

Cuts in public sector pay and employment: the impact on women in the public sector

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Executive summary

Introduction

The current report is the third that EPSU has produced looking at how governments' responses to the financial crisis have affected women working in the public sector. It examines the situation in eight countries, the Czech Republic, Greece, Ireland, Latvia, Portugal, Romania, Spain and the UK, and for each it sets out the position in terms of:

- government action on overall public sector pay and employment,
- the impact on women's employment in the public sector,
- the impact on women's pay in the public sector, and
- the way cuts have affected equality structures.

An earlier EPSU report has shown that, with the possible exception of Portugal, the potential impact on women of government austerity measures was not assessed in advance in any of the states examined.

All the eight states sought to cut public spending by cutting the public sector wage bill, through a combination of pay freezes (UK) or actual cuts in money wages (the remaining seven) and reductions in public sector employment. However, in most states a combination of gradual economic recovery plus growing political opposition to the government austerity policies has meant that the pressure on pay and jobs in the public sector has eased. The two main exceptions are Greece and the UK.

In terms of women's employment, government policy has led to fewer jobs for women in the public sector in five countries, Greece, Latvia, Portugal, Romania and Spain. In the three others, where there appears to be growth in women's public sector employment, this is based on employment in public administration, education and health, as employment figures broken down by sex are not available for the public sector.

There is a similar lack of information on women's pay. Only three countries, Latvia, Romania and the UK, provide public sector pay data for women and men, and in Ireland and Greece there is no current data at all on women's earnings. However, the information that is available shows that women's earnings in the public sector have lagged behind men's in Latvia, Romania and the UK, and this also appears to be the case in Spain and Portugal. Almost everywhere the gender pay gap is opening rather than closing.

The impact of cuts on gender equality structures is clearly affected by the overall political situation, and, although everywhere there were cuts in funding and activities at the start of the crisis, there appear to have been some recovery, linked to changes in government, in the Czech Republic, Greece and Romania. Things have also got better in Ireland. However, nowhere has the position been restored to the pre-crisis level. Until very recently the position was continuing to worsen in Portugal, Spain and especially the UK, where the budget of the main body dealing with equality has been cut to a third of its pre-crisis level. However, elections in Portugal and Spain at the end of 2015 may result in changes.

Overall, the position in the eight countries examined is more varied than in EPSU's earlier reports, although the lack of information on many aspects of women's employment and pay in the public sector is still a major concern. In Greece and the UK, in particular, the pressure on women's jobs and pay in the public sector remains severe. Even in countries where the position of women in the public sector is again starting to improve, it is likely to be difficult to regain everything that was lost.

Czech Republic

Government action: government responses to the financial crisis fall into two clearly distinct periods, divided by the collapse of the right-wing government led by Petr Nečas in June 2013. The first period is one of cuts in pay and jobs and the prospect of ongoing pay freezes. The second period sees the public sector wage bill again expanding.

Women's employment in the public sector: there are no figures for women's employment in the public sector as a whole, only for the key industries of public administration, education and health. These show that women's employment has grown slightly more rapidly than men's over the period from 2010 to 2014 – an increase of 4.6% for women and 1.5% for men.

Women's pay in the public sector: there are also only industry-based figures for pay. Between 2011 and 2014 (2010 figures are compiled on a different basis) women's pay rose by more than men's in public administration and education but by less than men's in health.

Impact on equality structures: after the position worsening in the early years of the crisis, the change of government in 2012 produced a new approach with an increase in staff and greater political commitment.

Greece

Government action: for more than six years, Greece has been cutting pay and jobs in the public sector. The election of the radical left SYRIZA government in January 2015 appeared to mark a fundamental change in direction, but the terms of the most recent agreement signed with the European Commission in August 2015, suggest that key parts of the policy, at least will continue.

Women's employment in the public sector: there are no figures for women's employment in the public sector as a whole, only for the key industries of public administration, education and



health. However, these show that between 2008 and 2014 the number of women employed fell by 76,900 a 16.1% drop. This is a sharper fall than for men's employment – down 15.5% – over the same period. Jobs in public administration were particularly hard hit, with a 31% loss of women's employment, twice the level for men – 15.4%.

Women's pay in the public sector: there are no figures for women's earnings, neither for the public sector nor by industry.

Impact on equality structures: at the start of the crisis there were significant cuts in the budget of the main equality body. However, following the election of the SYRIZA-led government in January 2015 there are plans for new action and legislation.

Ireland

Government action: government action in the public sector began in 2008, with effective cuts in take-home pay starting in 2009, and actual cuts in wages a year later. A new government, elected in 2011, made changes in some measures through not in its approach to the public sector. This change had to wait until 2015, when Ireland had ceased to need financial support from the IMF and EU institutions (Ireland exited the bail-out programme in December 2013) and the economy was again growing strongly.

Women's employment in the public sector: there are no figures for women's employment the public sector as a whole, only for the key industries of public administration, education and health. In all three industries women have done less well in terms of employment than men in the period 2008 to 2015, with women's employment falling by more in public administration (down 7.8% compared with men's 3.7%) and rising by less in education and health. In health there were 26.9% more men employed in 2015 than in 2008, but only 11.5% more women. In education, male employment increased by 7.2% over the period, women's by only 4.2%.

Women's pay in the public sector: there are no current figures for women's earnings, neither for the public sector nor by industry.

Impact on equality structures: the early years following the crisis saw sharp cuts to funding, with the National Women's Council of Ireland (NWC) reporting a 45% drop by 2015. However, for 2016 there are plans for some recovery in spending.

Latvia

Government action: action in Latvia to cut pay and jobs in public services began in 2008, much earlier than in most other EU states, and the government continued to hold down the public sector wage bill until 2012. In the more recent period, public sector pay has recovered, although it still lags behind pay in the private sector.

Women's employment in the public sector: there are no figures for women's employment the public sector as a whole, only for the key industries of public administration, education and health. Women have proportionately lost fewer jobs than men in public administration, but more than men in education, while women's employment in health has risen by less than men's in



percentage terms. Taking the three areas together women's employment has fallen by 9,900 (6.3%) over six years, but men's has fallen by more – down 13,500 (21.4%).

Women's pay in the public sector: women's pay in the public sector grew slightly less rapidly than men's between 2008 and 2015 (9.2% for women and 9.7% for men). Public sector pay increases have also lagged substantially behind those in the private sector over the same period.

Impact on equality structures: a number of programmes to tackle inequality were suspended as part of the governments' early austerity measures and lack of resources continues to be an "important obstacle" to further progress.

Portugal

Government action: the period from 2010 to late 2015, saw ongoing efforts by the government to cut the pay of public sector employees and reduce the numbers employed. However, the pay cuts introduced by the centre-right government, led by Pedro Passos Coelho, were repeatedly ruled unlawful by the Constitutional Court, forcing it to adopt new measures to achieve its aim of cutting the government deficit. At the end of the period, decisions by the Constitutional Court, led to some restoration of the pay cuts, and the election of a new government in November 2015 offers the prospect of a more fundamental change in direction.

Women's employment in the public sector: the number of women employed in the public sector fell by 44,586 (10.4%) over the period December 2011 (the earliest date for which figures are available) to September 2015. This is slightly less than the 11.2% decline in men's employment over the same period.

Women's pay in the public sector: there are no figures for women's pay for the whole of the public sector. However, figures for the period October 2011 to July 2015 show that, for the vast majority of occupations where women are in a majority, earnings fell.

Impact on equality structures: Comissão para a Igualdade no Trabalho e no Emprego (CITE), the body responsible for promoting equality at work continues to be active, but its budget and staffing have been reduced since 2010.

Romania

Government action: this falls into two distinct periods. Between 2009 and the middle of 2012 public sector pay was subject to a series of cuts, which culminated in a drastic temporary 25% reduction in the second half of 2010, much of which was still in place in 2012. However, in May 2012 the government, which had for much of the period been led by Emil Boc, of the centre-right PD-L party fell, to be replaced by a social democratic government under a new prime minister, Victor Ponta. Under this government pressure on public sector pay eased substantially. However, public sector employment continued to fall.

Women's employment in the public sector: the number of women employed in the public sector has fallen sharply since 2008, dropping by almost a fifth (18.7%) from 849,590 to 691,100. Men's employment has fallen by even more (24.4%), reflecting falls in employment in



publicly owned industries. In the public sector industries of public administration, education and health, women's employment fell by 18.4% and men's by 18.0%.

Women's pay in the public sector: between 2008 and 2014, women's earnings in the public sector increased by less than men's – by 13.5% compared with men's 15.0%.

Impact on equality structures: early government actions reduced the influence and effectiveness of equality bodies. However, since 2014, this has been slightly reversed.

Spain

Government action: for most of the period since 2010, Spain's public sector employees have faced continuous downward pressure on their living standards and cuts in employment. It was only at the end of the period in 2015 that any of the pay cuts were reversed, while the reductions in public sector employment also continued until 2014. However, the elections in December 2015 with the likelihood of a new government coalition offer the possibility of a more fundamental change.

Women's employment in the public sector: women have lost more jobs, both absolutely and proportionately than their male counterparts over the period of austerity, although the percentage difference is small. Between the fourth quarter of 2010 and the fourth quarter of 2015, women's employment in the public sector fell by 139,400 or 7.8%. In the same period men's employment fell by 110,200 or 7.5%.

Women's pay in the public sector: there are no figures on women's pay in the public sector, only for pay broken down by industry, up to 2013. These show women being hit harder than men in key parts of the public sector. In public administration, women's pay fell by 2.4%, while men's fell by just 0.2%; in health, women's earnings fell by 6.1% and men's by 4.1%; and in education earnings for women's increased by just 0.5%, while men's went up by 1.9%.

Impact on equality structures: in October 2010, the government abolished a separate Ministry for Equality, transferring its responsibilities elsewhere. In 2015, the United Nations' Committee on the Elimination of Discrimination against Women expressed its concern that this restructuring might affect the "development and effective implementation of gender policies". State spending on equal opportunities has also been cut by a third between 2011 and 2015.

United Kingdom

Government action: government policy towards employees in the public sector over the last six years has been one of relentless austerity, which is set to continue into the future. Public sector pay was frozen for two years – three years in local government – and has been limited to rises of just one percent since then. Public sector employment has fallen by almost one million since 2010 and by 600,000 if the shift of parts of the public sector into private ownership is discounted. Both trends are expected to continue. The 1% pay cap will last until at least 2019 and public sector employment is forecast to drop by another 100,000 by 2020.

Women's employment in the public sector: there are no regular figures broken down by sex for employment in the whole of the public sector. Figures for central government show



employment falling by around a sixth both men (17.6%) and women (15.9%). However, the loss of full-time jobs in central government has been worse for women – down 22.4% – than for men – down 20.8%. Figures on an industry basis over the period 2010 to 2014 show a 5.8% decline in women’s employment in public administration and a 0.6% fall in women’s employment in education. In health, women’s employment has increased by 7.1%. The comparable figures for men are a 5.5% fall in public administration, growth of 8.6% in education and an increase of 3.0% in health.

Women’s pay in the public sector: women’s pay in the public sector has grown by less than men’s in the period 2011 to 2015 (earlier years are not comparable). Over this period, men’s earnings grew by 7.0% compared with 5.4% for women.

Impact on equality structures: a combination of austerity and a change of government in 2010 led to dramatic cuts to the gender equality structure in the UK, and spending has been further reduced subsequently. The result has been large-scale cuts in the staffing and funding of the Equality and Human Rights Commission (EHRC), the main body supporting equality in the UK. Over five years, its staffing has been more than halved and its spending has been cut by two-thirds.