



HOW BIG GOVERNMENT HURTS WOMEN

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The bigger the government, the better for women.

Is that statement true or false? Well, if party affiliation is any indicator, most women under the age of 40 would say “true.”

Young women, especially single women, are among the left’s most loyal supporters. This isn’t surprising given that programs like government-subsidized childcare and government-mandated paid family leave sound like things that make life better for women. But do they really?

Most European governments provide subsidies that allow women to stay home for months—even years—following the birth of a child. And some European countries require employers to offer female employees part-time and flexible work arrangements.

So have European women benefited from these programs? The answer is no—unless you think lower wages, fewer jobs, and fewer management opportunities benefit women.

Why is this the case? Because these supposedly women-friendly government mandates change the way businesses evaluate female employees. It encourages companies to assume that women will not only cost them more, but they’ll be less productive than men.

Spain is a good example. In 1999, that country passed a law giving women with young children the right to work reduced hours. But a study by economists at the IE Business School in Madrid and at Queens College of the City University of New York found that women paid a big price in lost opportunities: Companies were less likely to hire women of childbearing age, less likely to promote them, and more likely to dismiss them compared with men.

When Chile tried similar policies, similar outcomes resulted. In the words of Maria Prada, an economist for the Inter-American Development Bank: “[The purpose of the law was] to help [women] participate in the labor force and achieve more work-family balance, and it’s doing the opposite.”

A study of 22 countries by two Cornell economists showed that in countries with the most extensive benefits for women, women are more likely to be in dead-end jobs, and less likely to become managers or top executives. This is because once the government mandates additional benefits for women, employers place them on the “mommy track,” meaning they assume women will want to work fewer hours whether that’s true or not.

This might explain why in the United States, where these benefits are not mandated, women account for more than 40 percent of senior managers while in more “progressive” Europe, that number is a little over 30 percent.

But Big Government doesn’t throw obstacles only at women trying to get ahead. It throws obstacles at women struggling to get by. Here, we don’t have to go to Europe to find examples; there are plenty in the United States.

Take the issue of occupational licenses—government regulations requiring a license to pursue particular professions. Sure, people operating dangerous and complex equipment should have to get special training, take tests, and be licensed. But why are occupational licenses required for hair shampooers and braiders?

In some states, licenses are even required for interior designers and florists. Getting licenses can require hundreds of hours of schooling and entail major fees. That’s not about protecting consumers or public safety. That’s a source of revenue for city and state governments, and a way for some politically powerful lobby groups to keep out competition. And since more women obtain occupational licenses than men, women are disproportionately hurt.

So what’s the solution? Less government, not more.

Since 2017, a combination of tax cuts and deregulation (meaning less government) have been a boon for women. Women’s weekly median earnings have gone up by almost 5 percent. The unemployment rate for women has fallen to 3.4 percent—a historic low. And more women are starting businesses than ever before.

Between 2017 and 2018, women started almost two thousand businesses a day! Right now, there are an estimated 12.3 million women-owned businesses—a 6% increase since 2016. And here’s the topper: Since 2017, more and more businesses have *voluntarily* offered family benefits to employees. Why? Because the more companies have to compete for workers, the more benefits workers receive. That’s how the free market works—and the opposite of how big government works.

The free market, it turns out, does a much better job at creating opportunities for women than big government does. This not only means better jobs and better pay for women, but also the chance to craft the lives they actually want. After all, not every woman needs or values a generous childcare package.

But when the government mandates benefits, they become, in effect, taxes that every woman—and man—has to pay.

The bigger the government, the better for women? You might want to rethink that one.

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