

# Can We Call It a Revolution? Women, the Labour Market, and European Policy

*Francesca Bettio*

## I SETTING THE STAGE

In the USA, the change in women's role in the economy over the last quarter-century has been likened to 'a quiet revolution' by Goldin (2006), and allegedly as a more radical and consequential transformation than the long 'evolution' witnessed in the course of the preceding century. Such views were expressed just before the Great Recession struck. They were probably infected by the economic buoyancy of pre-crisis years, and, as Goldin herself admits, they may have looked rosier through the glasses of the main actors in her story, well-educated American women. A few years on, the so-called Shriver Report (Morgan and Skelton 2014) quenched the optimism about the quiet revolution by taking the perspective of women 'living on the brink, struggling to achieve economic security while also caring for their families'.<sup>1</sup> The report was compiled in the midst of the Great Recession. While acknowledging manifest achievements for women, it also highlighted the downsides, including growing inequalities among women of different ethnic and educational backgrounds and the persistence of wide gaps in earnings and poverty status with respect to men.

---

F. Bettio (✉)

Dipartimento di Economia Politica e Statistica, Università di Siena, Siena, Italy  
e-mail: [francesca.bettio@unisi.it](mailto:francesca.bettio@unisi.it)

Can we also talk of a quiet ‘revolution’ in the European case? Or has ongoing change being stalled by a much longer recession than the USA experienced? Questions like these naturally arise on this side of the Atlantic because of the much touted ‘European social model’. There is no denying that the European social model has been a hotbed of social and institutional innovations, nor that the effort to further integrate women into the paid economy is an integral part of this model. To my knowledge, however, no attempt has yet been made to assess systematically whether and to what extent such innovations have actually ‘delivered’.

Several chapters in this book can be viewed as tiles of the complex mosaic that needs to be pieced together in order to arrive at an assessment of the European experience. This chapter engages with a more preliminary task, a stock-taking exercise where key developments in women’s labour market position at EU level are reviewed in the light of European policy choices and innovations. The exercise offers a chance to ask some of the big questions that ought eventually to guide evaluation.

The chapter starts by tracing the policy trajectory that the EU has followed in the attempt to mobilize women’s labour supply and foster economic integration. Sections 3 and 4 take stock of change in female employment, pay and earnings. Section 5 relates such change to achievements and shortcomings of reconciliation policy, one of the key approaches that the EU has embraced to assist women’s economic integration. Section 6 resumes the question of whether Europe has witnessed truly revolutionary change in women’s labour market (and economic) integration and highlights the main outstanding issues.

## 2 SUPPORTING WOMEN’S ECONOMIC INTEGRATION: THE EUROPEAN POLICY TRAJECTORY

Europe’s alleged commitment to fully integrating women in the economy has evolved out of the commitment to gender equality which the European Community (EC) has embraced since its very inception in 1957. With its founding Treaty, the EC established the principle of equal pay between men and women ahead of many of its member countries. The focus on individual rights to equality in the 1960s and 1970s prioritized legal action to combat discrimination, with policy innovations primarily confined to milestone Directives such as the equal pay directive of 1975, the directive on equal treatment in statutory and occupational social security scheme of 1979, and thereafter the maternity leave and motherhood safety directive of 1992.

When the limitations of equal treatment legislation had become apparent in the 1980s, attention moved to affirmative action, and the new tool box featured the soft legal stick of Recommendations alongside the carrot of hard money. Funds were allocated to training and Recommendations were made to Member States in areas ranging from sexual harassment to under-representation in decision-making positions. Affirmative Action too soon proved to be a partial answer, or to even reinforce inequality, and left centre stage to a new strategy, that of gender mainstreaming which the 1995 Beijing Conference had freshly introduced.

Two years later, gender mainstreaming was formally adopted in the Amsterdam Treaty as part of the so-called dual approach whereby mainstreaming is flanked by 'specific actions' aimed at eliminating, preventing or remedying inequalities between men and women. In the meantime, other directives of wide-ranging economic implications had come into force, notably the 1993 and 1997 Directives on the organization of working time and part-time work, the 1996 Directive on parental leave, and the 1997 Directive reversing the burden of proof in cases of discrimination.

The stage was finally set for the big policy and institutional innovation of the turn of the century: embedding gender equality into actual economic policy. The European Employment Strategy (EES henceforth) was launched in 1997, shifting the focus of economic (labour and welfare) policy from lowering unemployment to raising employment. Mobilizing women was at the core of this strategy.

Between 1997 and 2002, pursuit of Equal Opportunities was identified as one out of the four policy pillars on which the strategy pivoted. But perhaps the most consequential policy innovation was the introduction of numerical targets for the employment rate (for women and older workers in particular) and for the coverage rate of formal childcare provisions. Implementation of targets, as well as policy guidelines, was entrusted to the so-called Open Method of Coordination, a major institutional innovation combining moral suasion and soft sanctions (Points to Watch and Recommendations) in order to bring national policies in line with European objectives.

Following periodic assessment, the European Employment Strategy was repeatedly reviewed and the objectives redefined. The last major review followed Win Kock's 'sombre' assessment in 2005. Eventually, the EES was embedded in the broader economic strategy (currently the so-called 2020 Strategy) with a consequent loss of primacy, visibility and scope. In the process, sex-specific employment targets have been abandoned in

favour of a unisex target of a 75 % employment rate for 20–64 year olds to be reached by 2020. For want of better specification, the unisex target is often interpreted as applying to men as well as women.

While the demise of the EES as an independent policy platform considerably weakened direct pursuit of equality-enhancing labour market goals, the repercussions on reconciliation and welfare policies were less obvious until some years into the crisis. On the contrary, the Council issued a directive in 2010 to extend minimum, paid, parental leave to four months. Due to opposition from some countries, the Council stopped short of enforcing the so-called father's quota provision, namely non-transferable entitlement to one out of four months to the 'other' parent (the father in the vast majority of cases), but it did encourage Member States to introduce similar provisions.

Eventually, however, a protracted financial crisis diluted the commitment to devolving resources to something that was no longer seen as a reliable source of growth—be it gender equality in general or life–work balance in particular. Developments at the top of the EU's political establishment compounded the effects of the crisis. In 2011, the Equal Opportunity Unit was moved—staff and budget—from the Employment and Social Affairs Direction (DG XII) to the Justice Direction (DG V). Gender equality was recast within a human right and anti-discriminatory perspective, leading to novel policy priorities and different innovations. One such innovation was the 2011 pledge to achieving 40 % representation of women on the boards of publicly listed targets by 2020 (Women on Board campaign, WOB for short).

Conceived as the flagship initiative of a wider campaign to reduce the under-representation of women in decision-making positions, WOB also marked a shift from empowerment from below—via full integration of all women into the labour market—to a top–down approach based on the assumption that more women in powerful positions would facilitate the integration of the women (see also Rouault in this volume). Novel campaigns against trafficking and violence against women were also given high priority in the post 2010 equality strategy. Yet another significant development was the Court of Justice decision in favour of the so-called unisex rule in the calculation of insurance premiums and benefits in 2011. Thus, for example, women in the EU who paid insurers the same pension premium as men can no longer receive lower annuities on the ground that they live longer and are therefore likely to draw their pension for longer.

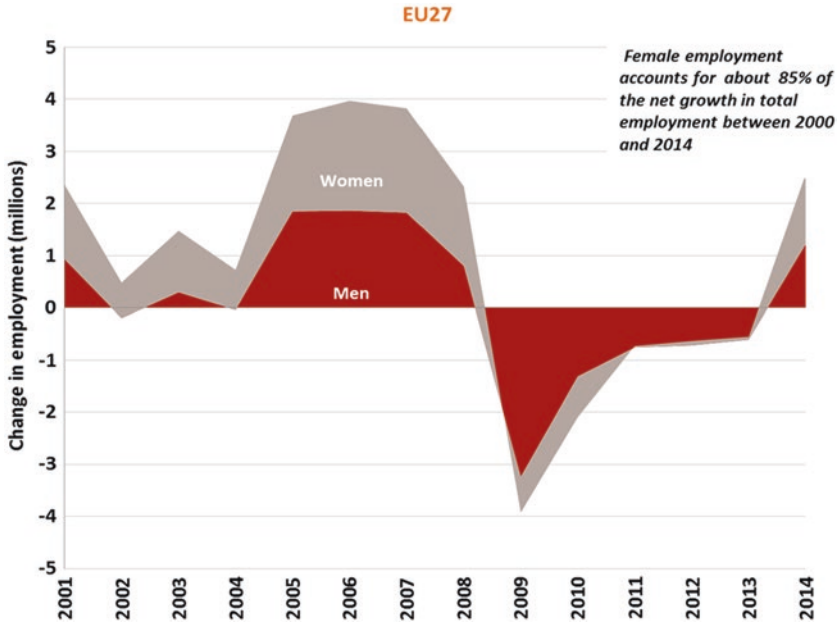
There is no denying that empowerment from above ought to complement empowerment from below. Nor can it be denied that there may be important synergies between human rights objectives and economic goals—for example, reducing economic violence reduces economic costs to society. However, complementarity and synergy between different objectives are no longer guaranteed if funding and policy action prioritize some at the expense of others. Although it may be too early to conclude with certainty that this has actually happened in recent years, some scholars claim that it has done so (Smith and Villa 2010; Kantola 2015; Jacquot 2015; Perrons 2015) and many advocate re-grounding gender equality in economic policy rather than relying primarily on anti-discrimination legislation or, more generally, in normative action.

To sum up, institutional and policy innovations furthering women's integration into the (paid) economy have come full circle in the EU. Initially driven by the goal of levelling the playing field by means of equal treatment legislation, they turned to Positive Action for inspiration in the 1980s in the attempt to overcome the limitation of a merely legal approach. Heyday was reached at around the turn of the century when gender equality became part and parcel of the pursuit of core economic goals through the Employment Strategy. At that time, the social engineering ambitions of gender mainstreaming seemed equal to the task, but the magic lasted less than a decade. When the Employment Strategy was confined to backstage, political leadership changed and economic policy was overwhelmed by preoccupations with the financial crisis, the economic dimensions of gender equality lost priority in favour of a human rights and anti-discrimination perspective, which inevitably prioritizes legal intervention.

Yet one may expect so remarkable a spate of innovations to have left some mark. In the following sections, I shall review key labour market and social policy developments from the perspective of European policy, that is judging outcomes against agreed targets and explicit goals. Later on in the paper, I shall broaden the perspective and take a more independent stand.

### 3 STOCK-TAKING: EMPLOYMENT

In the last decade and a half, female employment has contributed to the net growth in total European employment by about 85 %, thanks to stronger net additions before the recession struck and more contained losses throughout the recession (Fig. 2.1). All this vindicates in retrospect the



**Fig. 2.1** Contribution of female employment to total employment growth. *Source:* own calculations based on Eurostat online Labour Force Survey data (lfsa\_pganws series)

assumption originally underlying the EES that women were and remain practically the only ‘indigenous’ labour reserve Europe can draw upon in order to expand employment. Nevertheless, net employment growth over this period (2000–2014) was modest because of the duration and severity of the crisis: it amounted to between 13.5 and 15.5 million workers depending on which working age group is chosen.<sup>2</sup> As a result, the agreed employment target has not been met and is unlikely to be met by the 2020 deadline.

Let me expand on this a little. If we project the growth in the female employment rate that would be observed from 2015 assuming that it will grow at the average pace actually recorded between 2002 and 2014, we find that we would have to wait until 2037 for women’s rate to reach the 75 % mark in the EU28 as a whole (Fig. 2.2: the pale grey line).

One of the main problems behind such a disappointing projection is the fact that convergence in female employment between laggard and leader

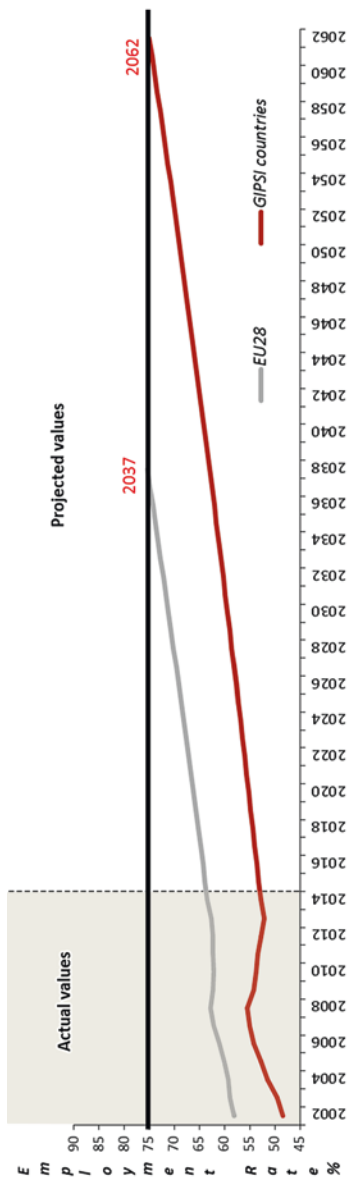


Fig. 2.2 Female employment rate projections based on average growth rate 2002–2014 (20–64 years of age).  
 Source: Eurostat online database, own elaborations (lfsa\_pganws series)

EU countries was stalled or even reversed during the crisis. Consider for illustration the so-called GIPSI group of countries, an acronym for Greece, Italy, Portugal, Spain and Ireland.<sup>3</sup> Taken together, GIPSI countries account for more than a quarter of the total working-age population within the EU28. However, the rate of employment for women in this group of countries was about 10 percentage points lower than the EU average at the beginning of the period and as much or equally lower at the end of the period. In the years that preceded the crisis, catching up by GIPSI countries was visible but the gap reopened during the crisis. The end result is that while women still represent the largest reservoir of labour for future employment expansion in several European countries, the largest potential remains trapped in laggard countries.

As well-known, the GIPSI group of countries have been the main recipients of debt consolidation provisions ('austerity') starting from 2010 to 2011. Hence, the first 'big question' that will need to be addressed in any future policy evaluation exercise ought to query policy consistency at EU level: did fiscal consolidation end up thwarting achievement of a different but important goal which the EU embraced, namely mobilizing women's labour potential?

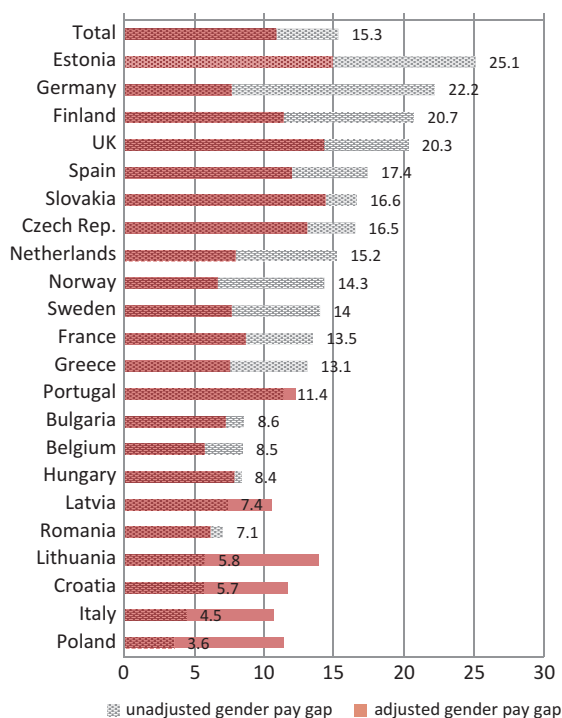
#### 4 STOCK-TAKING: PAY AND EARNINGS

Within households, decisions about who works, where and for how many hours clearly depend on how much women earn or can earn in comparison to men. Any pay discrimination affecting women, therefore, distorts their decisions against their employment. Commitment to no pay discrimination or equal pay dates back to the founding treaty of the European Community and it remains a core objective of today's Union. No numerical target has ever been set, but the final benchmark can only be zero discrimination. Although equal pay has not been achieved in Europe, the majority of European countries do relatively well by international standards. According to the latest statistics from the Organization of Economic Co-operation and Development (OECD) statistics, 12 European Member States out of the 20 included in a 34-countries group of OECD countries recorded pay disparities between women and men lower than (the 34 group) average; and 16 EU countries out of 20 have done better than the USA.<sup>4</sup>

Workers cannot choose their wages, while they may have greater choice of hours of work. Though some end up working more hours than they desire and some less, hours of work are generally viewed as resulting from choice more than discrimination. For this reason, the gender pay gap, which measures pay disparities on an hourly basis, is thought to be the



appropriate indicator to capture discrimination. Raw data yield the so-called unadjusted gender pay gap, the percentage share by which the wage of an average male worker exceeds that of an average female worker. The 2003 figure was 16.4 % for the EU27. However, no allowance is made in this figure for the fact that the average man may differ from the average woman; for example, he may be older and more experienced. As a rule, therefore, only a fraction of the unadjusted gap actually reflects potential discrimination. This part is the so-called adjusted gender pay gap and it essentially compares wages for women and men with the same (measurable) characteristics. The latest estimate for the adjusted gap is 10.9 % for 2010 and refers to 22 European countries where the unadjusted gap was 15.3 in the same year (Fig. 2.3). Hence, discrimination is unlikely to



**Fig. 2.3** Adjusted and unadjusted gender pay gap, 2010 (%)

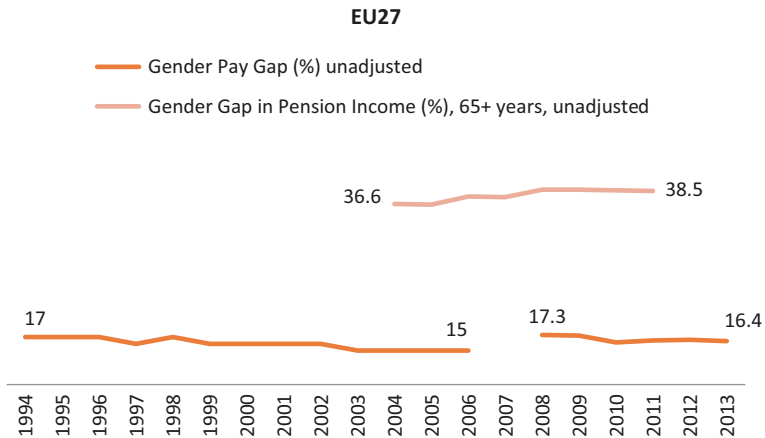
*Sources:* Structure of Earning Survey Data elaborated by Boll et al., 2016:11

exceed 11 % of average male wages in a very large subgroup of EU countries; and it might be even lower.<sup>5</sup>

Can we conclude that full success in fighting discrimination is within reach and we shall be approaching truly equal pay in a matter of years? Not quite yet. Firstly, there has been very little progress over the last 20 years or so. Hardly any reduction has taken place in the gender pay gap since the early 1990s, and very slow progress cannot be blamed on the crisis (Fig. 2.4): if anything, the crisis reduced the gap by levelling all salaries downwards (see Bettio et al. 2013). If we go by the experience of the last 20 years, therefore, we have few reasons to expect that full equality of pay will occur any time soon.

Secondly, disparities between women and men in pay per hour matter for discrimination, but what ultimately influences decision-making within the household (and outside) is who ‘brings home the bacon’. In other words, it also matters how many hours women work, as well as how many of them work at all.

Europe is not doing terribly well in this respect. In 2010, the share of partnered women of working age earning from zero to, at most, 45 % of the combined labour income of the couple was over two thirds.<sup>6</sup> Given that



**Fig. 2.4** Gender pay gap and gender pay gap in pension income (EU 27, unadjusted)

*Source:* Eurostat Structure of Earnings Survey for gender the pay gap; EU-SILC for the gender gap in pension income. The gender pay gap between 1994 and 2000 was estimated by Eurostat (series *earn\_gr\_hgpg*). The gender gap in pension refers to average pension income (all pensions) and is drawn from Tinios et al. 2015: 10) and additional data elaborated by the authors.

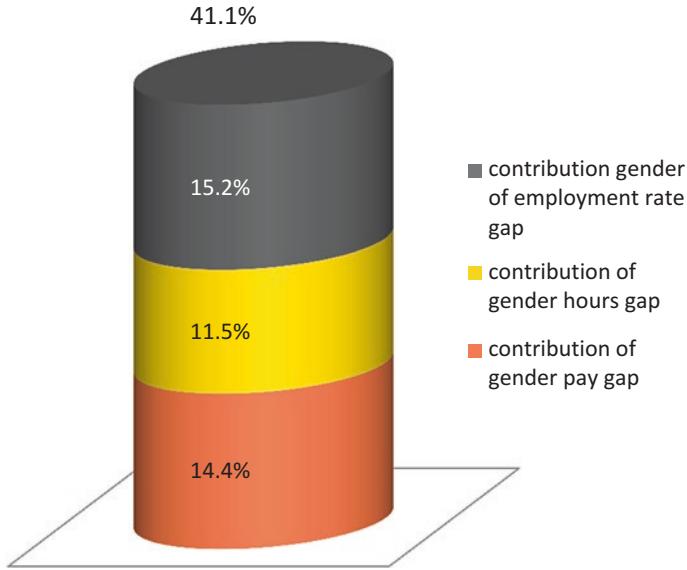
the vast majority of these women contributed less than 40 %, we can broadly think of them as ‘secondary earners’. If a stricter definition of secondary earners is adopted, this share would reduce but it would still remain ‘important’.

To understand what might have happened, consider how decisions about hours of work are made within households. They are clearly influenced by wages (pay per hour) but also respond to reconciliation provisions, social norms, labour market regulations, and, of course, macroeconomic conditions. A synergic combination of labour market de-regulation, incentives to part-time and the recession, accounts for a remarkable increase in part-time employment in Europe since the turn of the century. Nearly two thirds of the net growth in female employment over this period (2000–2014) was due to part-time. Before the crisis (2000–2008), net growth in women’s employment amounted to 11.4 million units, with part-time employment contributing nearly half of this increase (about 5.3 million). During the crisis, part-time work was used also to avoid redundancies and therefore grew at the expense of full-time employment: between 2008 and 2014, the number of women employed part-time rose by 1.9 million, while total female employment declined slightly.<sup>7</sup>

When a robust increase in part-time is compounded by negligible progress towards equal pay, even a large increase in female employment may not substantially reduce the share of secondary earners among women. Recently, Eurostat proposed a statistics that conveys this message simply and effectively. It is called the gender overall earnings gap and measures how much the average woman takes home in (gross) earnings per month compared to the average man. Women and men who do not work (and do not earn) are also included.

The gender overall earnings gap is rather high in Europe: 41.1 % in 2010 (EU28). It can be decomposed into three parts. The first part reflects gender differences in wages (hourly pay), the second accounts for gender differences in the employment rate, and the third is due to gender differences in hours of work (Fig. 2.5). As shown in the graph, at EU level, the combined effect of lower wages per hour (the equal pay gap) and fewer hours of work (the [reverse] part-time gap) makes up nearly two thirds of the overall gap.

Being a secondary earner has implications that go beyond earnings and are especially important for women in an ageing society. With transition from working to retirement age, secondary earners inevitably tend to become low pension earners. Either they did not pay enough contributions to be entitled to a contributory pension or their life-time contributions payment is low. There is, in fact, an old-age analogue of the gender overall



**Fig. 2.5** Gender overall earnings gap in %, EU-28, 2010

*Source:* data from Eurostat 2016, Gender Statistics, Statistics Explained: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_statistics)

earnings gap which has been neglected until a few years back in Europe. I am referring to the gender gap in pension income (Tinios et al. 2015), which measures the percentage difference in total pension income between elderly women and men. Unsurprisingly, the total earnings gap and the gender gap in pension are of a very similar order of magnitude: the latter reached about 37 % in 2004 and rose to 39 % in 2011 (Fig. 2.4). As Tinios et al. make clear, moreover, there are no compelling reasons to expect fast decline in the gender gap in pension in the near future.

Let me now return to the question of what role EU policy and institutional innovations may have played in achieving greater equality in pay and earnings. European laws and institutions consistently fought any discrimination, first in pay and more recently in pension rules (recall the ‘unisex rule’ for calculating premiums and benefits in private insurance contracts). However, the Union’s toolbox to fight discrimination has largely featured legal and judicial tools. These may succeed in debunking large chunks of discriminatory practices when first enforced, but are bound to see their potential fade over time.<sup>8</sup>

## 5 STOCK-TAKING: RECONCILIATION POLICY

The problem is that equality of earnings presupposes equality of pay but is several steps removed from it. For the average woman to earn as much as the average man of comparable education and experience, the further requirement is that income roles be practically interchangeable, with women being as likely to be primary (or secondary) earners as men, that is, as likely to be in the labour market, to work a comparable number of hours and so on. In order to foster interchangeability of income roles a wider range of policy tools are needed, from taxation to employment and so-called reconciliation policy.

All this raises my second ‘big question’, namely whether and to what extent the goal of maximizing the number of women in employment— independently of hours or days worked—has been pursued disregarding repercussions on the asymmetry of gender income roles. My intuition is that this may have happened because something went wrong with the design and implementation of reconciliation policy. The next two paragraphs and the next section explore this intuition while reviewing policy developments.

In around the 1990s, the idea took shape of a three-pronged reconciliation approach. Inspiration came from the Nordic and French ‘care regimes’ which appeared to have achieved high rate of female employment and near-replacement levels of fertility by offering an efficient blend of three types of resources to combine work and family: care services, monetary benefits, and time-off and flexible time (Bettio and Plantenga 2004). Flexible time, part-time and leaves off work could be used in different proportions to provide own (unpaid) care work as needed at home. Monetary benefits, on the one hand, and services in kind, on the other hand, could be used to outsource housework and care, thus reducing the need to take time off and any adverse repercussions on employment that may go with it.<sup>9</sup>

This three-pronged approach was part and parcel of the European Employment Strategy, but it has fallen short of aspirations. Was the supply of provisions inadequate, or did the problem lie in the design and balancing of provisions? To complete the stock-taking exercise of the previous sections, in the next section I shall review developments in formal childcare and leave policy at EU level keeping these questions in mind. Once again, the aim is to partially explore possibilities rather than provide full answers. All the more so since the focus will be rather limited. I shall in fact focus on childcare and leaves while neglecting monetary benefits, which would require a lengthy digression. I shall also disregard care for the elderly and flexible working, just to mention important provi-

sions that ought to be considered in an exhaustive account. Moreover, I shall confine attention to the supply (availability) of (child) care services while neglecting issues of affordability and quality of services.

### *5.1 Has the Reconciliation Approach Delivered? Care Services and Leave Policies*

Before reviewing facts and figures, let me question some basic assumptions underpinning faith in reconciliation policy as an approach capable of boosting employment while also catering to other family goals, from raising the desired number of children to ensuring their well-being and that of their parents.

Starting with childcare and female employment, is the assumption that more supplies translate into higher female employment grounded in theory, evidence, or both? Theory first: from the standpoint of mainstream economic analysis, the crucial links between childcare provisions and employment or wages are relative prices or costs. In principle, lower costs of any childcare provision should encourage female employment. Feminist research and several econometric studies, however, indicate that availability may matter as much as or more than price, depending on the economic context (Gustafsson and Stafford 1992; Chiuri 1999; Del Boca 2002 to cite just a few well-known studies).<sup>10</sup>

The availability of publicly subsidized services for children has, in fact, been found to significantly increase female employment in countries as different as Spain and Germany (Nollenberger and Planas 2011; Wrohlich 2011). Moreover, recent research by Thévenon (2013) on OECD countries between 1980 and 2007 found that childcare coverage did foster female employment: the effect was robust, though small. Research with a feminist leaning underscores the importance of availability from a different perspective, call it the ‘marketization’ hypothesis: bringing care work to the market ‘frees’ female labour from commitment to unpaid work and at the same time boosts demand for such labour (Bettio and Plantenga 2004; Freeman et al. 2005).<sup>11</sup>

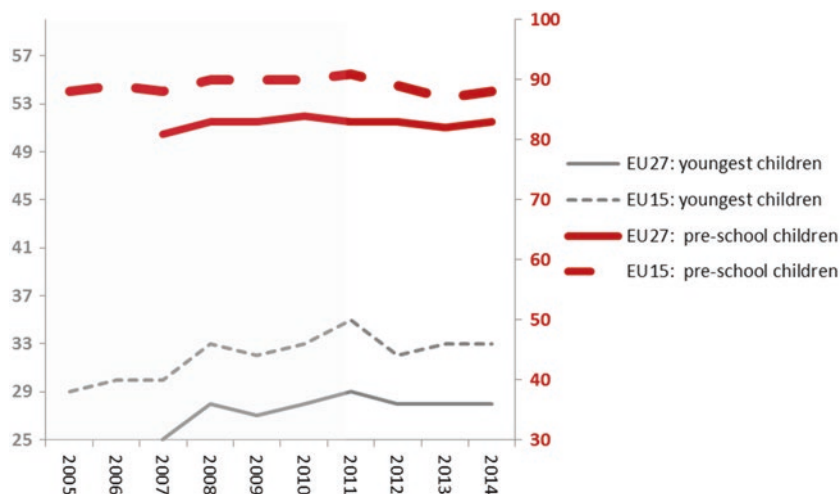
Clearly, a few scholarly references selected out of the large body of literature that exists on childcare and female employment cannot be conclusive, but the point I am making is that there is enough in the literature—theory or evidence—to make a case for expanding childcare facilities, as Europe actually set out to do. Hence, the next question becomes how has the policy unfolded.

Two headline targets were adopted at the Barcelona meeting. They set a 33 % coverage rate for formal care of toddlers (below three years of age) to be reached by 2010, and a 90 % target for care of preschoolers (from three years to compulsory school age) to be reached by the same date. Actual

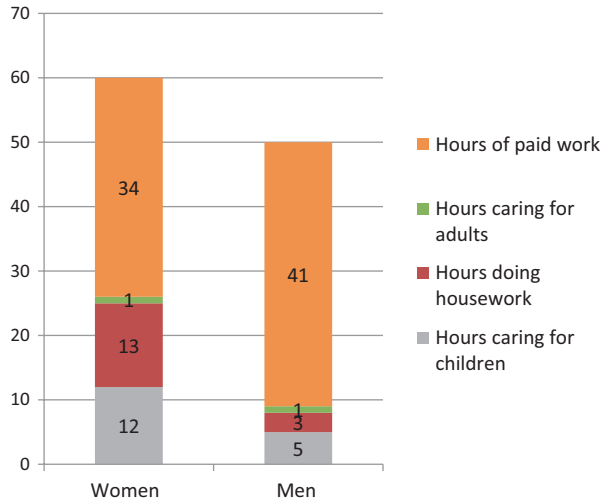
progress can only be measured starting from 2005 for the EU15 group of countries and from later for the EU27 or EU28 groups (Fig. 2.6). Progress was slow but steady within EU15 where the coverage rate for the youngest children reached the agreed target in 2008. However, the trend broke with the onset of the crisis, with later values hovering around the target until 2014 (the latest available year). In the whole of Europe (EU28) ten Member States had reached the target for toddlers by the agreed deadline (2010), but the number has not changed since. Coverage was still five points below the target in 2014, although progress was clearly visible up to 2011.

For preschool children, advancement towards the Barcelona target of 90 % was slower: the 2014 values are 88 % for EU15 and 83 % for EU28, respectively. In the case of preschoolers, it is even more apparent that the positive trend definitely broke in 2011, with the following years recording a slight decline in both macro areas (Fig. 2.6). However, one piece of good news in this mixed picture is that a consistent shift has taken place in favour of full-time care facilities.

To sum up on advances being made, ‘glass half full’ appraisers would stress that EU policy did succeed in creating a commitment on the part of Member countries to enhance care infrastructures for young children as several



**Fig. 2.6** Rate of coverage of formal care (percent of respective population)  
*Source:* Eurostat online database, own elaborations



**Fig. 2.7** Time distribution between men and women *Sources:* European Working Condition Survey 2010, Eurofound (courtesy of J. Ignacio Gimenez-Nadal)

of them struggled to respect their commitments until well into the crisis. But ‘glass half empty’ appraisers would point out that austerity policy largely takes the blame for reverting the trend, since the clearest divide can be traced to around 2011 when debt consolidation measures began to bite.<sup>12</sup>

The case for leaves off work is more controversial. Again, let me start with briefly reviewing theory on the relationship between female employment and leaves off work. Mainstream labour supply and human capital theory maintain that long leaves hinder employment and reduce wages because they impose extra costs on firms and cause obsolescence of human capital. Econometric evidence yields much more nuanced results. Earlier econometric studies found that leaves have adverse effects on female wages and career, but not on female employment (Ruhm 1998). However, the length and design of leaves clearly matters for employment (Gornick et al. 1997; Bruning and Plantenga 1999). Ondrich et al. (2003), for example, found that in Germany the probability of re-entry was negatively correlated with leave duration. In the same vein, earlier OECD studies found that the optimal length of the leave for employment and wage-related outcomes does not exceed six months (Jaumotte 2003; OECD 2007, 119). The more recent evidence is reviewed by Dearing (2015)



and does not fundamentally alter the above findings. The main difference is additional evidence in favour of weakly adverse employment effects. Thevenon (2013) in particular finds that (i) there is no consistent evidence that well-designed leaves hinder female employment, and (ii) the employment impact of parental leaves may be uncertain depending on length and design.

We may therefore safely conclude that employment effects are uncertain but negative repercussions on career and wages are probable. However, leaves address demands other than protecting or fostering female employment: sustaining fertility, increasing well-being of mothers (and children) and reducing existing gender imbalances in housework and care work. This justifies devoting specific attention to accomplishments in this area.

Together with childcare and part-time, leave provisions are at the core of the European approach to reconciliation, as already noted (see also Auth and Martinek as well as Leitner in this volume). However, gauging developments at EU level is problematic because no target or benchmark has been set, information gaps are still important and national regulations remain complex. The latest innovation in EU leave policy ([Directive 2010/18/EU](#)) has been to ensure a common floor for parental leave, with four months granted as individual entitlements, not transferable among parents and covered by the right to go back to the same job and to change working hours. As noted earlier, the Directive stopped short of regulating pay and introducing provisions to encourage fathers to participate.

This new Directive continues the tradition of entrusting leave policy almost exclusively to legal provisions with a view to effectively ensuring ‘entitlement floors’, while leaving Member States free to ‘improve’. The problem is, of course, that Member States are also free to worsen or do little else. Across European Countries, therefore, the picture is rather diversified (European Parliament 2015). To summarize it with a few facts and figures:

- Maternity leave entitlements currently range from the minimum of 14 weeks ensured by the 1992 Directive to almost 59 weeks, with 23 weeks average duration. The leave is usually well-paid (90 % income replacement, on average) but better so in Western and in Eastern countries, where, however, duration is longer (EP 2015: 32–39). The take-up rate is generally high.
- The average (statutory) parental leave is long but not well-paid: 86.9 weeks, practically 20 months, with a good 13 countries positioned above the average. Income replacement reaches 50 %, on average,

although seven countries do not offer any compensation. Women disproportionately take up parental leave, whereas only one father out of ten entitled to the leave takes it (European average). It is nevertheless encouraging that in countries like Sweden the share of fathers taking parental leave goes up to more than four out of ten<sup>13</sup> (European Parliament 2015: Sect. 9.3 and Fig. 23).

- The vast majority of EU countries (23 out of 28) offer paternity leave of short duration (12 and a half days on average) and better income replacement than maternity leave (92 % on average; EP 2015: 59–64).
- Less than a third of EU countries offer so-called father’s quotas or bonuses in order to encourage fathers to take parental leave, but only Scandinavian countries and Germany offer well-paid, fathers-only leave of at least one month.

To sum up, we can hail the effective implementation of minimum maternity and paternity leave entitlements in all the Member Countries, which is no mean achievement in comparison to many countries outside Europe. But we must acknowledge that very long parental leaves are still widespread, the take-up rate for men is far too low, some countries offer paternity leaves whose significance is little more than symbolic, while a small minority offers real, but still limited, incentives to fathers.

Looking ahead, should EU policy go beyond what it has already achieved? Here is the third big question that this stock-taking exercise raises. As with the other ‘big questions’, an informed answer calls for proper policy evaluation which I leave to future research, while here I shall venture some preliminary indications.

First, formal entitlement does not necessarily mean actual entitlement; hence, a continuing goal of leave policy should be to ensure effectiveness of leave provisions. In present-day Europe, younger workers are increasingly hired on non-standard, often discontinuous contracts, and they are much more likely to work as self-employees or to experience recurrent unemployment than in the past. Since leaves have often been designed for a much less ‘liquid’ labour market, younger workers’ access to even basic entitlements is at risk in several countries. Hence, we should go for ‘different’ rather than more or longer leave provisions, where different means first and foremost different leave designs.

For example, a fair amount of consensus—supported by persuasive evidence—has gathered around the view that the European leave policy

was not designed for and has not helped rebalance the division of labour within households (Bertrand 2015; Hirschmann 2015). Earlier policy and scholarly debates were in fact monopolized by issues of length and income entitlements. The fact that women would be (or should be) the main beneficiaries of leaves was hardly questioned, the implicit assumptions being that higher labour market involvement would be enough to radically change traditional gender roles within households (if only the worst repercussions of leaves on employment, earnings and career for women could be avoided). We now know, however, that gender imbalances in time use remain high across European countries: in 2010 and on a weekly basis the average European woman still worked ten hours more than men in total (paid or unpaid work), with unpaid work disproportionately contributing to the ten hours gap.

Given mounting criticism of the ‘old’ leave policy as cock-eyed and targeting mothers rather than both parents, it is the overall design of leaves, and not just pay and length that needs revision. Fagan and Norman (2015), for example, identify six requirements that a well-designed parental leave should satisfy: individual entitlement, pay, a design allowing for flexible fruition, support for reintegration into employment, coordination with other reconciliation provisions, and features encouraging father’s participation. Recasting leave design in order to cater to men as well as women would also suit a more ‘liquid’ labour market where less structured, and more intermittent employment trajectories are becoming common among younger men as well as younger women (Fabrizi and Raitano 2012).

## 6 CAN WE CALL IT A REVOLUTION?

Thus far, developments in key labour market outcomes for women have been reviewed from a European policy perspective. However, the opening question in this essay, namely whether European women’s progress towards integration into the labour market (and the economy) could amount to a ‘quiet revolution’, was asked from a different, broader, perspective. What can we conclude if we embrace this perspective?

Let us go back to Goldin’s idea of a ‘quiet revolution’. She distinguishes earlier ‘evolutionary’ phases from a recent phase which she calls ‘revolutionary’ and whose inception she dates to the late 1970s for the USA. In her view, advances in employment such as increases in the employment rate belong to the ‘evolutionary’ stages while ‘revolution’ entails radical change in three aspects of women’s choices and decision-making:

[ ... ] The first concerns ‘horizon’. That is, whether at the time of human capital investment a woman perceives that her lifetime labor force involvement will be long and continuous or intermittent and brief. The second concerns ‘identity’. That is, whether a woman finds individuality in her job, occupation, profession, or career. The third concerns ‘decision making’. Here the distinction is whether labor force decisions are made fully jointly, if a woman is married or in a long term relationship, or, on the other hand, whether the woman is a ‘secondary worker’ who optimizes her time allocation by taking her husband’s labor market decisions as given to her. (Goldin 2006, 1)

The stock-taking exercise in the previous sections left out ‘horizon’ and ‘identity’. For the sake of argument, however, let us assume that change therein was sufficiently radical in most European countries at least in terms of aspirations. Given that cultural models and aspirations spread quickly and often run ahead of structural transformations, this assumption may not be too far-fetched. Hence, the central question for evaluating women’s advances in Europe and the role European policies played could be recast as follows: are European women close to overcoming secondary earner status, and has European policy significantly contributed in this direction?

The evidence that we gathered is not reassuring: the total gap in earnings is around 40 % and more than half partnered women would qualify as secondary earners (including zero earners). Of course, both these figures may be lower among younger cohorts of women, especially well-educated ones. However, looking at averages across the entire population is partly justified by the fact that the young equal earners of today may become the secondary earners of tomorrow when family choices impose more constraints.

In EU policy circles, the secondary earners question is often framed in terms of tax-benefit policy, under the assumption that Europe’s primary mission is to make sure that the taxation system does not distort incentives in favour of not working for pay or choosing to work short hours. Taxation issues are relevant, but the evidence reviewed here suggests that reconciliation is no less important. What went wrong with reconciliation policy can be summarized in a few words, inadequate design, and a lack of balance among instruments. Let me articulate this claim by using the findings on the European reconciliation strategy that was discussed in the previous sections.

Leaves have sometimes, and sometimes have not, hindered employment for women already in the labour force. Partly because of wrong

design, however, they have definitely hindered rebalancing of women's and men's income roles within households. In theory, outsourcing care services can lessen the gender conflict over unpaid time and thus compensate for the adverse repercussions of leaves, at least to some degree. For this to happen, however, sufficient (affordable) facilities must be made available to families. Growth in the (subsidized) supply of formal childcare had indeed picked up before the recession and continued even during the first years of the recession. But austerity policy eventually compounded the effects of the crisis, contributing to stalling progress and even reverting the positive trend in some countries. Hence, part-time never really ceased being a major option for reconciliation. At policy level, the part-time leverage was de facto given primacy, with reliance on part-time work being moreover amplified by the recession. As a result, hours of work still substantially contribute to gender disparities in earnings.

The inference I would draw is that the EU reconciliation strategy has not maintained the 'right' balance among its tools. The crisis is partly to blame but it is not the only factor involved. That said, the importance of reconciliation policies should not be overemphasized. Within the EU, resistance to 'revolutionary' change in Europe also arises from a more idiosyncratic source of frailty, namely regional divides.

In Goldin's framework, advances in women's employment represent 'preconditions' rather than constituent elements of 'revolutionary change'. In Europe, however, employment preconditions for 'revolutionary' change may not have been fully met in several countries. Let us briefly recall developments. Despite not reaching the (over-optimistic) target of a 75 % employment rate, female employment has undeniably outperformed male employment in the past decades, both before and during the crisis. Hence catching up continues at EU level. However, divergences between leader and laggard countries have widened with the crisis, with the result that much of the female growth potential remains trapped in the latter.

To conclude, two questions appear to be holding back progress towards full integration of women in Europe; the regional question, and the secondary earner question. My understanding is that neither can effectively be dealt with by legal and judiciary tools alone. Both continue to be very important, but full economic integration of women into the European economy must ultimately be embedded in economic policy: not only well-designed reconciliation policy but also investment in care and social infrastructure, as well as fiscal and regional economic policy at large.

## NOTES

1. The Shriver Report (Morgan and Skelton 2014: v).
2. The respective age groups are 15–64 and 20–64 years of age.
3. GIPSI is a more charitable version of the damning PIIGS acronym that was used to identify the countries at closer risk of defaulting when the financial crisis peaked, namely Greece, Ireland, Portugal, Spain and Italy.
4. Online OECD, data base, downloaded March 4, 2016: <http://www.oecd.org/gender/data/genderwagegap.htm>
5. Note that actual discrimination may be lower if the average woman and the average man differ in some characteristics that cannot be measured but are valued in the market, for example, higher propensity to risk on the part of men.
6. Rastrigina and Verashchagina (2015: Table 3). The 65 % figure is a simple average for EU28 countries.
7. Based on Eurostat data for EU27 and the 15–64 age group (lfsi\_empl\_a series). The figures for the entire period (2000–2014) are as follows: total, net employment for women grew by 11.1 million, while part-time female employment increased by 7.2 million, that is nearly 65 %.
8. There is evidence, for example, that equal pay legislation contributed to raising female relative wages soon after it was implemented in the USA and the UK (Zabalza and Tzannatos 1985; Blau and Beller 1998).
9. This holds for services more than monetary benefits since the latter can also be used to partly compensate for own, informal care at home.
10. With specific regard to formal childcare services, a not uncommon finding in econometric studies is that the price matters less for employment outcomes in non-English-speaking European countries than it does in Canada, the USA or the UK (see, e.g. Gustaffson and Stafford 1992 for Sweden, Chiuri 1999 for Italy). One possible reason is that European childcare is often subsidized. According to Del Boca (2002), moreover, childcare costs significantly influence women's employment only in contexts where childcare is not severely rationed.
11. Suppose the market price for private childcare services is sufficiently high to ration out the lowest income households by making it cheaper for women in these households to give up employment and provide own, unpaid care. Because sex-typing of paid care work was and remains strong, more women willing to provide unpaid care means lower female employment in paid care. Conversely, when publicly subsidized supplies of childcare services make them universally affordable, this *tends* to free female supplies while also having a multiplier effect on the demand for female labour.
12. Further evidence is inconclusive in this respect. The largest fall in coverage since 2011 for *either* the youngest children or the preschoolers were

recorded by Croatia, France, Greece, Italy, Denmark, the Netherlands and UK, only some of which are clearly identifiable as countries where pressures for consolidation of budgets have been strong. Conversely, countries like Spain, Portugal or Ireland have not recorded higher than average losses in coverage since 2011 and have occasionally improved coverage.

13. Special caution is required in interpretation of available figures on the take-up rate of paternity across European countries. The source I have used (European Parliament 2015) warns, in particular, that types of information and year of reference may differ across countries.

## REFERENCES

- Bertrand, Marianne. 2015. Unlocking the Psychological Keys to Economic Independence. In *Visions for Gender Equality*, ed. Francesca Bettio, and Silvia Sansonetti. Luxembourg: Publications Office of the European Union.
- Bettio, Francesca, Marcella Corsi, Carlo D'Ippoliti, Antigone Lyberaki, Manuela Samek Lodovici, and Alina Verashchagina. 2013. *The Impact of the Economic Crisis on the Situation of Women and Men and on Gender Equality Policies*. Luxembourg: Publications Office of the European Union.
- Bettio, Francesca, and Janneke Plantenga. 2004. Comparing Care Regimes in Europe. *Feminist Economics* 10(1): 85–133.
- Blau, Francine D., and Andrea H. Beller. 1998. Trends in Earnings Differentials by Gender, 1971–1981. *ILR Review* 41(4): 513–529.
- Boll, Christina, Julian Leppin, Anja Rossen, and Andre Wolf. 2016. *Magnitude and Impact Factors of the Gender Pay Gap in EU Countries*. Luxembourg: Publications Office of the European Union.
- Bruning, Gwennaële, and Janneke Plantenga. 1999. Parental Leave and Equal Opportunities: Experiences in Eight European Countries. *Journal of European Social Policy* 9(3): 195–209.
- Chiuri, Maria Concetta. 1999. Intra-household Allocation of Time and Resources: Empirical Evidence on a Sample of Italian Household with Young Children. *CSEF Working Papers* No. 15.
- Dearing, Helene. 2015. Does Parental Leave Influence the Gender Division of Labour? Recent Empirical Findings from Europe. *Institute for Social Policy Working Paper* No. 1: 1–15.
- Del Boca, Daniela. 2002. Do Child Care Costs Affect Labor Market Decision: Evidence from Italy. IZA.
- European Parliament. 2015. *Maternity, Paternity and Parental Leave: Data Related to Duration and Compensation Rates in the European Union, European Parliament Study*. Brussels: European Union.
- Fabrizi, Elena, and Michele Raitano. 2012. Rigido, flessibile o liquido? L'immagine del mercato del lavoro italiano dal dataset AD-SILC. *Economia & Lavoro*.

- Fagan, Colette, and Helen Norman. 2015. Arrangements for Adequate Family-related Leave: Parental Leave. In *Work-Life Balance Revisited*, by Antigone Lyberaki. Brussels: D.G. Justice.
- Freeman, Richard B., Ronald Schettkat, Ernst Duflo, and Tullio Jappelli. 2005. Marketization of Production and the EU-US Gap in Work. *Economic Policy* 20(41): 5+7–50.
- Goldin, Claudia. 2006. The Quiet Revolution that Transformed Women's Employment, Education, and Family. *NBER Working Paper* No. 11953.
- Gornick, Janet C., Marcia K. Meyers, and Katherin E. Ross. 1997. Supporting the Employment of Mothers: Policy Variation Across Fourteen Welfare States. *Journal of European Social Policy* 7(1): 45–70.
- Gustafsson, Siv, and Frank Stafford. 1992. Child Care Subsidies and Labor Supply in Sweden. *Journal of Human Resources* 27(1): 204–223.
- Hirschmann, Nancy J. 2015. Equality, Freedom and the Sexual Division of Labour. In *Visions for Gender Equality*, ed. Francesca Bettio, and Silvia Sansonetti. Luxembourg: Publications Office of the European Union.
- Jacquot, Sophie. 2015. *Transformations in EU Gender Equality: From Emergence to Dismantling*. New York: Palgrave Macmillan.
- Jaumotte, Florence. 2003. Labour Force Participation of Women, Empirical Evidence on the Role of Policy and Other Determinants in OECD Countries. *OECD Economic Studies* 9 2(37): 51–108.
- Kantola, Johanna. 2015. Gender Equality Governance and Tools: The Need for Renewed Focus and a Clear Vision. In *Visions for Gender Equality*, ed. Francesca Bettio, and Silvia Sansonetti. Luxembourg: Publications Office of the European Union.
- Morgan, Olivia, and Karen Skelton (ed). 2014. *The Shriver Report. A Woman's Nation Pushes Back from the Brink*. New York: Palgrave Macmillan.
- Nollenberger, Natalia, and Nria Rodrguez Planas. 2011. Child Care, Maternal Employment and Persistence: A Natural Experiment from Spain. *IZA Discussion Paper* No. 5888.
- OECD. 2007. *Babies and Bosses. Reconciling Work and Family Life. A Synthesis of Findings for OECD Countries*. Paris: Organisation for Economic Co-operation and Development.
- Ondrich, Jan, Katharina C. Spiess, Quing Yang, and Gert G. Wagner. 2003. The Liberalization of Maternity Leave Policy and the Return to Work after Childbirth in Germany. *Review of Economics of the Household* 1(1–2): 77–110.
- Perrons, Diane. 2015. Gender Equality in Times of Inequality, Crisis and Austerity: Towards Gender-Sensitive Macroeconomic Policies. In *Visions for Gender Equality*, ed. Francesca Bettio, and Silvia Sansonetti. Luxembourg: Publications Office of the European Union.
- Rastrigina, Olga, and Alina Verashchagina. 2015. *Secondary Earners and Fiscal Policies in Europe*. Luxembourg: Publications Office of the European Union.



- Ruhm, Christopher J. 1998. The Economic Consequences of Parental Leave Mandates: Lessons from Europe. *The Quarterly Journal of Economics* 113(1): 285–317.
- Smith, Mark, and Paola Villa. 2010. The Ever-Declining Role of Gender Equality in the European Employment Strategy. *Industrial Relations Journal* 41(6): 526–543.
- Thévenon, Olivier. 2013. Drivers of Female Labour Force Participation in the OECD. In *OECD Social, Employment and Migration Working Papers No. 145*, ed. OECD. Paris: OECD Publishing.
- Tinios, Platon, Francesca Bettio, and Gianni Betti. 2015. *Men, Women and Pensions*. Luxembourg: Publications Office of the European Union.
- Wrohlich, Katharina. 2011. Labor Supply and Child Care Choices in a Rationed Child Care Market. *Deutsches Institut für Wirtschaftsforschung Berlin Discussion Paper* No. 1169.
- Zabalza, Antoni, and Zafiris Tzannatos. 1985. The Effect of Britain's Anti-Discriminatory Legislation on Relative Pay and Employment. *The Economic Journal* 95(379): 679–699.