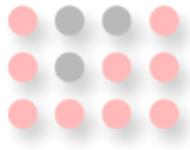




Widening the gender gap: the impact of public sector pay and job cuts on the employment and working conditions of women in four countries

A report for the European Federation of Public Service Unions prepared by the Labour Research Department

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Executive summary

- Governments across Europe are cutting jobs in the public sector in order to reduce government deficits, and in many cases they are cutting public sector pay as well. However, there has been little examination of the impact of these cuts on women. This report seeks to redress the balance by looking at the situation in Ireland, Latvia, Romania and Spain – all countries where governments have cut public sector pay as well as public sector jobs.
- In all four states, the public sector is crucial for women's employment. The public sector employs 42% of all women employees in Ireland, 39% in Latvia, 24% in Spain and 21% in Romania. In addition, more women than men work in the public sector: women make up 72% of all public sector employees in Ireland, 63% in Latvia, 54% in Spain and 53% in Romania. The public sector has also, at least until recently, paid women more than the private sector, which has raised the average figure for women's pay in the whole economy.¹
- All four states have introduced measures that have sharply reduced public sector pay and that have cut employment in the public sector or will do so in the future. In all four the initial programme of cutbacks has been followed by additional, more far-reaching reductions.
- Despite the importance of the public sector as an employer of women, none of the four states has assessed how their policies of cutting public sector pay and jobs are affecting women.
- Unions have not always draw attention to the impact of these policies on women, in part because of the wide range of issues they are required to tackle with limited resources. However, unions in Spain, and to a lesser extent Ireland, have highlighted how women have been particularly affected.
- Only Latvia and Romania provide up-to-date statistics which allow the impact of the cuts on women's pay to be assessed. In Latvia, there is evidence that in the public sector women's pay has fallen by more than men's. In Romania women's pay has fallen more than men's in some parts of the public sector, but not in education. However, in both countries the reduction in public sector pay and loss of public sector jobs has meant that the overall gender pay gap has widened. In Latvia, while in 2008 women earned 15.2% less than men on average, in 2011 they earned 16.9% less, and in Romania, the gap between men's and women's pay has grown from 7.8% in 2008 to 12.6% in 2010.
- Cuts in public sector employment have led to tens of thousands of women losing their jobs, particularly in Romania and Latvia, and in

¹ There are differences between the states in the way the public sector is defined and the age of the statistics, which affects both the numbers employed and their earnings (see main text).

some areas, such as public administration in both Ireland and Latvia, women have been more affected than men.

- Cuts have also had a direct impact on equality structures, with the Ministry of Equality being abolished in Spain and funding for programmes for women being sharply reduced in Ireland.
- Cuts in public sector pay and jobs have taken place within the context of wider government measures some of which, such as cuts in child benefit and increases in the retirement age, have had a particular impact on women.
- The report concludes with a number of recommendations, in particular that there should be adequate statistics to measure the position of women in the public sector and that governments should undertake an assessment of the impact on women of cuts in public sector pay and jobs.

Introduction

It is now almost three years since the financial crisis erupted in the autumn of 2008 and for much of that time cutbacks in the public sector have been a core policy for many governments. In some of the smaller economies, like those of the Baltic states or Hungary, the cutbacks began almost at once. In some of the larger economies, with greater room for manoeuvre, public spending was initially expanded in line with the European Economic Recovery Plan to counteract the effects of the crisis and avoid recession turning into depression. But, since at least 2010, efforts to reduce public expenditure have become almost universal as governments have sought to reduce their deficits.

Cutting public sector wages and reducing the public sector workforce have been among the main mechanisms used to achieve this goal and the extent and impact of cuts in public sector pay have already been explored by EPSU in its “Wrong target” report published in December 2010.² However, less attention has been paid to the impact of public sector cuts on women, despite the importance of the public sector to them.

This report tries to redress that balance. On the basis of four countries, **Ireland, Latvia, Romania and Spain**, which have all cut public sector pay as well as public sector jobs, it examines:

- the importance of the public sector as an employer of women,
- the actions that governments have taken in relation to pay and employment in the public sector;
- the extent to which the differential impact of those actions on women has been assessed;
- the union response;
- the impact of pay and job cuts on women; and
- pay and job cuts in a wider context.

The picture is by no means complete, as in many cases the appropriate statistics are not available, or in some cases not yet published. However, the main effects are clear. Women have been disproportionately hit by cuts in public sector pay and employment but governments appear not to have examined the extent of this impact before introducing their policies.

The Labour Research Department expresses its thank to the EPSU affiliates and others who have provided the material used in this report.

The importance of the public sector as an employer of women

The public sector is a very important employer for women in all four states examined. In every case a large number of women are employed in the public sector and the proportion of women employed in the public sector is higher

² The wrong target – how governments are making public sector workers pay for the crisis, EPSU , December 2010, http://www.epsu.org/IMG/pdf/Pay_cuts_report.pdf

than in the private sector. In addition, in all four states, at least until recently, women's earnings were higher in the public than in the private sector. In other words, it is the public sector that has provided women with more and better jobs.

There are major variations in the statistics available for each of the countries examined, but the main figures are set out below.

In **Ireland**, there are no statistics on the total number of women currently employed in the public sector or their current earnings. The Irish Central Statistics Office does, however, publish a gender breakdown of employment by industry, and an analysis of the three industries that cover the bulk of the public sector (public administration and defence, education and health and social care) gives an indication of the position. The figures set out in Table 1 are startling. They show that the public sector is crucial to women's employment. In total, 350,000 women work in these three "public sector" industries. This is 41.6% of the 842,100 women in employment in Ireland. Women make up almost three-quarters (72.1%) of those working in the public sector (defined as these three public sector industries), compared with over a third (37.3%) of those employed in other industries.

Table 1: Ireland: Persons aged 15 years and over in employment, classified by sex and industry: Jan-Mar 2011

Industry	Number of women employed (000)	Total number employed (000)	Percentage of women
Public administration and defence; compulsory social security	49.3	106.6	46.2%
Education	111.4	148.8	74.9%
Human health and social work activities	189.3	230.3	82.2%
Total in three "public sector" industries	350.0	485.7	72.1%
Total in other industries	492.1	1,318.5	37.3%
Overall total	842.1	1,804.2	46.7%
<i>Public sector percentage as proportion of total</i>	<i>41.6%</i>	<i>26.9%</i>	

Source: Quarterly National Household Survey: Quarter 1 2011; CSO, June 2011

Other more partial statistics point in the same direction. Figures provided directly by the Department of Finance show that 20,129 of the 33,145 of non-industrial civil servants in post in February 2011 were women – 60.7% of the total, while in the health sector 79.8% of those employed in the public health service at the end of 2008 were women.³

Women's earnings are also higher in the public sector than in the private sector, although the latest available figures are older, dating from 2007.

³ An Integrated Workforce Planning Strategy for the Health Services 2009 – 2012: Appendix B3, Health Service Executive and Department of Health and Children, 2009

Overall median hourly earnings for women in the public sector were €21.86 in October 2007, compared with only €12.94 in the private sector.⁴ This largely reflects the differences in composition between the public and private sector workforces – the public sector offers women many more better paying jobs, but it also seems to be the case that, at the bottom of the pay scales, the public sector pays women more than in the private sector. At the lowest decile of the weekly earnings distribution women in the public sector earned 27.2% more than their colleagues in the private sector.⁵ The consequence of all of this is that the gender pay gap is smaller in the public sector. Women’s hourly earnings are 93.9% of men’s in the public sector but 79.3% of men’s in the private sector.⁶

One result of this in Ireland, as in other countries, is that the higher pay women receive in the public sector boosts the average earnings figure for women in the whole economy.

For the other three countries surveyed, the UNECE Statistical Database provides information on women’s employment in the public and private sectors in 2008, although in Romania and Spain, more recent information is available from national sources.

In **Latvia**, the UNECE figures for women’s employment in the public sector emphasise the importance of the public sector as an employer of women. In 2008, almost four out of ten women employed (38.9%) worked in the public sector, with the result that close to two-thirds (62.6%) of public sector employees were women, compared with well under half (42.3%) of those in the private sector (see Table 2).

Table 2: Latvia: women employed in the public and private sectors: 2008

Sector	Number of women employed (000)	Total number employed (000)	Percentage of women
Public sector	214.8	343.1	62.6%
Private sector	337.8	781.0	42.3%
Total	552.6	1,124.1	49.2%
<i>Public sector percentage as proportion of total</i>	38.9%	30.5%	

Source: UNECE Statistical Division Database, compiled from national official sources

The public sector also pays women more than the private sector. Figures from the Latvian national statistics office show that women’s average monthly earnings in the public sector were 431 LVL in the first quarter of 2011, compared with 396 LVL in the private sector.⁷

In **Romania** too, the public sector is a significant employer of women, although less so than in both Ireland and Latvia. Just over a fifth (21.2%) of all female employment is in the public sector, and women make up just over half

⁴ National Employment Survey 2007: Table 22, CSO July 2009

⁵ National Employment Survey 2007: Supplementary Analysis , CSO October 2009

⁶ National Employment Survey 2007: Table 22, CSO July 2009

⁷ Table DS03, Central Statistical Bureau of Latvia

(52.9%) of all the employees in the public sector compared with well under half (42.8%) in the private sector

Table 3: Romania: women employed in public and private sectors: 2010 Q4

Sector	Number of women employed	Total number employed	Percentage of women
Public sector	854,768	1,617,231	52.9%
Private sector	3,113,187	7,276,925	42.8%
Other sector (mixed, cooperative etc)	63,873	158,299	40.3%
Total	4,031,827	9,052,456	44.5%
<i>Public sector percentage as proportion of total</i>	<i>21.2%</i>	<i>17.9%</i>	

Source: AMIGO Database Institutul Național de Statistică

The Romanian National Statistics Institute does not publish information specifically on public and private sector earnings, but it does provide information on men's and women's earnings broken down by industry. These show that in 2008, earnings for women in the main public sector areas of public administration, education and health and social care were higher than for women overall (1,620 RON overall, 1,764 RON in public administration, 1,936 RON in education and 1,980 RON in health and social services⁸). However, since then public sector pay has fallen behind (see later section). In addition, a recent paper on public sector pay in Romania found that "gender-based wage discrimination is less pronounced in the public sector".⁹

For **Spain**, there are national statistics on employment, which are more up-to-date than the UNECE figures. They show that in the first three months of 2011 just under a quarter (24.3%) of all women in work were employed in the public sector and that more than half (54.1%) of all public sector employees were women, compared with 45.0% of employees in the private sector.

Table 4: Spain: women employed in public and private sectors: 2011 (1st quarter)

Sector	Number of women employed (000)	Total number employed (000)	Percentage of women
Public sector	1,722.3	3,185.9	54.1%
Private sector	5,369.6	11,935.0	45.0%
Total	7,091.9	15,120.9	46.9%
<i>Public sector percentage as proportion of total</i>	<i>24.3%</i>	<i>21.1%</i>	

Source: Encuesta de Población Activa, Instituto Nacional de Estadística, inebase, 2011

In public administration, which includes large areas of education and health, women make up 52.7% of the total number of employees (1,411, 535 out of 2,680,219).¹⁰

⁸ Salariile î luna Octombrie 2008, Press release no. 78, Institutul Național de Statistică, 22 April 2009

⁹ A Contribution to the Public-Private Wage Inequality Debate: The Iconic Case of Romania, by Liviu Voinea and Flaviu Mihaescu, The wiiw Balkan Observatory, Working Papers 093, February 2011

¹⁰ Boletín Estadístico del Personal al Servicio de las Administraciones Públicas

There are no similar statistics on male and female earnings in the public and private sectors in Spain. However there are figures for men's and women's earnings broken down by area of activity. These show that in 2009, the latest year for which figures are available, women's earnings were above average in the three areas making up the bulk of the public sector. They were €25,830.10 a year in public administration, €21,459.26 in education and €23,850.50 in health and social care, compared with an average in the whole economy of €19,502.02.¹¹

Government action to cut pay and jobs in the public sector

In all four states examined, governments have cut public sector pay and jobs because of the financial crisis. There is not space to set out in detail the measures taken by individual governments¹² but below is an outline of the key measures taken by individual governments.

Ireland: in February 2009, after the failure of negotiations between the unions and government, the government announced that the 3.5% increase in pay for the public sector planned for September 2009 would not be implemented and that it would instead impose an average 7.5% pensions levy on all public service employees, with the higher paid contributing more and the lower paid contributing less.

In July 2009 an independent group set up by the government in November 2008 and chaired by Colm McCarthy, recommended cutting 17,300 public sector jobs. This followed earlier government cost-cutting measures including a moratorium on filling most staff vacancies. The government used the McCarthy proposals in drawing up its 2010 budget with the result that by the end of 2010 the number of public service employees had fallen by about 12,000 to 307,900 – down from a peak of 319,450 at the end of 2008.

In December 2009, with the financial situation worsening, the government introduced new cuts in pay, again after failing to reach agreement with the unions. These cut pay by at least 5%, with the higher paid losing more. For someone on average earnings in the public sector, the reduction was 6.0%.

Negotiations with the unions restarted in March 2010, resulting in an agreement, known as the Croke Park agreement, under which the government promised that, barring unforeseen circumstances, there would be no further pay cuts before 2014 and that there would be no compulsory redundancies. In return the unions agreed to cooperate with service modernisation.

Registro Central de Personal, July 2010

¹¹ Encuesta Anual de Estructura Salarial Año 2009, Instituto Nacional de Estadística, Press notice, 22 June 2011

¹² More detailed information is provided in the Wrong Target report referred to earlier.

However, by November 2010 the deepening crisis in Ireland's banking sector led to a bailout by the EU and the IMF. In the area of public sector pay and employment, the government introduced new measures aimed at cutting the public sector paybill by a further 8%. This was to be achieved through a further reduction in staff numbers – down from 307,900 at the end of 2010 to 294,700 in 2014 plus a 10% pay cut for any new recruits to the public service.

Latvia: the crisis began in October 2008, with almost immediate IMF and EU involvement. The government agreed to cut pay by 15% in 2009, although with protection for the lower paid.

The large number of those whose pay was protected meant that the impact of the cuts was less than planned and in June a second round of cuts was adopted, cutting pay by 20% for the higher paid and by 15% for the lower paid; many bonuses were abolished and there was widespread use of unpaid leave. In addition, the number of public sector employees was to be reduced. As the IMF noted in its August 2009 report, the programme included a “20% cut in the wage bill, likely requiring substantial lay-offs”.

This proved to be the case. As the IMF noted in its January 2010 report “The central government laid off almost 6,000 workers in the third quarter, and applied an 18 percent average wage cut to the remainder. The burden has fallen heavily on teachers, who now earn less than half the public-sector average.”¹³

In December 2009 legislation providing for a single remuneration system for those in central and local government institutions was passed as part of the package agreed with the IMF. This came into effect in January 2010 and reduced pay by an average of 5% compared to 2009.

The overall result of all these measures was that there were very sharp falls in both the number and earnings of public sector employees. On average in 2010, there were 62,900 employees in central government institutions compared to 78,900 in 2008 – a 20% drop. In local government institutions the fall in the same period was 16%, down from 122,900 to 103,100. In terms of pay, average monthly wages in central government fell by 22% between 2008 and 2010, down from 585 LVL a month to 458 LVL, while in local government the fall was 20%, down from 470 LVL in 2008 to 376 LVL in 2010.¹⁴

In 2011, pay for some in the public sector grew because of an 11% increase in the national minimum wage; there were also improvements in the pay of judges and prosecutors. However, the Latvian government is still intending to achieve “reduced personnel and remuneration expenditure in public administration” in 2011.¹⁵

¹³ Republic of Latvia: Second review and financing assurances review under the stand-by arrangement, IMF, March 2010

¹⁴ All figures from Twenty-fourth informative report on changes to wages and salaries and employment in the state, Latvian Ministry of Finance, April 2011

¹⁵ Convergence Programme of the Republic of Latvia: 2011-2014, April 2011

Romania: cuts to public sector pay and conditions began in April 2009 as part of a package of measures agreed with the IMF. The government decided not to implement promised pay increases and that most bonuses would be eliminated or consolidated into the basic wage over three years as part of a unified pay system for the public sector. At the same time the government announced that it would only replace one in seven of all employees leaving public employment.

In August 2009 further cuts in additional payments and bonuses were announced and employees were compelled to take two weeks unpaid leave between October and December 2009. The legislation establishing a framework for the introduction of a uniform salary structure for public servants was also finally passed in November 2009 after more than six months of negotiations with the unions. However, although the unions were in favour of the change in principle, the final package was not agreed with the unions but imposed by the government, which intended to introduce further legislation setting out the details.

In May 2010 before this legislation could be introduced the government introduced a temporary 25% cut in public sector pay to run from 1 July 2010 until the end of December 2010. The government also committed itself to cutting public sector employment by a further 70,000 by January 2011, down to a total of 1,290,000, on top of the 30,000 public employees lost since late 2009.¹⁶

By the end of 2010, the government had been able to introduce a new framework law on public sector pay, which is being implemented this year. This eliminates a wide range of bonuses and the 13th month pay, although pay on average will be increased by 15% over the year, restoring part of the 25% cut imposed in July 2010. This combined with the retention of the rule under which only one in seven public sector employees is replaced “will secure a decreasing trend of salary expenditures to GDP ratio in the medium term”.¹⁷

Spain: in January 2010, the government published its Austerity Plan 2011-2013. This provided for a virtual freeze on public sector recruitment, with only one in ten employees leaving the public sector being replaced. Combined with an agreement with the unions on public sector pay signed in September 2009, which provided for an increase of only 0.3% in 2010, although with an inflation catch-up clause, the government estimated that there would be a “4% cut [in the paybill] in nominal terms with respect to 2009”.¹⁸

In May 2010, the government announced its intention to cut public sector pay by an average of 5.0% in May 2010. The reduction came into effect on 1 June 2010 and pay is frozen at this lower level throughout 2011. For those public sector employees with special status (funcionarios de carrera), some

¹⁶ IMF Country Report 10/227, July 2010

¹⁷ Convergence Programme 2011-2014, Government of Romania, April 2011

¹⁸ Stability Programme Update: Spain 2009-2013, February 2010

elements of pay are cut by more than 5% for the higher paid and by less than 5% for the lower paid, but for those on normal employment contracts (personal laboral) – around 40% of the total – the 5% applies to all equally.

The government also plans to continue its policy of a 10% replacement rate for public sector employees until 2013, “implying that, by the end of 2013, Public Administration staff will fall by 7%”.¹⁹

The assessment of the impact on women

In June 2009, the Advisory Committee on Equal Opportunities for Women and Men, which was set up in 1981 to assist the European Commission issued a formal opinion on the “Gender perspective on the response to the economic and financial crisis”. Among other things it stated that:

“Member States should:

- shape their responses to the economic and financial crisis in a way which is sensitive to its differential impact on women and men and demonstrates commitment to gender equality, including a gender dimension in national recovery plans.
- ensure that all proposed policies are subject routinely to gender impact assessment, as a matter of good policy making, and undertake gender impact assessment of the measures currently being taken at national level.”

However, information from EPSU national affiliates and other sources indicates that in none of the four states were government policies to cut public sector pay and employment assessed for their impact on women. This is despite the fact that, as already seen, in all four countries the public sector is a very important source of women’s employment (in every case more women than men work in the public sector).

In **Ireland**, the National Women’s Council of Ireland confirms that “there was no formal assessment of the impact of the cuts on women”.

In **Latvia**, there is no evidence that the position of women was taken into account when the measures were decided on.

In **Romania**, the health service union and EPSU affiliate SANITAS (Federația SANITAS din România) notes that “the Romanian government has not taken into the account the effects of the cuts in wages and jobs [on women]”.

In **Spain**, the services union and EPSU affiliate FSC CCOO (Federación de Servicios a la Ciudadanía) reports that “the government did not undertake any analysis of the gender impact when it brought in the salary cuts, neither before nor after their implementation.”

¹⁹ Stability Programme: Spain 2010-2014, April 2011

The lack of a gender assessment is particularly noticeable in Ireland as, in its response to the McCarthy group's report in September 2009, the National Women's Council of Ireland (NWCi) specifically called for such an evaluation. The NWCi stated "the government must now, as a matter of urgency, assess the potential impact on women of the actions recommended in this report," which it said "would completely abandon the government strategy for gender equality, would substantially increase, women's poverty and would reverse the gains that have been made to increase women's participation in Irish society".²⁰

In the same document the NWCi drew attention to the fact that five men and only one woman made up the group that produced the McCarthy report, despite the fact that the Irish government has a stated policy of ensuring that all boards are made up of at least 40% men and women.

However, despite these calls, there has been no government assessment of the impact of the proposals on women. As the NWCi noted in its submission to the 2011 budget, produced in September 2010:

"A general cutback in public spending will disproportionately affect women. Firstly, women are the primary recipients of public spending such as care provision and services, education, training and health, including sexual and reproductive health. Secondly, women are the main providers of public services, making up to two thirds of the workforce in education, health and social care; cuts in public sector employment would disproportionately affect women. The National Women's Council last year produced a detailed analysis of the proposals and called for a gender impact assessment of all proposals in the [McCarthy] report. Regrettably, this has not been provided."²¹

This continues to be the case.

The union response to the impact on women

Responding to government cuts in the pay and employment levels of those working in the public sector was difficult for unions, given their limited resources. Not all the implications of the cuts could be addressed.

However, it is clear that in **Spain** at least, unions sought to draw attention to the specific impact of the cuts on women. In a statement issued in June, the FSC CCOO stated that to its knowledge the government had not undertaken a gender impact assessment of the 5% pay cuts announced in May and went on to indicate how they and the reduction in employment already announced might specifically affect women. It states:

²⁰ The Impact on Women: The National Women's Council of Ireland responds to the Report of the Special Group on Public Service Numbers and Expenditure Programmes, September 2009

²¹ Submission to Budget 2011, National Women's Council of Ireland, September 2010

“These measures will have a particular impact on women both as workers and citizens. As workers, the reduction in the rate at which employees are to be replaced ... limits women’s possibilities of access to the labour market in the area of public employment ... [where] the application processes use criteria of capacity, merit, equality and publicity. On the other hand, the 5% average cut in the pay of civil servants and those on normal contracts has a double impact on women, because women make up the majority of the workforce and it is they who are in the lower grades and therefore get less money, making the pay cut doubly unjust.”²²

The other main union confederation in Spain, the UGT, has also made it clear that the cuts in public sector jobs and pay would have a particular impact on women. In a document calling for support for the general strike on 29 September it referred specifically to the cut in pay, noting:

“It is important to remember that there is a strong female presence in public services which employs a higher proportion of women than men, and also that they are more affected than men, not just because of this fact, but also because the average salary which women receive is, in the public sector as in the private sector, lower than that which men receive.”²³

Spanish unions were also concerned about the particular impact of public sector spending cuts on institutions and policies promoting equality in Spain (see below) and this was also a concern for unions in **Ireland**. The biennial conference of Irish Trade Union Congress in July 2009 passed a motion referring specifically to the need to have “a strong, effective and independent equality and human-rights infrastructure” and ICTU officials particularly pressed the government on its decision to cut funding for measures in support of women (see below).

On the issue of the impact of general public sector pay and job cuts on women, the CPSU, a civil service union and EPSU affiliate, reported that this had been a cause of union concern, but that with limited resources it had not been possible to produce any specific material on the subject. Unions had however, attempted to protect the lowest paid, who are more likely to be women.

There is less indication that the particular impact on women of cuts in pay and employment in the public sector has been a trade union focus in **Latvia** and **Romania**, which were both hit by a series of successive waves of cut backs. In both countries, trade union action was concentrated in overall opposition to cuts in pay and jobs in public services.

²² Cómo los recortes por decreto en el empleo público afectan a las mujeres
<http://www.fsc.ccoo.es/webfsc/menu.do?Actualidad:Mujer:Actualidad:92268> 29.6.2010

²³ Las mujeres tenemos motivos para participar en la Huelga General,
http://www.fspugt.es/uploads/documentos/documentos_huelga_mujeres_983f7c19.pdf

The impact of pay and job cuts on women

A lack of statistics in Ireland and Spain makes it difficult to show that women's pay in the public sector has been particularly badly affected by the cuts in these two countries. In **Ireland**, the quarterly earnings statistics are not broken down by gender and latest earnings figures available separately for men and women are for 2007, before the cuts began. In **Spain** the latest figures are more recent, but they relate to 2009, again before the pay cuts were introduced.

However, Latvia and Romania do provide more up-to-date earnings figures analysed by gender, which are available separately for the public and private sector in Latvia and for the main public sector areas in Romania. They indicate that one consequence of pay and job cuts in the public sector has been to open up the overall gender pay gap.

The figures for **Latvia** suggest that women's pay in the public sector has fallen disproportionately as a result of the cuts. Table 5 shows monthly gross earnings in the private and public sectors as well as the whole economy in money terms (LVL). The sharp fall in earnings for both male and female employees in the public sector is clear. Pay fell each year between 2008 and 2010, and although it picked up in the first quarter of 2011, it is still lower at 553 LVL for men and 431 LVL for women than it was three years earlier.

Table 5: Latvia: Monthly gross wages and salaries by sex and kind of activity (in 1st quarter in LVL)

Year	Total		Public sector		Private sector	
	Males	Females	Males	Females	Males	Females
2008	492	417	599	472	459	379
2009	515	432	590	476	483	395
2010	480	391	519	405	462	378
2011	497	413	553	431	472	396

Source: Central Statistical Bureau of Latvia: Table DS03

Table 6 relates to the same earnings information but this time it presents it as a percentage of the figure for 2008. It makes clear that other than in the first quarter of 2009, when the lowest pay were still protected from the full extent of public sector pay cuts, women's pay in the public sector has fallen by slightly more than men's. By 2011 men's pay was 7.7% below the level it had been in 2008, while women's was 8.7% lower.

Table 6: Latvia: Monthly gross wages and salaries by sex and kind of activity (in 1st quarter as percentage of 2008)

Year	Total		Public sector		Private sector	
	Males	Females	Males	Females	Males	Females
2008	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2009	104.7%	103.6%	98.5%	100.8%	105.2%	104.2%
2010	97.6%	93.8%	86.6%	85.8%	100.7%	99.7%
2011	101.0%	99.0%	92.3%	91.3%	102.8%	104.5%

Table 6 also shows that looking at pay in the whole economy, including both the public and private sectors, men in 2011 were earning 1% more in money terms than they had been in 2008, while women were earning 1% less. This is no doubt partially a result of the greater fall in women's pay in the public sector mentioned above. But it is also likely to reflect the loss of better paid jobs for women in the public sector. Whatever the precise cause, the result is that the gender pay gap in the whole economy - the difference between average pay for men and women - has widened from 15.2% in 2008 (492 LVL for men and 417 LVL for women) to 16.9% in 2011 (497 LVL for men and 413 LVL for women).

Something similar also seems to be happening in **Romania**. Table 7 shows how earnings have changed between October 2008 and October 2010, both for the economy as a whole and for the three main public sector areas of public administration, education and health and social care. The impact of the cuts in public sector pay is clear. In public administration, pay for both men and women falls in both 2009 and 2010, although the fall in 2010, by which time the 25% pay cut is in force, is much sharper. In the area of education, 2009 produces a slight improvement in pay for both sexes, but by 2010 pay for both men and women has crashed by a fifth. In health and social care, pay falls slightly for men in 2009 but rises slightly for women. However, both sexes see their pay collapse by a quarter in 2010.

As a result pay in the public sector, which had been higher than average, for both men and women in 2008, had fallen to below average by 2010. Pay for women fell by slightly more than male earnings in public administration (down by 16.5% as compared with 16.0%) and very slightly more in health and social care (down by 23.5% as compared with 23.4%) but slightly less than male earnings in education (down by 19.7% as compared with 19.9%).

Perhaps more importantly, the higher proportion of women working in the public sector means that the cut in pay for those in public services has had a clear impact on overall women's pay. While men's pay in the whole economy rose by 4.1% between 2008 and 2010, women's pay fell by 1.2%. As a result the gender pay gap widened from 7.8% in 2008 to 12.6% in 2010.

Table 7: Romania: Average gross earnings of full-time employees in October

Year (October)	Total economy		Public administration		Education		Health & social care	
	Males	Females	Males	Females	Males	Females	Males	Females
2008	1,758	1,620	1,867	1,764	2,228	1,936	2,308	1,980
2009	1,865	1,709	1,789	1,663	2,268	2,004	2,279	1,998
2010	1,830	1,600	1,568	1,473	1,784	1,555	1,768	1,515
<i>Percentage change between 2008 and 2010</i>	<i>+4.1%</i>	<i>-1.2%</i>	<i>-16.0%</i>	<i>-16.5%</i>	<i>-19.9%</i>	<i>-19.7%</i>	<i>-23.4%</i>	<i>-23.5%</i>

Salariile î luna Octombrie 2008, 2009, 2010, Press releases no. 78/2009, No. 81/2010 and No. 82/2011
Institutul Național de Statistică

These figures are all presented in relative terms and are for those on average earnings. However, it is also worth noting that some women earned well below the figures set out here and for some of them the cut in pay pushed them below a decent standard of living. As the health service union SANITAS noted:

“The effects of the cuts led to poverty, taking into account that 70% of health care employees have banking debts. The worst affected were those with wages of €250 and less before the cuts. After the cuts the net salaries reached about €150 to €200, far below a decent subsistence.”

Like the figures on earnings, the information available on the impact of the cuts on the employment of women in the public sector is incomplete. However, the data that are available suggest a mixed picture as far as women’s employment relative to men’s is concerned, although the fact that tens of thousands of women have lost their jobs in the public sector is clear.

In Ireland and Latvia, there are no current figures on men’s and women’s employment split between the public and private sectors, only figures broken down by economic activity. Looking at the three main public sector areas, public administration, education and health and social care, it is clear that there have been some areas where women’s employment has fallen more rapidly than men’s and others where that is not the case.

In **Ireland**, the number of women employed in public administration fell between 2009 and 2011, at a time when the number of men employed rose. In education the position was reversed, and in health and social care the numbers of both men and women employed rose, although more slowly for women than for men (see Table 8).

Table 8: Ireland: Public sector employment

Year (1 st Quarter)	Total ‘public sector’* (000)		Public administration (000)		Education (000)		Health & social care (000)	
	Males	Females	Males	Females	Males	Females	Males	Females
2009	131.8	346.9	53.9	51.8	40.5	110.0	37.4	185.1
2010	135.7	349.8	53.3	52.6	40.3	107.3	42.1	189.9
2011	135.7	350.0	57.3	49.3	37.5	111.4	40.9	189.3
<i>Percentage change between 2009 and 2011</i>	3.0%	0.9%	6.3%	-4.8%	-7.4%	1.3%	9.4%	2.3%
* Total of public administration, education and health and social care								
Source: Quarterly National Household Survey, Table 2b, Central Statistics Office Ireland								

In **Latvia**, where the latest figures are for 2010, the sharp falls in employment in public administration are clear for both men (down by 26.4% over two years) and women (down by 29.1%). However, in education the number employed in health and social care has fallen by more for men (down by

15.6%) than for women (down by 8.5%), while in education a massive 35.1% drop in male employment has been more than offset by a 12.3% rise in female employment (see Table 9).

Table 9: Latvia: Public sector employment

Year (1 st Quarter)	Total 'public sector'* (000)		Public administration (000)		Education (000)		Health & social care (000)	
	Males	Females	Males	Females	Males	Females	Males	Females
2008	68.4	163.9	41.6	45.0	19.1	74.1	7.7	44.8
2009	59.9	160.1	35.5	42.7	16.7	72.8	7.7	44.6
2010	49.5	156.1	30.6	31.9	12.4	83.2	6.5	41.0
<i>Percentage change between 2008 and 2010</i>	-27.6%	-4.8%	-26.4%	-29.1%	-35.1%	12.3%	-15.6%	-8.5%

* Total of public administration, education and health and social care

Source: Table NB082, Central Statistical Bureau of Latvia

Unlike Ireland and Latvia, the National Statistics Institute in **Romania** provides information on male and female employment in the public and private sectors. The figures show how that employment in the public sector fell by 137,000 or 7.8% between the fourth quarter of 2008 and the fourth quarter of 2010. Women's employment fell by 62,000 over this period – a 6.8% decline, although men's dropped by more – 75,000 or 9.0%

Table 10: Romania: Public sector employment

	Men	%age change on 2008 Q4	Women	%age change on 2008 Q4	Total	%age change on 2008 Q4
2008 Q4	837,759	0.0%	916,799	0.0%	1,754,558	0.0%
2009 Q4	803,981	-4.0%	874,429	-4.6%	1,678,409	-4.3%
2010 Q4	762,463	-9.0%	854,768	-6.8%	1,617,231	-7.8%

Source: AMIGO Database Institutul Național de Statistică

The national statistics office in **Spain** also publishes figures for public and private sector employment, broken down between women and men. These show that, since the government austerity plan was published in January 2010, public sector employment has increased by 3.2% (increase between 1st Quarter 2010 and 1st Quarter 2011), with women's employment growing slightly faster than men's, at 3.3% rather than 3.0% (See Table 10). However, in the most recent quarter, while men's public sector employment has risen slightly from 1,432,700 to 1,463,600, women's employment has fallen from 1,735,700 to 1,722,300 and this may be an indication of future trends. The Spanish public sector union and EPSU affiliate FSP-UGT (Federación de Servicios Públicos de la Unión General de Trabajadores) has commented that "part-time employees (mostly women) have been the first ones being fired in local administration".

Table 11: Spain: Public sector employment

	Men (000)	%age change on 2010 Q1	Women (000)	%age change on 2010 Q1	Total (000)	%age change on 2010 Q1
2010 Q1	1,421.3	0.0%	1,667.1	0.0%	3,088.4	0.0%
2010 Q2	1,426.3	0.4%	1,659.2	-0.5%	3,085.6	-0.1%
2010 Q3	1,464.0	3.0%	1,711.9	2.7%	3,175.9	2.8%
2010 Q4	1,432.7	0.8%	1,735.7	4.1%	3,168.5	2.6%
2011 Q1	1,463.6	3.0%	1,722.3	3.3%	3,185.9	3.2%

Source: Encuesta de Población Activa, Instituto Nacional de Estadística, inebase, 2011

Direct impacts on equality structures

In two of the four states examined, cuts in public spending have had a direct impact on institutions and programmes intended to promote equality between men and women.

In **Spain** the government abolished a separate Ministry for Equality in October 2010, transferring its responsibilities to the Ministry of Health and Social Policy, although the previous minister for equality became a secretary of state in the new structure. The decision, which was justified as cutting expenditure in a time of austerity, was not supported by EPSU's Spanish affiliates.

In a statement agreed by its executive committee on 20 October 2010 the FSC-CCOO made clear its "absolute rejection" of the disappearance of the ministry, which it stated showed that "once again the government is relegating the objective of equality to the second or third level" and yielding to the "wishes of the most recalcitrant elements of the right".²⁴

The FSP-UGT was less damning. In a press release published on 22 October, it said that it "deeply regretted" the merger of the two ministries, as it considered that the Ministry of Equality had been very effective in its efforts to improve equality. However, it accepted that the merger did not mean "an abandoning of the issue by the government".²⁵

In **Ireland**, the government substantially cut funding under the Equality for Women Measure in 2009²⁶ and later the same year the McCarthy report on public spending recommended that,

"Given the significant resources that have been devoted to equality issues over recent years, and in light of the current budgetary difficulties, expenditure should be reduced to yield savings of €1m a year. Furthermore, the Group recommends that as the Equality Proofing and Gender Mainstreaming and Positive Action for Women

²⁴ Se pierde mucho más que un Ministerio, <http://www.fsc.ccoo.es/webfsc/menu.do?Actualidad:Mujer:Actualidad:100687> 22.10.10

²⁵ La Federación de Servicios Públicos de UGT lamenta la fusión del Ministerio de Igualdad, http://www.fspugt.es/La_FSPUGT_lamenta_la_desaparicin_del_Ministerio_de_Igualdad_4cc16bd8d75ba.htm 22.10.10

²⁶ Pre-Budget 2010 Submission, National Women's Council of Ireland, September 2009

subheads are European Social Fund co-funded until 2013 funding be phased out by the end of 2013.”²⁷

The Irish unions opposed these cuts with the ICTU writing to the minister for equality in August 2009 and giving its support to a complaint by the Equality and Rights Alliance to the European Commission in July 2009.

The wider context of public sector pay and job cuts

In all four countries the cuts in employment and pay in the public sector have been part of wider government measures to deal with government deficits. These have involved a wide range of measures, including tax rises, particularly increases in indirect taxation, cuts in social spending and entitlements, a reduction in employment protection and changes in the rules governing collective bargaining.

It would go beyond the scope of this report to examine these measures in detail but it is important to note that many of them have particularly marked adverse effects on women. These include:

- cuts in child benefit payments in Ireland – in 2010 child benefit for the first and second child was cut by €16 a month to €150 and in 2011 by a further €10 a month to €140, the cuts for additional children are greater but the amounts receive continue to be larger,
- the increase in the retirement age for women in Romania – this is to go up from 57 to 63, and
- new rules on dismissal for absenteeism in Spain – a reduction in the threshold above which dismissal for absenteeism is fair will have a greater impact on women as in practice they are more likely to take time off work to care for dependents.

Any full assessment of the impact on women in the public sector of the austerity programmes in these four states needs to take account of these additional pressures.

Conclusion and recommendations

In its examination of the impact of the cuts in public sector pay and employment, this report has drawn attention to a number of key points:

- employment in the public sector is crucial to women’s overall employment, both in terms of number but also in terms of the pay that women receive;
- despite this, governments did not undertake an assessment of the particular impact on women of the measures they took to cut the pay and employment of those employed in the public sector;

²⁷ Report of the Special Group on Public Service Numbers and Expenditure Programmes
Volume II: Detailed Papers, 2009

- responding to government cuts was difficult for unions, given their limited resources, but that some, particularly in Spain, successfully drew attention to their impact on women;
- there is evidence that in some countries women's pay has fallen disproportionately as a result of public sector pay cuts, and even where this has not been the case, the overall gender pay gap has widened because of the loss of better-paid jobs for women in the public sector;
- thousands women have lost their jobs in the public sector, although not necessarily at a more rapid rate than men;
- institutions and programmes linked to equality have been particularly affected in Spain and Ireland; and
- cuts in pay and jobs in the public sector are not the only elements of government austerity programmes that have had a negative impact on women.

However, it has often been difficult to measure the impact of the cuts on women's employment and earnings because of a lack of information. Statistics are sometimes not provided separately for the public sector, or for men and women, and in some cases they are so dated as to give no picture of the events of the last three years.

It is therefore recommended that :

- governments should ensure that they are able to provide current statistics on the employment and earnings of both men and women in the public sector;
- although it is now too late to undertake a prior gender impact assessment of the austerity measures that have been implemented, governments should do this now, so that the particular impact on women can be measured;
- this assessment should consider other government measures as well as cuts in jobs and pay;
- this assessment should be used as a basis for future government policy;
- action should be taken to ensure that past progress made in areas such as closing the gender pay gap is not put at risk;
- care should be taken to protect measures and institutions promoting equality; and
- unions themselves should examine whether there are additional measures they can take to show how austerity programmes are particularly damaging to women.

Lionel Fulton
Labour Research Department
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