

## Summary, conclusions and discussion

### Standing on the sidelines?

#### Consequences of the crisis for emancipation and well-being

The long-lasting economic crisis has driven up unemployment sharply over recent years. In 2008, 4.5% of the Dutch labour force were unemployed; by 2014, that figure had doubled to 9%. Most of those affected have seen their purchasing power decline and more are living below the poverty threshold than in the past (Soede et al. 2014). Results of international research suggest that their life satisfaction will also have declined (e.g. Clark et al. 2008; Eliason & Storrie 2009; Gielen & Van Ours 2012). The increase in the number of suicides in the Netherlands (CBS 2015a) may also be due in part to fears about higher unemployment (De Beer 2013).

The SCP publication *Werkloos in crisistijd* ('Unemployment in time of crisis'), published in 2009 (Vrooman 2009), predicted some of these developments (e.g. rise in the number of suicides), but not all (e.g. the number of divorces initially remained unchanged<sup>14</sup>).

The report also examined the question of whether women increase their working hours when their partner loses their job so as to limit the reduction in household income. This is known as the *added worker* effect. The report concluded that this effect is probably more likely where unemployment leads to a major loss of income or is prolonged (Josten & Jehoel-Gijsbers 2009). Earlier that year, a number of policymakers and politicians had expressed the hope that women with an unemployed partner would go out to work more (De Pers 2009). However cynical it may sound, they argued that this could increase women's economic independence.

At the request of the Emancipation department of the Dutch Ministry of Education, Culture and Science, SCP investigated whether or not women have increased their working hours in recent years, or gone out to work (again), when their partner lost his job. The study also examined whether men increased their working hours if their partner became unemployed. Some men (13%) work fewer hours than their partners, and in principle therefore have the opportunity to work longer.

The study also looked at whether unemployment has a different impact on the health and life satisfaction of men and women, and whether the partner of someone who loses their job also suffers diminished well-being. Older international research suggests that women are less unhappy when losing their own job than men, but may be more affected than men when their partner loses his job. This study investigated whether these gender differences are also found in the Netherlands.

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14 Contrary to expectations, the number of divorces initially remained unchanged, though it did rise from 2013 onwards.

The questions addressed in this report are thus as follows:

- Do women and men increase their working hours when their partner loses their job? If they were not already working, does this prompt them to take a job? To what extent do they have an unfulfilled desire to work or to work more hours? (Chapter 2)
- Does becoming unemployed lead to lower subjective health and life satisfaction? What happens to the well-being of the partner? Are the effects different for women and men? (Chapter 3)

These questions were studied using longitudinal data, i.e. data collected over an extended period of time. We were able to monitor the consequences for the partner's working hours for up to one year after the job loss, and the impact on the unemployed person's well-being and that of their partner for an average of between eight and nine months.

### S.1 Impact on labour market participation and working hours when partner becomes unemployed

#### Working women increase their working hours very slightly when their male partner becomes unemployed

Working women whose male partner loses his job increase their working hours very slightly, while women whose partner has retained his job continue to work virtually the same number of hours. The changes are quite small: after a year, female partners of 'job-losers' have increased their working hours by an average of one hour per week, and women of 'job-retainers' by 0.04 hours.

Working women with unemployed partners would also like to increase their working hours by more (1-1.6 hours per week) than women whose partners retain their jobs (0.2-0.3 hours). After correcting for other factors, the differences between the desired change in working hours between women whose partner does and does not become unemployed disappear.

#### Men do not increase their working hours when the female partner becomes unemployed

A growing number of women work longer hours or earn a higher income than their male partner. In these cases, the woman becoming unemployed can have a comparable impact on household income as when the man becomes unemployed. However, our data show that men whose female partner has become unemployed do not increase their working hours any more than men with a working partner. There is also no difference in their desire to change their working hours.

#### Non-working women initially join the labour market more often when their partner becomes unemployed, but this is not sustained

Women who were not working or looking for work when their partner became unemployed joined the labour market slightly more often (16%) when the man lost his job than when their partner retained his job (12%). Most of these women were searching for work.

Only a small proportion actually found jobs, however; it is not easy for these women, often low-skilled and out of the employment process for a long time, to find work. The economic crisis may also have played a role.

If we take a longer period (three to six months after the man lost his job), we no longer find a significant difference in the extent to which female partners of job-losers and job-retainers join the labour market. The difference in the *desire* to join the labour market also disappears between these two groups. This may be because some women gradually become discouraged and withdraw from the labour market after failing to find work.

## 5.2 Well-being of the person losing their job and their partner

### Job-losers unhealthier to start with

Employees who lost their jobs during the crisis already felt unhealthier than other employees before their unemployment: 66% reported that they were in good or very good health, compared with 81% of those who were not about to lose their jobs. Their health complaints are unlikely to have been caused by the imminent job loss, because those who saw unemployment looming did not have health complaints more often than others who lost their jobs. This suggests that the relationship operates the other way round, i.e. the poorer health on average probably increased the risk of unemployment. In a weak economic climate, too, when unemployment affects more people, it is relatively often people in poorer health who lose their jobs.

### Life satisfaction also lower beforehand

Life satisfaction was also lower among this group before they lost their jobs; 69% of those who later lost their jobs were satisfied or very satisfied with their lives, compared with 85% of those who did not lose their jobs. There are probably two causal factors here: the poorer health of job-losers – unhealthier people tend to be less happy (Boelhouwer 2015; Van Echtelt 2010) – and the fact that some were aware that they were about to become unemployed and suffered stress as a result (see e.g. Sverke et al. 2002; Witte 1999).

### Job loss does not lead to a deterioration in health, but does reduce life satisfaction

When the job loss occurred, the subjective health of the person concerned generally remained the same, but their satisfaction with life often diminished – this was the case for 28% of those affected, a much higher percentage than among those who held onto their jobs (9%). This reduced life satisfaction probably has both financial and social causes (e.g. lower self-confidence, fewer social contacts). The social drawbacks seem to have had the biggest impact, probably due among other things to the financial safety net provided by unemployment benefit.

### Same impact on men and women

The assumption that women suffer less from losing their jobs than men does not appear to hold for the events during the crisis: the impact on both groups was virtually the same.

This may be because the roles of men and women are seen as more equal today, and also because paid work is an important part of women's identity, too. Moreover, the education level of Dutch women today is close to that of men (Eurostat 2015). Paid work will therefore be a more natural choice for them, and losing their jobs will affect them more than in the past. Loss of the increased contribution that women make to the household income will also often come as a blow. On the other hand, a recent study (Van der Meer et al. 2016) showed that the *fear* of losing their job affects women's mental health less than men's.

### Job loss has a negative impact on female partners, but not on male partners

The well-being of men was not affected by their partner losing her job. Their perceived health did not diminish, and in most cases neither did their life satisfaction. There was a negative impact of partner's job loss on women, however. Just before their partner became unemployed, they were already less satisfied with life than the male partners of women who lost their jobs; only 71% were positive or very positive about their lives, compared with 96% of men. Their satisfaction did not diminish further when their partner lost their job. The lower life satisfaction before the job loss mainly occurred in households where money was already tight and/or where the female partner was not working. The imminent loss of income is then probably harder to deal with.

## 5.3 Discussion

### Changes only studied in the short term

Our study looked at the impact of someone losing their job during the crisis on the working hours and labour market participation of their partner, and whether becoming unemployed affects well-being. To be able to detect changes, we used longitudinal data. Unfortunately, the period for which we were able to observe changes was limited: a maximum of one year for working hours and an average of eight to nine months for well-being. This is particularly unfortunate for the analyses of the added worker effect, because it is quite plausible that unemployment leads to changes in the labour market behaviour of the partner only in the longer term. Some unemployed people will expect to be back at work within a short period, and for some of them this is a realistic expectation: in recent years, 55-65% of unemployed people were back in work within a year (CBS 2016a). For others, unemployment may only have an impact if it leads to a substantial drop in income, for example when unemployment benefit ends (after a maximum of 38 months in the Netherlands, or 24 months from 2016 onwards). Although the median reduction in household income when unemployment strikes is around 17%, the exact reduction – and therefore the financial incentive – varies widely from one situation to another (Gielen & Wilkens 2014). For example, the reduction will be less if the income prior to unemployment was already low or if the partner has a high income of their own (Soede et al. 2009). Moreover, by adjusting their spending or eating into their savings, households can mitigate the financial impact of one partner's unemployment for a while, without the other partner having to

go to work or work longer hours. Strong traditional views on role divisions can also impede the female partners of unemployed men from working more hours or going back to work. Unfortunately, the database we used contains no information on these matters. Consequently, we were for example unable to investigate whether partners genuinely increase their working hours or plan to do so if the reduction in household income is substantial.

### Working hours of women change little in the short term

Increasing women's working hours has been a key objective of Dutch emancipation policy for almost a decade, based on the argument that it increases women's economic independence (TK 2007/2008; TK 2012/2013). The 'Part-time-Plus' Task Force worked between 2007 and 2009 to encourage women and their employers to increase their working hours (Taskforce DeeltijdPlus 2010). Despite this policy attention, women's working hours have not changed since 2008, still averaging 26.4 hours per week.

It has long been known that once women decide to work part-time, usually around the time of the birth of their first child, they generally do not change their minds later in life (Portegijs et al. 2008; Keuzenkamp et al. 2009). This is due in part to the greater responsibility felt by women in their free time for the emotional welfare of children and other family members (Portegijs et al. 2016). The value of our study lies in showing that the working hours of working women - at least in the short term - are only slightly sensitive to a reduction in household income due to their partner losing his job.

Women who do not go out to work are found to be even less sensitive to their partner losing his job. These women initially more often join the labour market (usually as jobseekers) than women whose male partner has retained their job, but in the slightly longer term this is no longer the case, possibly because they become discouraged. Initially we had anticipated that the behavioural response of non-working women would be more marked, as the financial consequences of unemployment are greatest on average for single-earner households (see also Soede et al. 2009). As stated earlier, however, our study provides no certainty about the exact extent of the financial incentives; it is also unclear whether the extent to which the household income is reduced influences the partner's response.

However, international research suggests that the size of the financial incentive does indeed influence behavioural reactions when a partner becomes unemployed. European research (Bredtman et al. 2014) which monitored subjects for four years revealed several types of added worker effects for the Mediterranean countries, with both increased working hours and re-entry to the labour market. In the Scandinavian, Continental and Central and Eastern European countries, the study only partially confirmed an added worker effect, while for the Anglo-Saxon countries a negative added worker effect was found.

The authors seek to explain the differences between the countries among other things by relating them to the type of welfare state. The small added worker effects in Scandinavian and Continental countries (including the Netherlands), and the strong effect in Southern European countries can be explained by the respectively high and low financial protection provided by the government against the unemployment risk. The negative effect on women's re-entry to the labour market in Anglo-Saxon countries is probably attributable to the

social security system in these countries, where after as little as six months the amount of unemployment benefit paid depends on the level of household income. These findings suggest that the financial circumstances and incentives may play a key role in the longer term in the behavioural responses of people whose partner becomes unemployed.

### Gradual increase in women's working hours and income over the longer term

The foregoing does not mean that the government's objective of enabling women to increase their independent income is not making any progress. Over the longer term, the share taken by women in the household income (of couples) is gradually rising (Arbeidsaanbodpanel 1996-2014), mainly because of the sharp increase in the number of women in paid work over recent decades. The proportion of couples in which the woman works more hours than the man is also growing slightly (Van den Brakel & Souren 2014). These changes are probably linked to the greatly increased education level of women: better-educated women are more often in paid work and not only earn a higher income, but also work longer hours than their lower-educated peers (Van den Brakel et al. 2014). The increase in the share taken by women in household income is thus a structural change, which is likely to continue as women continue to achieve a good education. On the other hand, this trend does not appear to have accelerated due to the economic crisis.

### Paid work now almost as important for women as for men

Our finding that job loss has more or less the same consequences for women and men suggests that paid work is of comparable value for both sexes today. Unlike in the past, paid work for women today seems to be accepted as natural, including during times of crisis. Other research also shows that many functions of work (pleasure, self-development, contribution to society) are just as important for women as for men (Bierings et al. 2014). There are however important differences when it comes to the financial aspects of work. Women still attach less importance than men to the income they derive from work and – more specifically – to their own economic independence (Van den Brakel et al. 2014; Portegijs 2016).

### Support for job-seeking men and women

This study has also shown that the well-being of female partners is mainly affected by their partner losing his job if they themselves are not in paid employment and/or the household finances are tight. This is to some extent the same group as those who initially turn to the labour market themselves when their partner becomes unemployed, but that effect is short-lived. It is not easy for women who have been out of the labour force for a long time to find a job quickly. In addition to training and skills becoming outdated, these usually low-educated women also face other obstacles (low self-esteem) (Van Ommeren et al. 2011). These households might be helped if both partners receive extra support in their quest for employment. Once a household ends up on social assistance benefit, both partners have a duty to seek work, and local authorities have a financial interest in helping them to do so. As long as the male partner is still receiving unemployment benefit, there is

little incentive for either the Employee Insurance Agency (uwv) or the local authority to help the female partner. It may be possible to key into the *Eigen Kracht* policy programme, in which 24 municipalities have participated since 2012 and which aims to guide hard-to-employ women who are not receiving benefits into paid work (TK 2015/2016).

Is there also a need for special attention for women who lose their jobs? The growing share taken by women in household income, and the fact that they are just as emotionally affected by job loss as men, suggests that unemployed women are just as keen to find new jobs as men. Unemployed women are thus probably no more likely than men to withdraw from the labour market. An exception to this may be where the unemployment is prolonged, lasting for at least a year. In general, therefore, there does not appear to be a need for extra policy attention to help women who have lost their jobs, except for those at high risk of long-term unemployment (e.g. older persons, migrants or people with health complaints who lose their jobs).