Caring in Austerity time in the EU post-financial crisis

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Abstract:

The importance of accessible, affordable and high quality childcare is acknowledged by the EU but legal development has been *ad hoc*, slow and lacks coherence. Since the financial crisis, the EU intervention on care issues has remained extremely limited and has been dictated by economic priorities, of which “care” does not seem to feature. As a result, the area of care remains dominated by rhetoric: the targets set are far from being achieved, the disparities between Member States continue to be extremely wide, and women in Europe continue to bear disproportionately the cost of reproduction. Arguably, the EU growth Strategy (Europe 2020), which talks about a “changing world” entrenches a traditional gendered vision of production and reproduction where the former is valued and the latter is not.

Introduction

Since the 1990’s, work-family reconciliation policies in the EU have arguably become an integral part of employment-led social policies. This policy development has taken place in the context of increasing social and economic challenges facing Western welfare states, namely: the ageing population, the decrease in fertility rates, the fight against child poverty and the management of an increasing diverse workforce in a 24/7 global economy. The 1997 European Employment Strategy states that employment rates have to increase to fit in the growth strategy of the EU. Women have been considered to be the largest group to be activated into the labour market. As a result, gender equality and work-family reconciliation measures have been seen as underpinning the policy of employment rate growth. Against this backdrop, the EU had started to shift its assumption from the male-breadwinner/female carer model family toward the promotion of the adult worker model. “Activating” labour market policies encouraged both parents to take up paid work in an endeavour to reduce dependence on social welfare benefits. A number of Work-family reconciliation law and policies were therefore developed to facilitate the ability of women to access paid employment. These were mainly composed of employment law relating to working time (Part-time Directive; Fix-term Directive; Working Time Directive) and Leave arrangements (Pregnant Workers Directive; Parental Leave Directive). These employment provisions aim to enable working-women (and men) to care for their children and other dependants while remaining in the workforce.

As a complement to these provisions, the EU also started developing a care strategy in order to enable people who have unpaid care responsibilities (mostly women) to participate into the paid

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work market. The care strategy is not based on employment law but rather resides in the realm of social welfare and includes for example child-care and elderly-care. In the effort to allow more women to take up paid employment, the EU started to promote assistance with childcare (Childcare Recommendations 1992; Barcelona targets 2002, commitment renewed under the European pact for gender equality 2011-2020).

This article considers the specific issue of EU care strategy, an area of EU law that is underdeveloped and which was only starting to lift off from the early 21st century. In contrast to the other area of work-life reconciliation (the time and the leave provisions), which are employment law based, legally binding and fitting squarely into EU competences, the care strategy is almost exclusively made of soft law; it sits outside employment law and it is not clearly linked to EU competence. It explores the changing nature of the emerging character for the EU care strategy following the 2008 financial crises and related austerity measures and draws tentative consequences for the future developments of this strategy/policy.

The link between care and the economy?

Care is gendered, not valued and often not paid.

Care is a component of social welfare and as such the EU has no competence in this regard. However, there is a link between care and the economy which gives the EU an indirect competence in this area. The EU may also derive competences in the area of care from its commitment to gender equality and Human rights.

The issue of care introduces a new perspective to the work-family reconciliation discourse: it does not only concern babies and young children but also frailer/dependent adults. At some point in their life most people will become carer, either as parents or for dependent adults: in the UK alone in 2012 there were 7.7 million families with dependent children, and it is estimated that the number of carers of adults (because ill, frail or disabled) will rise to a 9 million (Carers UK, 2002). In the vast majority of cases, carers continue to participate to the labour market.

For several reasons, amongst which the perceived lack of an economic rationale, issues related to care have not been expressly part of the EU agenda. However, it become evident at an early stage that caring related issues were very much an integral part of the economic development of European Union. Indeed, care underpins the functioning of the internal market and lack of care provisions/structure is a major obstacle to the aim of achieving full employment. This is even more the case today where statistics shows the percentage of individuals, mainly women, who cannot participate in full employment because of their caring responsibilities. If individuals are unable to work because they need to look after their children and/or frailer dependent adults, the economy as a whole will suffer. The lack of care provisions threatens the goals of 75% employment of the Europe2020 strategy. Within this context it is somehow paradoxical that care has been so far

5 Carers UK, 2002; ONS 2013.
6 Plantega, Remery, Siegel and Sementini, 2008 SARACENO book p.27
overlooked as opposed to the other rights involved in the reconciliation discourse namely the right to leave and to rearrange working hours. When individual can work in paid employment, their care responsibilities have a clear negative impact on their career prospective.⁷

The economy does not only benefit from the fact that individuals are actively engaged in paid employment; there are also indirect costs such as the loss of human resources. The overall economy also benefits by avoiding the long term consequences of the so called “old social risk”⁸ namely people being unemployed, or poverty, as well as the “new social risks”,⁹ such as lone parenthood and inadequate social security coverage. Furthermore, to care for young children would ensure the workforce of the next generation.

Thus, it is becoming increasingly clear that the EU needs to develop as a matter of urgency suitable strategies to allow individuals to care for their dependents and enable them to be employable. Having this said, and quite apart from an economic rationale, caring is also important as it is a most basic need:¹⁰ young children and frailler adults cannot survive without care.¹¹

**The quest for gender equality**

The EU has entrenched the principle of ‘gender equality as one of the central missions and activities of the Union¹² and it is one of its fundamental values.¹³ Indeed, Article 2 of the Treaty on European Union (TEU) proclaims that equality is one of the values on which the Union is founded. The obligation to achieve gender equality has further been confirmed as a constitutional fundamental right legally guaranteed by Article 23 of the EU Charter of Fundamental Rights (the Charter), which provides that: “Equality between women and men must be ensured in all areas, including employment, work and pay. The principle of equality shall not prevent the maintenance or adoption of measures providing for specific advantages in favour of the under-represented sex.”

The EU work-family reconciliation law and policies and the care strategy have developed in this context.¹⁴ However, it is argued in this article that the 2008 recession has impacted on the nature of policy development in this area. Gregory et al. (2013) argue that the 2008 recession has affected the EU law and policy trajectory on work-family reconciliation in two main ways: First gender equality is not at the heart of policy development on work-family reconciliation; second the pace of legal

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⁷ See the case of Case C-303/06 Coleman v Attridge Law [2008] ECR-I 415.
development has come to a quasi-halt. These can be illustrated by two recent retrenchments. First, despite campaign led by the European Confederation of family Organisation (COFACE) to designate 2014 as the European Year for Reconciling Professional and Private Life, the European Commission has refused to make such designation. Second, the proposed amendments to the Pregnant Workers Directive, introduced within the 2008 work-life package was rejected by the Council in December 2010 and axed by the Commission on 19 June 2014, arguably because it was considered “red tape”.

The underlying assumption in the post-crisis context is that the fundamental principle of gender equality is considered too costly and must take second place to the economic aims of the Treaty.

This assumption falls into the tradition debate relating to the nature and the interests of the European Union. The commitment to equality in the EU has always been entangled with economic and market-based considerations, yet gender equality (as other kind of fundamental rights) often conflict with the free market. In reality, the neo-liberal project and economic considerations have often taken precedence over fundamental rights despite legal statement to the contrary. However, what we witness in the context of the care strategy (and generally the work-life reconciliation policy) is a complete shift in the core nature of the policy to serve the economic interests of the Treaty.


European Union law and policy, is based on a constant tension between fundamental rights and economic provisions\(^{21}\) and this tension is more evident than ever when it comes to care. Although in today’s context it is has become clear that it is no longer possible to “decouple” social and economic forces in the EU,\(^{22}\) such tension goes some way to explain why care continues to remain unregulated. Care is conceptually framed within the “two spheres structure” where the public one “may be used to denote State activity, the values of the marketplace, work, the male domain or that sphere of activity which is regulated by law. “Private” may denote civil society, the values of family, intimacy, the personal life, home, women’s domain or behaviour unregulated by law.”\(^{23}\) Care work belongs to the private sphere as it is often unpaid and not perceived as a “genuine economic activity”\(^{24}\) and thus outside the EU notion of work.\(^{25}\) Women are often considered to be predisposed to provide care because of their reproductive ability. In addition, care giving is often linked to female emotions and sensibilities. It has therefore been easy to argue that women naturally choose this “labour of love” whether as an informal way and or in the paid sector. Any penalties associated with care giving, accordingly results from the (illusion) of life choices.

The market values “autonomy”. This is best illustrated by the increasing number of policies designed to reduce dependence on welfare. However, autonomy is a mere illusion. Those who are the most autonomous are in fact heavily reliant on others to do the care that they need (such as childcare, cleaning, cooking etc) while they can thrive in the paid labour market. Increasingly too, these autonomous individuals rely on importing carers from abroad. Autonomy is also a concept that fluctuates over the life course. All individuals are care recipient at least once in their life: when they are babies. In addition, the ever increasing life expectancy means that there is accordingly an increasing need for care in old age. And no one is ever risk free of accidents or illness.

**The nature of the EU care strategy prior to the crisis?**

Unpaid care did not feature on the EU agenda until recently 1990’s and even then, it has not been constructed as a precise legal right/obligation structure. In practical terms, this means that under EU law there is no specific “right to care” or “right not to be discriminated against because of caring responsibilities”.

The lack of a uniform set of provisions at EU level on care for either young children or adults reflects and is a consequence of the lack of uniformity at national level. Care policies and arrangements are in fact conceptually and structurally different across the EU Member States. Across Europe care is organised according to mixture of formal and informal provisions where informal provisions refer to unregulated and often unpaid activities on behalf of children and/or elderly and/or frail relatives and formal are those regulated by law or other contractual arrangement. They are shaped and


\(^{24}\) Case 53/82 Levin (1982) ECR 103; Case 344/87 Bettray (1989) ECR 1621 (look for something more recent). See also Martinez Sala where the court was indirectly asked whether childcare could have been regarded as work and denied it.

influenced by specific priorities as well as national, cultural, institutional conditions and resources available. Generally speaking, it is possible to affirm that the southern States rely on informal care, whilst the role of the State is more prominent in the Nordic and Scandinavian Member States. It is however difficult to collect reliable data. In turn, these differences make it difficult to agree on a common EU framework.

Against this background, it would be misleading to assert that the EU has never taken action in this area. Broadly speaking, EU issues related to care have been addressed with a mixture of (ad hoc) approaches, which include the use of a number of existing tools such as the non-discrimination legislation and policy and employment policies directed at making sure that people can combine paid work and care. The Court of Justice has been instrumental in construing these legal instruments in a broad way to include value of the role of caregiver when possible into the market scope of the Treaty. It is important to appreciate that those different approaches are neither strictly defined nor mutually exclusive and at times they do overlap. They do not intend to create a comprehensive set of principle/provisions. Generally speaking, all these approaches have the advantage to have contributed to shape the debate on care, and their interplay has resulted in an important array of policy provisions as well as hard and soft legal measures (inter alia, the open method of coordination and gender mainstreaming) which in turn have been interpreted by the CJEU. However, the fact that they are ad hoc responses rather than a coherent strategy has also highlighted disadvantages. In particular, As the Court relies on the non-discrimination on sex provisions, the concept of care also remains framed as a “woman responsibility” and a “woman’s problem”.

Nevertheless, the existing policies in childcare for instance (the 1992 Childcare Recommendation and the 2002 Barcelona Objectives) put the issue of care firmly on the table of discussion within the context of gender equality. For instance the 1992 Childcare Recommendation makes reference to shared domestic tasks. In addition the Court’s decision in Coleman has opened up a wrath of potential (which have not yet been transformed).

In the immediate aftermath of the 2008 crisis, the EU, too busy with reforming banking and financial markets, has adopted no policy on care (or indeed no policy on work-life reconciliation). This is hardly surprising as it is a reflection on the Member States’ lack of uniformity on this issue and the generally slow EU policy development in this area.

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29 Case C-303/06 *Coleman v Attridge Law* [2008] ECR-I 415.
Nonetheless, in 2013, the Commission adopted the Social Investment Package, which address the issue of care, albeit with a twist.\textsuperscript{30}

The emerging new core of the care strategy post-crisis: the Social Investment Package 2013

In its \textit{Strategy for Equality between women and men} (2010),\textsuperscript{31} the European Commission suggested that the recession resulting from the global financial crisis might impact the achievement of gender equality and that the effect of the crisis would put increase pressure of women. In reality, the consequences of the recession have been mix for men and women (if overall negative). Women and men’s unemployment levels are equalizing.\textsuperscript{32} However, in some countries, unemployment levels are accelerating especially for women as the public sector is shrinking. Public sectors cuts disproportionately affect women both as employees and services users. The recession “appears to have exacerbated the earlier gendered and sectoral pattern of work-life conflict.”\textsuperscript{33} Nevertheless women’s labour market participation appears to have become a lasting feature of contemporary capitalism. Despite the difficulties, the crisis has revealed some durable transformed structures. Women are in paid employment and the crisis has not led to women returning (voluntarily) to traditional gendered roles. Women value their economic independence and have not chosen to return to unpaid domestic care.

However, the crisis has highlighted the impact of deeply ingrained gender stereotypes in Europe.\textsuperscript{34} In many countries, women are still perceive as the main carer, and therefore, not primarily as a worker in their full right. The male breadwinner has not disappeared in most Member States.\textsuperscript{35} The preference for father as main economic provider remains a strong cultural force in many countries. The persisting gender pay gap of 17\% (in average hourly gross wage) due in part to women earning lower pay for work of equal value, and in part because of job segregation, continues to shape the perception of entitlement and preference in the workplace and at EU policy making level. This means that work-family reconciliation is still viewed as a luxury for women, therefore not a necessity in time of crisis.

This background has contributed to shaping the EU policy response on care. Policies on care have the potential to complement and support the policy response to the recession\textsuperscript{36} in the form of


\textsuperscript{32} Women are not significantly more likely to face unemployment (9.8\%) compared to 9.7\% for men) but they face a higher risk of poverty and exclusion (25.2\%) than men (23\%). European Commission, \textit{Social investment package: Key facts and figures} (2013) at p. 5.


\textsuperscript{35} “Women's activity rate is still 12.7 percentage points below that of men (64.9 % against 77.6 % for the 15-64 age bracket in 2011), reflecting persistent gender divisions in household and care responsibilities”, European Commission, \textit{Social investment package: Key facts and figures} (2013) at p. 5.

measures designed to limit or avoid job losses and to support undertakings in retaining their workforce. Care measures also contribute to the creation of new jobs, albeit most care related jobs are undervalued, heavily segregated and often precarious.

The 2008 recession was not the optimal environment to sustain the nascent care strategy into care policy/law. However, the adoption of the Social Investment Package (SIP) in 2013 marks a change in the approach taken by the EU in relation to care. First the EU makes care a relevant concept of the EU market and second post-crisis concept of care serves primarily the economic growth and only secondarily gender equality.


Indeed, it calls on EU countries to:

1. Improve access to affordable early childhood education and care services;
2. Step up access to quality services that are essential to children's outcomes – improve access to early childhood education and care including for children under 3, eliminate school segregation, enhance access to health, housing, social services;
3. To support children's participation in extra-curricular activities and in services and decisions affecting children such as social services, education, alternative care.

But it is also embedded with the achievement of economic growth and in particular:

1. It supports parents’ access to the labour market and make sure that work 'pays' for them;
2. The provision of adequate income support such as child and family benefits, which should be redistributive across income groups but avoid inactivity traps and stigmatisation;

**Explain why is the economic aspect relevant?**

We can draw a parallel with other policies designed to achieve gender equality but lately used by employer for to strengthen business. For example, the concept of flexibility, originally designed to contribute to greater work-family reconciliation for workers, is increasingly used by employer to justify cut in the terms and conditions or employees. Flexibility is an ambiguous concept which can potentially impact positively but also negatively on work-family conflicts. Indeed, the concept of work flexibility can be interpreted as a tool for employers to adapt quickly to the globalised market competition or as an instrument to enhance the reconciliation between work and family life or contribute to general work-life balance. While a number of researchers have pointed out how

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flexibility can help to resolve work life conflicts, others have highlighted that employers can benefit greatly from this concept at the expense of employees.

If care is to be used for the benefit of the economy as oppose to the achievement of gender equality, there are therefore real risk that employees and women in particular will lose out.

Although SIP states the EU commitment’s to combating social exclusion and discrimination as fundamental objectives of the EU Treaty and the Charter of fundamental Rights, there are few mention of gender equality in the Communication. SIP identifies “social exclusion” (not inequality) as a cost to the economy and as a threat to achieving the economic targets set by the Europe 2020 strategy.

Conclusions
Arguably nothing has changed much. Since the financial crisis, EU care strategy remains slow in pace and soft in nature. The economics aims and the social norms continue to be in tension with a preference for the economic aims.

Is there retrenchment of core values? Or is it possible that the crisis ‘only’ contributed to highlight the existing structural inequalities?

References:
43 SIP page 1.