



PLAN BLEU
SPECIAL COLLECTION #1
ENVIRONMENTALLY
HARMFUL SUBSIDIES

Female labor force participation and energy subsidies in the Mediterranean



Harmful Subsidies and the Mediterranean: Balancing Environmental Sustainability, Economy, and Equity

Addressing environmental harmful subsidies is of vital importance, as they not only contribute to ecological degradation and climate change but are also costly and hinder the transition towards sustainable development in the Mediterranean. Plan Bleu's work program aims to dissect harmful subsidies, provide evidence-based policy recommendations, and raise awareness among policymakers and stakeholders. Eight Policy Papers are currently supported by Plan Bleu and will be published later in 2024. Each paper will be succinctly presented in this series of 2-Pagers.

Key Takeaways

1. Plan Bleu has been investigating the links between energy policies and female employment in the Mediterranean.
2. Empirical results confirm the negative links between hydrocarbon subsidies and female labor force participation in the region. Oil, natural gas, and electricity subsidies exhibit negative associations with female employment, reflecting industry dynamics and gender considerations.
3. Survey results from Greece indicate the need for balanced gender-focused policies for the integration of local targets and priorities with the wider national and energy sector development policies. While 80% express confidence in the skills of female candidates, only 29% see strong positivity in the links between industry investments and job opportunities for women.
4. Core resulting policy recommendations include addressing information gaps, skills shortages, reinvesting savings into social welfare, and monitoring mechanisms for female labor force participation.

Unraveling Gender Disparities and Energy Subsidies in the Mediterranean Energy Sector

Plan Bleu addresses a notable gap in the current understanding of gender dynamics within the Mediterranean energy sector. There is persistently low representation of women in this field, with female sectoral employment remaining below 20%, significantly lower than the overall economy-wide average. Plan Bleu draws attention to the exacerbation of this employment gap in senior management positions and the associated lower earnings for women. Additionally, there is a need to discuss the widespread practice of energy subsidies, particularly in oil and gas, in the Mediterranean despite ongoing environmental concerns and reforms. These subsidies, besides their adverse environmental effects, disproportionately impact women due to the structural dynamics of the energy sector, potentially hindering women's engagement in the field. The shift towards renewable energy sources is an opportunity to address gender equity issues, however, there are concerns about existing occupational gaps in the renewable energy sector that might hinder women's access to these opportunities. There is a need for a region-specific analysis to define obstacles to women's inclusion in the Mediterranean energy sector, crucial for developing a comprehensive energy transition strategy.

Methodology

To address this gap, a forthcoming Plan Bleu paper employs a mixed methodology approach, incorporating a systematic literature review, empirical assessment through econometric analysis and the latest datasets, and a survey analysis focusing on Greece as a case study. Greece, being in the middle of the income distribution in the region, serves as an illustrative example of unlocking local potential in the energy sector.

Labor market gender imbalance describes the economic stance of most Mediterranean countries. This paper summarizes the policy implications resulting from the : i) empirical investigation of the links between female labor force participation and energy policies using data over the period 2010-2021 from 18 Mediterranean countries, ii) systematic literature review and iii) survey results analysis drawing from the energy sector in Greece. Results on the role of hydrocarbon subsidies suggest that energy transition in the region should be accompanied by tailored gender-inclusive policies. Policy recommendations highlight the need for policymakers to apply a gender-responsive dimension in policy design and implementation. Stella Tsani, Author

Results : Assessing the Impact of Subsidies on Female Employment in Mediterranean Economies and Qualitative Insights from Greece

The literature review reveals that while there is consistent confirmation of the negative impact of energy subsidies on the environment, their effect on economic development remains debatable. In the Mediterranean, empirical works indicate negative short-term impacts on employment post-subsidy removal, contrasting with potential positive effects in the longer run, particularly in countries with high initial energy subsidies. Various case studies, including those in Turkey and Jordan, lack direct evidence on the relationship between subsidies and female employment.

Utilizing data from 18 Mediterranean countries between 2010 and 2021, the empirical results reveal a noteworthy negative relationship between fossil fuel subsidies and the female employment rate in the Mediterranean. Specifically, oil subsidies show a negative effect on female employment, likely influenced by the capital-intensive and male-dominated nature of the oil sector. Similarly, natural gas subsidies and electricity subsidies exhibit negative associations with female employment, reflecting industry dynamics and gender considerations.

The survey results provide a comprehensive overview of the gender dynamics within the Greek energy sector, shedding light on both positive aspects and persistent challenges. The male-dominated nature of the industry is evident, with 72.5% male respondents compared to 27.5% female participants. When assessing the links between industry investments and job opportunities for women, only 29% of respondents express strong positivity.

However, 80% of participants express confidence in the skills and competence of female candidates, emphasizing that women are well-equipped to excel in the sector. The survey indicates that women are perceived to be well-represented in higher management positions, with 66% of respondents acknowledging their presence. Despite positive perceptions regarding women's competence, the survey identifies a significant gender disparity in the Greek energy sector. Addressing systemic barriers and biases is crucial to fostering a more inclusive sector.

Empowering Women in Energy: Recommendations for Reevaluating Subsidies and Fostering Inclusion

Plan Bleu findings underscore a significant and adverse effect of these subsidies on the female employment rate, emphasizing the need to reevaluate energy subsidy policies in the region :

- 1. Policymakers are urged to eliminate inefficient subsidies** while ensuring reforms do not hinder women's inclusion in the energy workforce. Gender-inclusive approaches, including specific quotas and the removal of discriminatory barriers, should be integrated into national policies.
- 2. Shifting towards cleaner energy sources is advocated**, not only for environmental benefits but also for fostering women's participation in the labor market. Interventions addressing information gaps and skills shortages are recommended. It is critical to ensure that women have the necessary skills and knowledge needed to succeed in the (renewable) energy job market by supporting the creation of (green) skills training programs specifically designed for them.
- 3. Creating focused training programs** may include collaborations with academic institutions and the regional industrial community. Another recommendation is to reinvest the savings from the removal of fossil fuel subsidies into social welfare. This could notably include directing funds towards family allowances for women or extending maternity leaves and providing more affordable childcare services.
4. Additionally, **monitoring mechanisms for female labor force participation** in the energy sector and active engagement of educational institutions in preparing a diverse workforce are suggested

*Full paper to be published later in 2024 on planbleu.org/publications
This two-pager is based on the findings of a forthcoming Plan Bleu Policy Paper titled "Female labour inclusion and energy policies in the Mediterranean countries: Evidence from a mixed methodology approach", by Stella Tsani, Chrysoula Chitou, Karine Moukaddem and Valentina Dedi.*