existing inequalities by gender and by ethnicity, as well as within each category. In Sweden, where the public sector is widespread and female-dominated, the impact of recessions on women's employment has been delayed, occurring in austerity phases through the downsizing of the local government sector.

Various approaches are developed in this issue. First of all, many papers show the importance of the timing of recessions and define several phases with different gender implications, often distinguishing the recession and the austerity phases or adding an intermediate phase of recovery. When it comes to the analysis of crisis related policies, the phases may however sometimes appear less sharply, overlapping instead of alternating, for instance when austerity measures were implemented prior to the crisis – eventually in line with the economic governance of the euro zone or with a previous downturn. Several papers cover the long-term changes in labour market or public policies, trying to identify the impact of recession and austerity on trends in female and male employment (or foregone employment growth), and/or to question

the change in public policies from a gender perspective. Others rather focus on the short-term gender impact of recession and austerity, exploring the relevance of common hypotheses regarding the demand for labour (segregation or buffer effects) or the labour supply (discouraged-worker or added-worker effects).

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# Sharing parental leave: a must for equality

By [Hélène Périvier](#)

[The bill on equality between women and men](#), approved by the Senate on 18 September 2013, includes a component aimed at modifying the arrangements for access to the allocation of parental leave [\[1\]](#) by introducing what is called the free choice of activity ("CLCA"). The latest [OFCE Note \(no. 34 of 26 September 2013\)](#) analyzes the consequences of this measure for gender equality and proposes other possibilities for a broader reform.

The right to the allocation of parental leave is a family

right: it is allocated to a parent who cuts their working time or ceases working altogether in order to care for a child, for a maximum period of 3 years. Noting that 98% of the beneficiaries are women, the law aims to encourage fathers to take it up: henceforth, out of the 36 months allocated for parental leave, 6 must be taken by the other parent. In other words, once the mother has taken 30 months of parental leave, the father must take over or else the family will lose the remaining 6 months. The UNAF, which opposes the reform, has published [a survey on “fathers and parental leave”](#) on its website. Arguing that the two sexes are complementary, it opposes the principle established in the law aimed at promoting the sharing of family responsibilities between mothers and fathers. Furthermore, the lack of childcare for young children is highlighted as a barrier to any modification of parental leave, on the grounds that this would accentuate the organizational constraints on parents of young children. Nevertheless, the gendered nature of parental leave is making this programme an obstacle to equality, even if some of the recipients say they use it out of personal choice. Making progress on gender equality thus requires reforming the mechanisms for access to parental leave. But will the proposed legislative changes be sufficient to shake up the boundaries of the existing sexual division of labour?

### **Redistributing the constraint between mothers and fathers**

Given the struggle against the discrimination that affects most women, failure to make the CLCA reform would amount to introducing the freedom to use leave by some mothers and the freedom not to use it for all fathers. Parental leave is of course not the only factor responsible for gender inequality, but it is a driving force, and occupational inequalities in turn reinforce this inequality.

A policy designed to promote occupational equality cannot therefore avoid the reform of parental leave. Ending this vicious cycle necessitates major changes to this programme.



Leave that is shorter and based on an individual right that is non-transferable between spouses, with compensation linked to the beneficiary's income, would undoubtedly be more attractive to fathers and would promote equality ([Méda and Périvier, 2007](#)). While not directly egalitarian in itself, such a scheme would have the enormous advantage of ensuring women's autonomy in relation to their spouse, thereby making economic empowerment a principle of public policy. But it is not possible to shorten the duration of parental leave without having first filled the gap in childcare for young children, which is currently estimated at 350,000 places [2]. The re-organization of leave should therefore be part of an overhaul of early childhood care. Otherwise, shortening parental leave would wind up further increasing the burden weighing on parents, and mothers in particular. An ambitious early childhood care policy, featuring short parental leave paid in proportion to salary, would promote equality. This would require significant public expenditure, about 5 billion euros a year ([Périvier, 2012](#)). The trade-offs being made in the course of the government's budgetary adjustments point, however, to cutbacks in public spending.

In fact, due to a lack of funding, the proposed reform of the law is modest and will not really rebalance the sharing of family responsibilities between women and men. But it has the merit of highlighting the contradictions in society with respect to equality: without a requirement to share parental leave, this would be taken up only by women. The introduction of a period of parental leave allocated to the father will not directly increase the burden resulting from the shortage of childcare: the right to the allocation of parental leave is still 36 months for the family. It will merely spread the load between mothers and fathers. The trade-off facing fathers is the same as what mothers have faced for a long time. Given the low flat-rate amount of compensation, few fathers are likely to be tempted to take this leave. However, while the guidelines on budgetary matters are closing the door on any

ambitious reform of early childhood care, women must not be the only ones to bear the consequences.

Reforming parental leave is thus imperative for equality.

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[1] It is important to distinguish the allocation of parental leave as such from parental leave in terms of labour law (Labour Code Article L. 122-28-1), which, subject to certain conditions, guarantees that all employees will regain their job after taking parental leave for a period of one year, which is renewable three times. The first is paid by the CAF within the broader context of family policy, subject to certain conditions (rank of the child, past activity, etc.). The conditions of access in terms of past activity are more flexible for granting eligibility for the allocation than parental leave in the strict sense. In fact, only 60% of CLCA recipients benefit from a guarantee of re-employment ([Legendre and Vanovermeir, 2011](#)).

[2] See, in particular, the Tabarot Report, [Périvier 2012](#).

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## Women's Day

On the occasion of 8 March, we would like to remind our readers that, together with Sciences-Po, the OFCE has developed the specialist Research Programme for Teaching and Knowledge on Gender Issues ([PRESAGE](#)).

A number of posts on this blog have taken up the subject of [occupational equality between men and women](#).

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# Competitiveness at the expense of equality?

By [Hélène Périvier](#)

Working time has made its appearance in the presidential campaign, and the idea that people work less in France than elsewhere is gaining ground. This is the subject of a report by [COE-Rexecode](#), which unfortunately does not take into account the sexual division of labour.

The employment policies being implemented by European governments are not, however, gender neutral, and ignoring this gives a distorted view of the reality of how work is divided up in our economies: an integrated approach to equality (or “gender mainstreaming”), which requires thinking about the differential effects of public policies on women and men, is far from automatic.

The counteranalysis to the Coe-Rexecode report proposed by [Eric Heyer and Mathieu Plane](#) emphasises the importance of not just looking at full-time workers when trying to compare working hours and their impact on the labour market dynamics of the major European countries. Indeed, part-time workers represent 26% of all employees in Germany, against 18% in France, so it is misleading to exclude them from the analysis.

It is well known that the distribution of full-time and part-time jobs is gender-biased: throughout Europe, women work part-time more than men do. While in France about 30% of women employees work part-time, the rate is 45% in Germany, and in

both countries the part-time rate for men is below 10%. The gendered nature of part-time work is a factor in inequality: recall for example that in France working time explains about half of the wage gap between men and women (see in particular [Ponthieux, Meurs](#)). The issue of working time is central to the promotion of occupational equality.

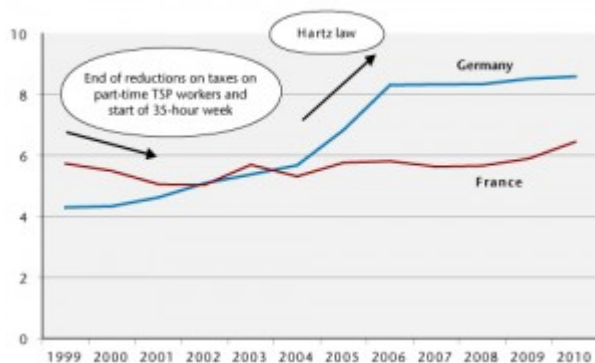
According to the methodological note to the Coe-Rexecode report, “The annual data provided by Eurostat and published by Coe-Rexecode in the paper, “La durée effective du travail en France et en Europe” [“Average effective working time in France and in Europe”] are the only data on average annual hours of work that is comparable between European countries.” It is unfortunate that in its order to Eurostat, Rexecode did not see fit to ask for a gender breakdown of its data. This would have provided a cost-effective way of determining trends in working hours by gender in both countries. Despite this omission, is there anything that can be said about changes in working hours from a gender perspective in the two countries during the last decade, based on the data available to us? How were the adjustments in the labour market divided between women and men?

The changes over the period studied are instructive in terms of the employment policy approaches adopted in the two countries. In the early 2000s, the introduction of the 35-hour work week in France put an end to the reductions in charges that had made hiring part-time workers attractive and which had been driving the ramp-up of part-time employment in France, without significantly affecting the employment conditions of men. Since then, the rate of part-time employment has been stable for women as well as for men (see figure). In Germany, the implementation of the Hartz law (effective as of April 2003) introduced “mini-jobs” [\[1\]](#), which basically meant the creation of part-time precarious employment. This affected both men and women, but while the part-time rate of German men rose by 4.3 points, the rate of

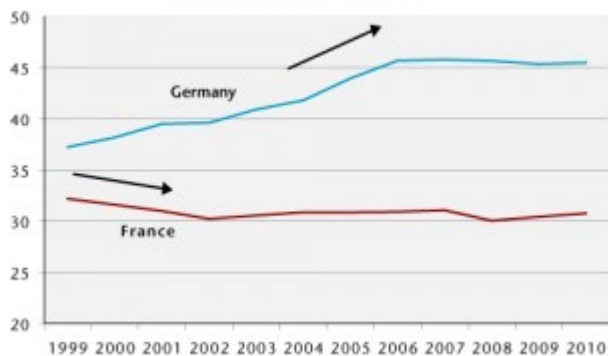
German women rose by 8.2 points (Figure). German women were thus significantly more affected by part-time employment than were German men, or French women. Furthermore, the average working time for part-time jobs was slightly over 4 hours less in Germany than in France (according to the Eurostat data).

French women were of course more affected by the increase in part-time work than were French men, but this increase has been limited, since new part-time jobs accounted for only 21% of the total jobs created between 1999 and 2010. In contrast, in Germany, part-time work has been the driving force in employment during the period, with German women being the main ones concerned by the individual reduction of working time: they represent 70% of the battalion of part-time workers added during this period. Thus, not only did France create more jobs than Germany between 1999 and 2010, but the choice of a collective rather than an individual approach to reducing working time led to a more balanced distribution of employment between men and women.

Change in the rate of part-time work among men aged 15-64 (in %)



Change in the rate of part-time work among women aged 15-64 (in %)



Source : Eurostat [[lfsa\\_eppga](#)]

Share of part-time jobs in the growth of employment between  
1999 and 2010 in France and Germany, by sex

In %

	Change in employment	Share of part-time jobs in the growth of employment	Share of female part-time jobs in the growth of employment
Germany	6,1	130	93 (or 70 % of 130 %)
France	12,2	21	15 (or 76 % of 21 %)

Source : Eurostat [lfsa\_eppga].