

POLICY BRIEF

7 / 2022 - Social



Towards a gender sensitive and sustainable European Care Strategy

Key Points

- The new working program of the European Commission aims for a European Care Strategy to improve the situation of caregivers as well as the quality of care for care receivers from elementary education and childcare to long-term care.
- Due to social norms and values, mainly women are responsible for the majority of caregiving tasks across Europe. This has a direct impact on their income and directly contributes to a high gender pay and pension gap.
- Accessible, affordable and sustainable highquality care and support work needs to be guaranteed in the long term and across Europe.
- A holistic understanding of the provision of care, support, education and upbringing is needed. This requires an adequately financed long-term strategy as well as the definition of specific objectives at EU level.

Background

Due to social norms and values, mainly women are (made) responsible for the majority of caregiving tasks across Europe. This contributes significantly to the gender employment gap: Women across Europe, but especially in Austria, name unpaid childcare and caring for relatives as the most common reasons for reducing working hours or completely dropping out of the labour market. Both, horizontal and vertical labour market segregation is exacerbated, as women have to take on parttime, precarious and even informal jobs in order to adapt paid work to the care needs of their relatives. This directly affects their short- and medium-term income and contributes to a high gender pay gap. In the long term, this means a gender-specific pension gap and high risks of poverty among older women. Hence, expanding public, high-quality childcare and care services can significantly <u>boost</u> the labour market participation of women.

The Covid-19 pandemic has <u>intensified</u> women's unpaid care work. Due to numerous lockdowns, school and kindergarten closures, mothers across Europe have reduced their employed hours. This will lead to an increase in the lifetime income gap for Austria's working mothers by a total of EUR 1.3 billion. At the same time, the unpaid work done by women so far during this pandemic corresponds to around 27% of Austrian economic output.

Main Findings

The pandemic has also sharpened the focus on so called critical professions throughout Europe. In Austria, studies speak of around 1 million critical employees. Compared to other sectors, these professions are characterized by underpayment and a relatively high proportion of women. Particularly precarious jobs within these already very stressful professions are taken on by older workers and migrants. A disproportionately large number of employees in critical professions are themselves confronted with the multiple burden of paid and unpaid work. With regard to social security, which depends heavily on income, it is evident that employees in occupations with a high proportion of women are under much greater financial pressure, as they cannot make ends meet with their salary month after month. Employees with a migration background are even more likely to be at risk of poverty than employees without a migration background.



Furthermore, a so-called wage negotiation asymmetry exists in the care sector: people who provide care work are reluctant to resort to the usual means of industrial action such as strikes for example to improve working conditions and wages. This is because a strike could go hand in hand with the withdrawal of care services for their protégés, something <u>literature</u> describes as "care penalty"

Care as a sustainable sector for investment

Well-developed public services in care are of general interest and support a good life for all, especially in times of crises. Investments in the care sector create almost entirely CO2-neutral employment opportunities, which is key, especially in the wake of the climate crisis.

US <u>studies</u> show that investments in the areas of care generate twice as much employment as investments in technical infrastructure. <u>Calculations for various</u> <u>OECD countries</u> show that the employment effect of investments in the care sector is in fact 60% higher than in the construction sector. Additionally, investments in the care sector create more jobs for low-income households.

For Austria, an <u>analysis</u> by WIFO shows that in the care sector, economic multipliers are comparatively high due to the high proportion of wages and salaries and the associated high direct value added. For every euro invested publicly in long-term care, there is a return flow of 70% through taxes and social insurance contributions.

High need for care

On the demand side, there is a considerable need for formal childcare as well as long-term care across Europe. Large differences in enrolment rates of children in formal childcare persist across Member States, especially for children under the age of three, although the supply of childcare for children under compulsory school age has increased in recent decades. While most Member States have met the Barcelona target of 90% of children between the ages of three and school age being in formal childcare services, several Member States are falling short of the Barcelona target of 33% of children under the age of three being in formal childcare (Figure 1).

In the former EU-28 (now 27), the coverage rate of long term care services (the ratio between recipients of institutional and home care services and the population in need of care) is estimated at 35%, with considerable variation between countries (see Figure 2). Coverage rates vary from above 60% in Belgium, and the Netherlands to below 10% in Poland and Portugal. Coverage rates tend to be higher for home care services than for institutional care in most Member States.

The pandemic has clearly demonstrated the need to increase funding and investment in the social sector by billions of euros across Europe – for example in childcare, schools and long-term care. The expansion of high-quality care services is a key prerequisite for increasing women's participation in the workforce. In

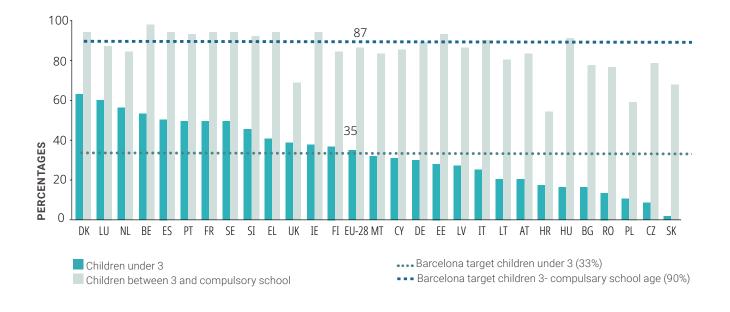


Figure 1: Shares of children enrolled in formal childcare, by age group and country (%, EU-28)

Source: EIGE 2021, p. 46

NB: The figures are for children in formal care as a percentage of the population of the same age group. Formal care includes education at pre-school or equivalent and childcare at centre-based services, daycare centres and pre-school. Provisional data: IE; UK.



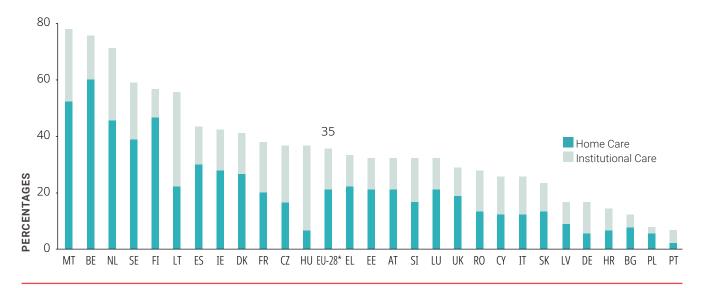


Figure 2: Long-term care recipients as a percentage of the population potentially in need of care, by type of care (%, age group 15 +, EU-28)

Source: EIGE 2021, p. 50

* EU-28 countries unweighted average.

NB: Coverage estimated as the ratio between recipients and population potentially needing LTC. Recipient data provided by Member States. Population in potential need is based on 2011–2015 averages of EU-SILC data on 'self-perceived longstanding limitation in activities because of health problems for at least the last 6 months'. The coverage of institutional care in LU is likely to be underestimated due to incomplete data.

addition, there is a need for a social and economic upgrading of professions with a high proportion of women in employment. The two ways to improve working conditions for care workers include providing better training and better salaries in the sector. The need to <u>increase salaries</u> in the care sector has gained particular urgence during the pandemic. Due to the distribution of unpaid work and the high proportion of women in critical professions, investments would initially benefit women in particular, but ultimately improve the lives of most people.

Key points for the European Care Strategy

The new working program of the European Commission aims for a European Care Strategy to support the best care and work-life balance. It will be tackling the situation of caregivers as well as the needs of care receivers from elementary education and childcare to long-term care.

The European Care Strategy needs a strong gender dimension, which pursues a holistic and lifelong approach to care and care work. At the same time, it has to provide for specific measures to improve the working conditions of employees in care and education professions as well as to improve the quality of services for those in need of care and support. Care work in its most diverse forms ensures the quality of life as well as our psychological and physical well-being. The European Care Strategy needs to understand the financing of public care services as an investment in the future and not as a mere cost factor. High-quality working conditions, appropriate remuneration, training and professional development opportunities as well as healthy and secure jobs can bind employees in the long term and increase the interest in and attractiveness of care professions. It is essential to find new ways for financing additional care spending, nationally and at the European level, for example by some kind of new RRF. Accessible, affordable and sustainable high-quality care and support work is of high importance in the long term and throughout Europe.

Furthermore, a holistic understanding of the provision of care, support, education and upbringing is needed. The coordination and interaction of all measures has to be improved so that funds and resources really benefit care receivers and care givers. This requires long-term strategic investments as well as the setting of specific objectives at EU level. Quality standards in care and support are essential. In particular, high minimum standards are necessary with regard to the care and nursing ratio. Similar to the Barcelona goals of 2002, new goals are needed - both in elementary education and in long-term care. Ideally, the fulfilment of these targets should be financed to some extent by EU funds to incentivise countries like Austria, which still fail to meet the Barcelona target of a childcare rate of 33% for children under the age of three.



Demands

A European Care Strategy that helps all people in Europe to develop and regenerate their intellectual, physical and emotional abilities in the best possible way is necessary. It also needs to fundamentally reassess, recognize and redefine the value of the care profession.

It is crucial to improve working conditions for care workers concerning better training and better salaries in the sector. There is an urgent need for an expansion of professional care services, more staff, better pay and better care quality.

Therefore, there is the need for

- an investment offensive together with a new, transparent and sustainable system of care financing to significantly increase quantity and quality
- a societal rethink and the recognition of the opportunities offered by quality care in terms of the high relevance of early childhood education as well as long-term care
- ensuring elementary pedagogical care quality in addition to the quantitative expansion of childcare places
- high quality childcare places being affordable and available all day and all year round
- significant improvements for people in need of care, their relatives and for professional caregivers
- an EU framework directive to define the basic rights and obligations for the employment of caregivers at home (so-called live-in-carers), which defines the basic rights and obligations of all actors involved
- a proposal for guidelines to improve the employment conditions of health professionals, since the different conditions exacerbate the Europe-wide shortage of staff in these professional groups

Literature

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AK EUROPA

The Austrian Federal Chamber of Labour is by law representing the interests of about 3.8 million employees and consumers in Austria. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

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