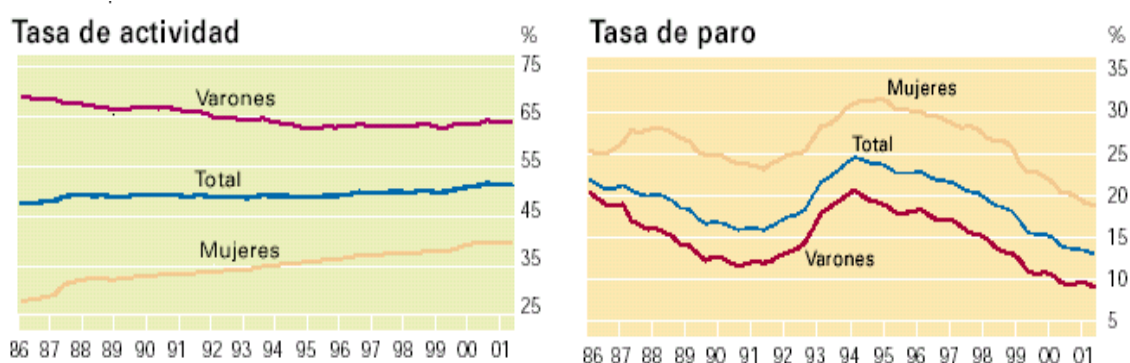


Women's labour force participation in Spain

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The full incorporation of women to the labour market is widely assumed as a 'social justice' value in advanced societies, playing a key role both for women's personal and social development, and for the attainment of the broader goal of equality of opportunities. Recently, this question has also turned into a key element for the sustainability of social protection systems, becoming a policy priority for the UE. However, with one the lowest activity rate and the highest unemployment rate of UE for women, the goal of full employment set in the Summit of Lisbon (2000)¹ will mean for Spain a much harder effort than to other countries. The next figure presents the evolution of the main indicators of the Spanish labour market by gender.



Source: Encuesta de Población Activa, INE.

As we can see, women have experienced a great increase in their compromise with labour activity in the last decades. Nevertheless, their activity rate is still very low - around 40% in the last trimester of 2001-, while their unemployment rate is still around 10 point above men's. However, age plays a crucial role in the recent evolution of women's activity rates and patterns. In fact, most of the increase in women's activity rates corresponds to the 30-34 age group, whose rate rose over 30 points in ten years, going from 30.8% in 1989 to 68.1% in 1999. If projections were accomplished women's participation in the labour market for the year 2005 in the 35-39 age group would reach 85%.

¹ This 'full employment' compromise means reaching a 70% rate of employment for working-age people, 60% for women, and 50% for people over 55 years old. In 2000, these figures were, respectively, 63.0%, 54.7%, and 38.3%. Source: *El País*, 30 November, 2001.

But the incorporation of women to the labour market does not only constitute an aim difficult to accomplish from a quantitative point of view. This goal means, above all, new challenges for contemporary welfare states, especially for those that show a tendency to rest in the old 'male breadwinner' model.

The key question is if the reproduction of future generations of citizens, in sufficient conditions of integration and stability, can be considered as an 'individual responsibility' or if, on the contrary, it is a question of collective well-being (Dex, 1995). The comparison between the situation of women in countries with a wide social coverage for children's and other dependent persons' care needs, mainly Nordic countries, and countries that, as Spain, occupy one of the most delayed positions in terms of social expenditure, would be meaningful. When the conciliation of domestic and extra-domestic activities is led exclusively under the individual responsibility, then serious imbalances that harm the relative position of women appear.²

Probably, one of the most evident and immediate challenges opened by the labour participation of women for contemporary welfare states is precisely the increase of the pressure on the supply-side of labour, which has meant a spectacular increase of the feminine rates of unemployment in the last decades.

The unstable character of women's labour trajectories affects negatively their probability to get an employment, placing also them in a disadvantageous position to fulfilling the requirements demanded to be entitled for unemployment benefits. Finally, another phenomenon that seems to have been associated to the increase of the labour force participation of women is the increase of 'solo' mothers (and fathers) households. Though compared with other countries this type of households represents a small proportion in Spain, they are brought about problems which put into question the conventional structures of the Spanish welfare state, in which the family has historically played a central role.

The figures we have just examined illustrate the wide space opened for political intervention in Spain. Next, we will try to give a summary vision of women's politics and policies developed in Spain in the last decades. Finally, we will review the main points open to debate on women's labour force participation.

Politics and policies

In the opinion of some scholars, Spain would belong to a 'Mediterranean' type of welfare state, characterized among other features by the essential role played by the family in the provision of their citizens' well-being (Moreno, 2000). This familistic orientation in the social uses is combined with a notable absence of any concern about families in the realm of politics. This emphasis in women's individual civic and political rights, leaving aside the interconnection between the domestic and the out-of-the-household areas, may only be understood if we take into account the political background the Francoism left behind.

² Between these imbalances, by instance, there is the low fecundity rate of Spanish women, the lowest of the UE, as well as the low labour force participation figures before mentioned.

At the time of the early democratic governments in the late 70s, women's politics were simply something non-existent but for the pro-natalist policies devoted to women as mothers and wives. In fact, women did not accomplish the most elementary social and political rights until the late seventies and early eighties³. This situation gave rise to a negative feeling towards family policies that had important consequences on the orientation of women's politics during the following years. In fact, the first policies directly oriented to family and labour life conciliation have not been developed until the late nineties. The fact that Spain has one of the lowest fertility rates in the world together with a system of social protection in a state of evident immaturity with regard to other countries of our environment, may well be considered as a consequence of this lack of comprehensive politics and policies in favour of women.

If we take into account that the point of departure was the Catholic ultra-conservative politics of Francoism, we must recognize that politics in favour of women has given a giant step. But we must also recognise that there is still a great deal to do, especially regarding the adjustment of the European directives to the peculiarities of a labour market highly segmented by age and sex as the Spanish, with rates of unemployment and temporality that almost duplicate the average of the EU countries.

We will review the politics and policies in favour of women taking into account three different realms: equality of opportunities, conciliation of familiar and laboral life and the protection of family well-being.

Promoting the equality of opportunities

The principle of formal equality is gathered in article 14 of the 1978 Constitution ('all the Spanish are equal before the law without any discrimination can prevail...'), and was the key axis of the first politics and policies in favour of women in the democratic stage. In good logic, the struggle against any obstacle in the attainment of this principle inspired the design of the first political instruments in favour of women, that followed the European model of the Plans of Equality of Opportunities.⁴

The I Plan meant an impulse to the legislative reforms for the attainment of the legal equality, and the II Plan the initiation and putting into practice of concrete measures of equality of opportunities. The III Plan, on their side, nowadays in effect, was designed under the intention of adapting to the Spanish reality the areas defined in the IV Conference of Beijing. It reaches the conclusion that 'it is necessary to take measures orientated to reform structures that nowadays impede the incorporation, permanency and promotion of women inside the labour market', for which it will be indispensable 'a parity share between men and women of the familiar and labour life'. This way, the door is, for the first time, open to positive action measures, recognising the existence of structures and forms of behaviour that, under the appearance of formal equality, deepen real inequality between sexes.

³ For instance, women did not recover their right to vote until Franco's death, besides with the right to work without the husband's permission, and the consideration of both partners as equal until law. Both, the abortion and divorce rights were accomplished in the early eighties with big fight against the catholic conservative groups.

⁴ Up to now, three Plans have been developed: I Plan (1988-90), II Plan (1993-95), and III Plan (1997-2000).

On the other hand, politics on equality of opportunities have been also developed through the Plans of Action for the Employment of the Kingdom of Spain (from here, PNAE), integrated in the European Strategies of Employment. They have constituted, from 1998, one basic instrument in the design of the directives of the employment policy in our country and of the politics of equality by gender. Under the explicit aim to advance towards an equal participation of women in the labour market, they contemplate measures of positive discrimination, fomenting a prior access of women to most of the programs for promotion of employment. 'Pilar IV', dedicated to reinforcing the politics of equality of opportunities, includes four directives: The integration of the equality of opportunities of men and women in all policies, the struggle against the discrimination between men and women, the conciliation of labour and family life, and the facilitation of reincorporating women to employment.

In successive Plans 'Pilar IV' has been reaching major importance, giving priority to the aim of obtaining the principle of horizontality with regard to the equality of opportunities, and introducing some measures of positive action. Concretely, PNAE 2002 foresees the following actions directed to increase the employment of women:

- a) The consideration of women as a priority group for labour hiring on permanent bases⁵. In the year 2001, the aim of 50 % of feminine presence in the stable labour jobs under these incentives was reached.
- b) The 'Zero cost' program (Programa 'Coste Cero'), that establishes a bonus of the Social Security quotas for contracts of substitution for maternity leaves.
- c) Measures of insertion of unemployed women across their participation in active employment policies, (in order to improve their formative level and their adaptability to the current requirements of the market).
- d) The promotion of women entrepreneurs across the incorporation of the unemployed to work as self-account employees (program 'To tackle in femininely' (Programa 'Emprender en Femenino').

Other key point in the politics of equality of opportunities is the struggle against the discrimination in employment, which concentrates in the following actions:

- a) 'Optima Program' (Programa 'Óptima'), developed by the Instituto de la Mujer, from 1996 with the aim to eliminate the existing inequalities between men and women in the companies through the development of Plans of Positive Actions, and incorporating them as habitual practices in the politics of human resources of the companies. This program, financed jointly by the Social European Fund, has been chosen as an example of 'good practice' by the EU and has implied up to the date to 56 companies.
- b) Contracts to women in sectors and occupations where they are underrepresented in order to mitigate the occupational segregation by sex.
- a) The development of the collective bargaining recently reached in the I Agreement for the Collective Bargaining ('Acuerdo para la Negociación Colectiva') signed by

⁵ This has allowed an increase of this kind of contracts, going from 36.6% of total contracts in 1997 to 44% in 2001.

the more representative managerial and union organizations: CEOE and CEPYME, for the managerial side, and CCOO and UGT, for the workers' side. Between their priority measures, stands out the promotion of the professional diversity and the access of women to occupational education, as well as an egalitarian remuneration with regard to men.

Conciliating work and family life

Politics for conciliating labour and family life supposes the implicit recognition of the principle that it is not possible a personal full development without obtaining a fair balance between productive and reproductive roles. Applied to the feminine realm, it also implies admitting that it is not possible a meaningful integration of women without an equal share of responsibilities inside the domestic area. The policies related are of very recent development in Spain, and have had a limited effect.

- a) Flexibility and reduction of labour time. The flexibility measures that from mid-eighties have been introduced into the Spanish labour market neither have been sensitive to gender issues, nor were they oriented by a concern on the conciliation of labour and family life⁶. Far from these concerns, Spanish politics on part-time jobs and flexibility have been traditionally developed with the aim to reduce the high rates of unemployment that castigated Spaniards during the eighties and nineties.

The Law of Conciliation between family and work life⁷ introduces the possibility that workers, men or women, enjoy a reduction of the labour-day (between a third and a half, with proportional reduction of the salary) to attend children younger than six years old. Later on, it has also been allowed enjoying the maternity leave and its corresponding economic payments on a part-time basis, as a way of promoting the equal share of domestic responsibilities between the spouses. On the other hand, the permissions have been recently extended for the birth of premature children (or need of hospitalisation after the childbirth), being the workers allowed to reduce their work-day in one hour without any reduction in their salary (or in two hours but with a proportional reduction of the salary).

- b) Parental leaves. Since 1995, maternal leaves extend up to 16 weeks with a 100 % of the salary, under the condition being affiliated to the Social Security system and to have quoted at least 180 days in the last five years before the childbirth (or the administrative or judicial decision of adoption). On the other hand, the paternal license for birth has the strict limit of two days, though since 1995 it is also possible to enjoy 4 of the 16 weeks, deduced from mother's license. This change is very important because it means the transformation of this license from a kind of work disability to a family right (Flaquer, 2000).

These conditions are partially modified by the Law of Conciliation, which establishes that, when both parents work, both can enjoy their respective licenses at the same time or successively, reserving only 6 weeks for the mother counting from the childbirth on (providing that her incorporation to work does not put in danger the health of the mother). However, it is been a very reduced number of men who

⁶ However, women represent a high proportion of all part-time jobs (80%) and their rate of temporality is five points above men: 34.5% and 29.9%, respectively. In comparison with the EU, part-time employment is low (8%) and temporality rate very high.

⁷ Ley 39/99 de 5 de noviembre, de Conciliación de la vida familiar y laboral.

has made use up to now of this possibility (representing in 2001 father's absences only the 1.3 % of the total).

This law also introduces an allowance for pregnancy risk, in case it is not possible the change to another post compatible with the pregnant woman's health conditions. In this case, the amount paid is of 75% of the regulatory base and it is assimilated to a labour disability derived from common disease. Another innovation introduced by the Law of Conciliation is the so called program 'zero cost', mentioned before. There is also the possibility of the enjoyment of a lactation permission indistinctly by the father or by the mother, meaning a reduction of an hour, breakable in two times, of the labour day up to nine months of age of the baby.

The possibility of enjoying non-paid permissions on the occasion of the birth or adoption of a daughter or son is not introduced in Spain until 1989. This permission has duration of 3 years and the father or the mother can enjoy it both. It supposes the reservation of the working post only during the first year (then, only a similar position –within the same labour category- must be guaranteed reserved instead). Since 1990, this permission includes the assimilation of the first year of leave to a period of effective quote, across a non economic coverage for dependent children. Given it is a non-paid leave there is not any similarity with a 'family salary', like is the case in other countries. The Law of Conciliation also extends this permission to the care of a relative up to the second degree of consanguinity or affinity, provided this person is not able to work and does not have enough resources to live on his/her own.

Leaves for care of children has increased greatly in the last years, going from 7,569 permissions in 1998, to 17,068 persons in 2000, with a relative increase of 125 %. Nevertheless, men still represent a scanty 4 % of the whole⁸.

- c) Job re-entry and proximity services. In the 2001 'Program of Promotion of Employment', a package of measures orientated to facilitate the re-entry of women to work life after pregnancy or maternal leave (in the next twenty-four months) were introduced. These contracts (provided they are on a permanent basis) have bonuses of 100% of the entrepreneurial quota to Social Security⁹. The 'Integral Plan of Support to the Family (2001-2004)' (Plan Integral de Apoyo a la Familia), establishes a series of measurement oriented to raise the quality of family life as well as intergenerational solidarity. Among them, we can highlight the improvement of services for the attention to first infancy and other dependent persons, as well as fiscal discounts for kindergarten fees or for contracting personnel to take care of children or dependent persons. Nevertheless, the coverage rate of children of 0 to 3 education is only 8.6 %, old-people services do not cover a third of the demand, and subsidies for child-care represent a derisory quantity, destined only to those that demonstrate shortage of means.

Favouring family life

As stated before, it does not exist in our country an institutional frame for the protection to the family with an adequate degree of efficiency and maturity. More precisely, we can say that fragmentation is one of the most relevant features of the system. We will treat separately the measures oriented to the economic protection of families and fiscal policies.

⁸ *El País*, 1 June, 2002.

⁹ Real Decreto-Ley 5/2001.

- a) Economic protection to the family. These policies find their origin in the ‘Family Subsidy’ (1938) and the ‘Family Bonus’ (1945), introduced as part of the pro-natalist and ultraconservative policy framework of the Franco’s regime. Nowadays, they take the name of family allowances for dependent son/daughter, and they are covered by the budget of the National Health Service. Their purpose is to protect the 18-year-old minor dependent, or children above the mentioned age providing they have a disability of at least 75%. These assignments lose their universal character since 1990¹⁰, being means-tested from then on.

Besides the mentioned policies, there also exist birth subsidies (means-tested), abolished during the first stage of the democracy, and re-established again recently. They take the form of quantities given for every birth from the third one on, providing that it is demonstrated not to have enough resources. In case of multiple childbirth¹¹, subsidy is granted without testing of resources. According to calculations relative to year 2000, these allowances were applicable to only a third of the births, being thus their efficiency levels very small (Flaquer, 2000).

Finally, the pensions (and subsidies) in favour of relatives provide coverage for economic risks derived from the death of the head of the family. They constitute a kind of complement to widow and orphan pensions, with a clear welfare character. These allowances try to guarantee the economic balance of the family unit, so Social Security assumes the role of the deceased head of the household, thus supporting the conventional male breadwinner model.

The Protection to Large Families Programme grants the condition of large family to those with three children or more. This condition gives the right to the exemption or reduction of certain taxes and fees (for example, academic), and to other benefits such as reduction of the prices of some public services or preference at the moment of their adjudication (public housings, nurseries, etc.).

- b) Fiscal policies. Since 1991, after the obligatory aggregation of revenues was declared discriminatory by the Constitutional Court, the fiscal Spanish system turned into a mixed system, allowing couples to choose between joint or individual fiscal declarations.

The current system is the fruit of a deep reform carried out in 1998 by the Popular Party Government (right-to-centre), which implies a reduction of the number of income threshold and taxes steps and of the maximum an minimum types (from 56% to 48% in the case of the top thresholds, and from 20% to 18%, concerning the bottom one. The number of income groups was also reduced to six). The same percentages are applied for the joint and individual declarations, allowing the spouses to accumulate all the tax reliefs to which they had straight individually. Special tax reliefs are contemplated also for alone parents and mothers.

This reform, more family-friendly at first sight, opens nevertheless an important gap with regard to the conception of the help to families that inspired the previous system. The principal innovation in this respect is the concept of ‘vital minimum’, associated with the economic real capacity of the fiscal unit, once discounted the expenses necessary for the satisfaction of personal and family basic needs.

¹⁰ Ley 26/1990, 20th December, and RD 356/1991, 15 March.

¹¹ The quantities are: four times the minimum wage for twins, eight times for triple births, and 12 times for child-births with four or more babies.

Nevertheless, since the 'vital minimum' is applied in the fiscal base it introduces in fact serious inequalities between families with different levels of revenue.

Accordingly, there are no deductions applied in the quota, but discounts are applied in the tax base, something that is considered by the experts more regressive fiscally. Deductions for disease expenses, premiums of life insurance and children's custody, were also discarded, while expenses for house purchase and at a maximum deduction. A tax break regarding child-care expenses was introduced taking into account the resources of the taxpayer.

Finally, one of the most telling features of the fiscal Spanish system is its extraordinary generosity for the acquisition of housing. In agreement with the experts, this generosity, typical of the Mediterranean welfare states, would represent a form 'sly and indirect way of protection to the family', with rather negative consequences from the point of view of the vertical equity, allowing an extra help for those in the medium and top positions of the income distribution.

Debate and future trends

From the defence of formal equality between men and women as individual subjects of rights, to policies of positive action as instruments of struggle against substantive inequality and social discrimination, equality policies have experienced a tremendous evolution in Spain in the last two decades. Nevertheless, positive action has not yet had in our country a great social repercussion, being its more visible and popular face that of the 'quotas' in the electoral lists of the parties. At this moment, 28.3% of the members of parliament in the Congress of the deputies and 24.3% in the Senate are women (versus 22% and 14.8%, respectively, in the previous general elections of 1996).

On the other hand, we must recognize that policies of labour and family life conciliation have not reached the wished efficiency. This is partly due to the secondary position of women in the labour market (and to the contributive character of the social protection system), but also to the lack of political support to effective measures that allow the break of the conventional sexual division of work. One of the questions opened to debate is the restoration of a leave restricted exclusively for fathers, which would help their learning and socialising in reproductive tasks, breaking the invisible borders of gender inequality. Nevertheless, the Popular Party pushed recently back three propositions of law (by the PSOE –the Spanish socialist party-, Initiative per Catalunya-Verds, and Bloque Nacionalista Galego) that were raising the creation of a remunerated paternity leave independent to that of mother's¹².

The recognition of the importance of women's free contribution to the family well-being (what in fact means adding up the gender dimension to the de-commodification of individual rights), and of the need to incorporate to the labour market the largest number of citizens, means in fact the need of a new social contract between individuals, families, entrepreneurs and the state.

Moved by the fall of birth-rate and fecundity rates, the politics in favour of families is acquiring lately more social relevance. In this respect, the PSOE has presented recently a general program of help to the families ('Plan for the Family'), including a four-week

¹² *El País*, 1 June, 2002.

paternity leave up to the age of nine months of the son with full salary, and the consideration of the leave for care of children like a really quoted period. The offer also includes extending the net of nurseries (0-3 years), as well as setting up services of help to domicile at least for 60% of the dependent population and 100% of the disabled population. Some other proposals take a more pro-natalist orientation, with the aim to compensate the economic burden that the birth and nursing of the children mean to families¹³.

Another innovation introduced in the socialist program is that the tax reductions would be applied directly in the quota, instead of in the tax base. This point leads to the question of the type of 'solidarity' on which economic help for the families must lean, favouring the 'horizontal' equity –that is, from the families without children to the families with children-, or 'vertical' –that is, from rich to poor families-. While universal measures, given they do not make any distinction based on the revenue, can turn into conservative instruments, partial measures limited to the condition of need can have not only a negative effect on women's labour force participation, but also a stigmatising and fragmentary character that can put in danger its efficiency.

In the moment this report was written, a new fiscal reform was in parliamentary step. This reform contemplates an update of the deductions for children on behalf, as well as the establishment of one pay to working mothers with three-year-old minor children, as well as for widower parents or those that have the custody of children in sole right. However, the quantity granted, 100 Euros per month or 1,200 Euro per year, is scarce enough as to not represent an effective alternative to working mothers to stay at home. However, if, as the Ombudsman (Defensor del Pueblo) suggests in his observations to the new law, this pay is extended to all mothers and not only to the working mothers, we would be before an authentic 'maternal salary' with predictable negative effects, even in spite of its scanty quantity, on the labour participation of women.

Another critical point of the system is the extraordinarily importance that fiscal deductions for the acquisition of a house have in comparison with other economic measures to family support. This generosity means not only leaving aside the individual rights of the family members, but also delaying the time for independence of the children, who use to stay at the parental home until they have enough money to buy a place to live in their own.

On the other hand, unemployment subsidies and pensions represent the other real axis of social policy in favour to families in Spain. Given its contributive character, women and young people (main groups within the unemployed population) are fully excluded from the system, reinforcing indirectly the conventional male breadwinner model. Although there is no trace of measures directly addressed to disincentive women's labour force participation, the foundations of the Spanish social protection system still allow a central place for male head of household.

In a country with a strong 'familistic' tradition, the concern about fecundity and the sustainability of the social protection system opens a new path to family policies. The

¹³ Second birth would be granted with a quantity of 3,005 Euro, and third and following births with 6,010 Euro. These amounts would be reduced on an household income basis. The proposal also includes a fiscal reduction for families with five or more children.

question that is at the stake is the definition of the role of the family in the provision of the collective well-being, Up to now, ideology seem to have mostly permeated the debate; now a new sensibility must find its place, mostly that based on effectiveness and efficiency.

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