

**WOMEN AND AUSTERITY: SOME REFLECTIONS ON
THE IMPACT OF AUSTERITY ON THE PROSPECTS FOR
GENDER EQUALITY**

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Reflections based on:

Edited book with Maria Karamessini **Women and Austerity: The Economic Crisis and the Future for Gender Equality** Routledge.

16 chapters including one EU overview (Bettio and Verashchagina) plus nine case studies of countries in the eye of the storm plus (7 EU countries, Iceland and the US) plus framework and policy papers on the gender contract, EU employment policy and macroeconomic options.

Initiative is response to austerity plus update of **Women and Recession** (Routledge 1988 and 2010)

Search for an analytical framework for understanding gender effects

Common approaches to gender

- ***Essentialist*** – women as carers first
- ***Optimistic***- progress non reversible

Problem that both fail to identify gender relations

- as an ***institution which is subject to change and variation***
- as an ***influence on policy and labour market responses to recession***

Three steps

1. Review approaches to ***gender effects of the cycle***
2. Consider ***characteristics of current crisis***- financial and austerity
3. Apply ***institutional change concepts*** to consider if this is a ***critical juncture in gender relations and European social models***

1. Gender and the economic cycle

Demand side effects

Variable due to *gender segregation*

Buffer effect

- Women concentrated in flexible/disposable jobs

Protective effects

- Women concentrated in jobs protected from economic cycle

Substitution effects

- Women act as cheap labour substitute- entry into male jobs accelerated or reduced by downturn

1. Gender and the economic cycle

Demand side effects

Mixed drivers of segregation

- Women as *disposable labour* (buffer jobs)
- Women as *differentiated labour* (care jobs)

Distribution may be affected *by labour market and gender regime*: fewer buffer jobs where women higher paid, more care jobs when less domestic labour

Segregation may *both expose /protect*

- Protected jobs in one recession may be exposed in another

Segregation shapes initial impact

- but recession may lead to *changes in segregation through substitution*

1. Gender and the economic cycle

Supply side effects

Women's position in family economy: are they permanent or contingent labour market participants

Women as a *reserve army of labour*?

- Marxist concept now used more by the mainstream
- Treat women as always *labour market outsiders*
- Argument that *women negatively affected by insider protection*

Extent to which women are outsiders *varies by gender regime*.

- As women become integrated into employment *less likely to see themselves as disposable labour*
- Need and seek *employment protection* (e.g. work sharing schemes as in Germany).

Key issue for current austerity is:

- are the *changes in women's aspirations and expectations* and the organisation of the family economy are in any sense *reversible*?

1. Gender and the economic cycle

Public policy effects

Key questions are:

- how far was the trend in the 1990s and 2000s towards more supportive national and EU public policies for women linked to the *upswing of the cycle*

That is:

- Is the business case for gender equality dependent on *employment growth /labour shortage* ?
- If so, are support policies *vulnerable to displacement in downturn phase*?

2. Post 2008 recession and austerity: the gender implications in context

Historical trends in gender regimes

- **Variable paths** to women's integration
- Affected by **divergent welfare states** (high integration Sweden, medium France- low Germany, southern European countries)

But **recent trends** imply:

- spread of aspirations for employment
- resistance to traditional roles
- some convergence of welfare policies towards adult workers model

But are these trends sufficiently profound and embedded in all European societies to **resist cyclical policy changes**?

Is resistance weaker where there are strong **competing gender ideologies**?

2. Post 2008 recession and austerity: the gender implications in context

Pattern of crisis matters

- From banking crisis → to collapse of manufacturing/ construction → to reduced consumer demand/ spared → to services → to sovereign debt crisis

Sovereign debt crisis has been used to claim crisis is about:

- too high public sector expenditure
- too well paid public sector work
- public services unaffordable

3. The current crisis as critical juncture for gender relations and social model

- ***Gender relations as a social institution*** – that is enduring but subject to change

Apply theories of institutional change

- ***Competing ideologies may persist*** – e.g. egalitarian and conservative – and in crisis conservative may come back to the fore.
- Policies introduced to support women may be change during the crisis to leave ***less supportive or even coercive*** policies – e.g. policies to support more women working may be converted into policies requiring women to work (or household loses benefits) while reducing support for working (childcare)

Gender relations both shaping and shaped by social change

- Austerity policies may halt or even reverse change in gender regime
- But form of austerity policies may be influenced by expected or actual resistance to cuts in public services

3. The current crisis as critical juncture for gender relations and social model

Potential paths from crisis

- Policy responses but also *potential resistance*
- Alternative *non progressive* routes_
 - conservative *back to the home* route
 - neoliberal *flexible employment* route, affecting both men and women

State no longer reliable as promoter of gender equality

- source of deterioration in gender equality (e.g. decrease in public services and public sector pay and employment).

Changes in gender regime pre crisis: converging divergence

- Pre crisis significant, even *spectacular increases* in female employment rates
- Variations in overall female employment levels largely due to *variations in low educated women's employment rates*
- Men's educational advantage has been *reversed* in almost all cases.
- Fairly dramatic *changes in care regimes* although still wide variations among countries

Change in female employment rates pre crisis

	1994	2007	Δ 1994-2007
	15-64 y.	15-64 y.	in p.p.
Greece	37.1	47.9	10.8
Hungary	47.8	50.9	3.1
Iceland	74.6	81.7	7.1
Ireland	38.9	60.7	21.8
Italy	35.4	46.6	11.2
Portugal	54.1	61.9	7.8
Spain	31.5	55.5	24.0
UK	62.1	66.3	4.2
USA	65.2	65.9	0.7
EU-21 average	49.9	58.5	8.6
OECD average	52.9	57.2	4.3

Changes in gender regime pre crisis: converging divergence

Pre crisis no significant change in *level of segregation* despite rising employment rates - indeed some increase in sectoral segregation

High *concentration of women in public sector*, especially higher educated.

Concentration of women in *part-time work is nationally specific* (some increase in Spain and Italy.) Elsewhere women's vulnerability may be related to forms of self employment.

More *equal representation* of men and women in temporary work

Table 16.6: Share of public sector employment * in total employment by sex
in selected European countries and the US 2008

%						
	All employed men	All employed women	High-educated women	Medium-educated women	Low-educated women	Female share of all employed
Iceland	14	45	62	37	39	74
UK	16	43	59	37	31	70
Ireland	15	38	49	28	30	73
Hungary	13	33	56	24	23	69
Italy	13	30	54	29	15	61
Greece	14	28	56	20	8	54
Portugal	17	28	59	27	18	65
Spain	15	26	44	20	11	61
USA	13 (18)	20 (40)				57 (66)

Closing the education gap and women's integration into paid employment

Age 25-64	Share of female population with tertiary education 2009	Share of male population with tertiary education 2009	Women with tertiary education-employment rate 2007	Gap in employment rates higher/lower educated women
Hungary	22.1	17.5	75.6	42.9
Italy	16.0	13.0	74.9	41.3
Greece	23.1	23.9	77.7	38.7
Ireland	38.7	33.0	82.5	41.7
Spain	30.7	28.7	79.7	36.9
USA	43.4	39.0	78.1	32.7
UK	37.0	36.7	85.8	28.4
Portugal	17.3	11.9	83.7	21.0
Iceland	36.6	29.0	89.3	11.4
EU average	42.5 (EU21)	33.7 (EU 21)	81.4 (EU19)	35.8 (EU19)
OECD average	39,1	29.2	79.2	31.6

Table 16.4: Childcare regimes and maternal non-employment in selected European countries and the US 2008

	Maternal non-employment rate (%)	Enrolment rates (%) of children in formal care and pre-schools		Coverage rate (%) of children by informal childcare arrangements	
		25-54 years	0-2 years	3-5 years	0-2 years
Hungary	45.6	8.8	87.1	31.6	38.7
Greece	41.2	15.7	46.6	52.5	38.7
Italy	44.8	29.2	97.4	31.5	37.0
Ireland	41.3	30.8	56.4	13.6	16.7
United States	33.3	31.4	55.7		
Spain	40.0	37.5	98.5	19.5	9.1
United Kingdom	32.9	40.8	92.7	31.7	36.9
Portugal	24.6	47.4	79.2	25.4	35.9
Iceland	15.2	55.0	95.9	2.2	0.1
EU-27 average		28.2	81.8	23.7	24.8
OECD average	33.8	30.1	77.3		

**Table 16.5: Indicators of cross-country gender differences within employment
in selected European countries and the US 2007**

Countries	Segregation*		Part-time rate**		Temporary employment rate**	
	Occupational	Sectoral	Men	Women	Men	Women
Greece	22.4	15.6	5.0	13.7	9.3	13.1
Hungary	28.8	20.1	1.6	4.2	7.7	6.8
Iceland	27.5	23.0	7.8	24.8	11.2	13.6
Ireland	27.9	23.3	7.5	34.9	6.7	9.5
Italy	23.6	17.8	5.3	31.2	11.2	15.9
Portugal	26.5	20.6	2.0	8.7	21.8	23.0
Spain	27.5	20.7	3.4	20.8	30.6	33.1
UK	25.3	18.7	9.1	37.2	5.3	6.4
USA	25.0		7.6	17.9	4.2	4.2

* Measured by the IP index (per cent values from 0 to 50). ** Per cent of dependent employment.

Note: Segregation indices for Iceland refer to 2006; the temporary employment rates for the USA refer to 2005.

Sources: For segregation indices: Bettio and Verashchagina (2009) and Alonso-Villar et al. (2010); for part-time and temporary employment rates: OECD.stat (data extracted on 22.12.2012).

Gender differences in recession and austerity : a story of two halves

Recession effects- called *'he-cession'* in United States

- Most job loss *reflects sectoral shares*- women not acting as buffer as recession affected male-dominated sectors- young people of both sectors and male migrants main buffers
- *Gender gaps closed* but due to *deterioration* in men's position.
- No evidence of women withdrawing from labour market (acting as a reserve army) and in some cases *reinforced commitment to participation*
- *Rise in female-headed households* and decline in dual earner households

Table 16.7: Employment and unemployment rates (%) during the crisis

population aged 15-64

	Employment rate				Unemployment rate			
	Men		Women		Men		Women	
	2008q2	2012q2	2008q2	2012q2	2008q2	2012q2	2008q2	2012q2
Italy	70.5	66.5	47.2	47.2	5.6	10.1	9.0	11.8
Hungary	63.1	62.2	50.2	52.2	7.6	11.6	8.1	10.5
Greece	75.3	60.6	48.8	42.0	4.9	21.7	11.4	28.0
Spain	74.3	60.4	55.2	50.9	9.1	24.7	12.4	25.0
Ireland	75.7	62.4	60.7	54.8	6.4	18.5	4.0	11.2
Portugal	74.3	65.6	62.8	59.0	6.7	16.1	9.2	16.0
USA	76.9	72.1	65.7	62.2	5.6	8.5	5.2	8.0
UK	77.6	75.2	66.0	64.8	5.8	8.6	4.9	7.5
Iceland	88.7	81.9	79.7	78.3	2.6	5.8	2.3	6.1
EU-27	72.9	69.8	58.8	58.6	6.5	10.5	7.6	10.9
Source: OECD.Stat (data extracted on 24.12.2012).								

Table 4.2: Couples by partner's income role in European countries, 2007-2009

Country	2009			2009-2007 (%)		
	Male bread-winner couples	Dual-earner couples	Female bread-winner couples	Male bread-winner couples	Dual-earner couples	Female bread-winner couples
Spain	30.40	63.28	6.33	-4.60	1.40	3.22
Greece	37.04	54.23	8.73	-5.36	-1.46	6.83
Hungary	27.06	60.20	12.74	1.40	-4.47	3.07
Iceland	8.96	86.30	4.74	1.05	-3.92	2.87
Italy	35.86	53.76	10.38	-1.67	-4.97	6.64
Portugal	25.14	63.17	11.69	0.16	-6.89	6.72
UK	20.75	67.98	11.27	2.34	-8.73	6.39
Simple average EU24	21.4	69	9.6	0.4	-5.1	4.7

Note: Couples with at least one of the partners working.

Source: EU-SILC surveys for 2008 and 2010, own elaborations. Reproduced from Bettio et al. (2012: Table 1.3).

Gender differences in recession and austerity: a story of two halves

Austerity effects- from *'he-cession'* to *'sh(e) austerity'*

Public sector employment *changes from protective role* to key source of downturn in demand – most impact on women

Austerity combined with flexibility-

- flexibilisation/ feminisation of labour market for low skilled men-
- deregulation of labour market justified as reducing privileges of insiders (but women more affected by cuts/freezes to minimum wages or rights of employers not to follow collective agreements)

In some countries inequalities within women increased (US)/ in others more compressed (Greece)

Table 16.8: Change in employment by total and in government, education and health sectors

in selected European countries and the US 2008-2010, 2010-2012 %

	Total	(Total female)	All public sector	(All public sector female)
	All NACE		NACE O+P+Q	
	2008q2-2010q2			
Ireland	-12.0	(-6.5)	5.1	(3.9)
Greece	-3.4	(-0.8)	1.9	(5.2)
Spain	-9.6	(-5.1)	6.3	(7.3)
Italy	-2.4	(-1.0)	-1.6	(-0.7)
Hungary	-2.3	(0.3)	4.1	(4.8)
Portugal	-4.7	(-3.0)	3.8	(8.1)
UK	-2.4	(-1.5)	4.8	(5.2)
Iceland	-8.0	(-2.6)	1.3	(-2.3)
USA	-4.6	(-3.4)	2.4	(2.1)
	2010q2-2012q2			
Ireland	-1.5	(-0.5)	-0.2	(-0.5)
Greece	-14.1	(-13.5)	-9.8	(-14.8)
Spain	-5.8	(-2.8)	-0.1	(2.7)
Italy	0.1	(2.5)	0.0	(0.5)
Hungary	2.4	(2.2)	1.8	(0.5)
Portugal	-5.9	(-4.6)	2.7	(2.2)
UK	1.3	(0.9)	-1.8	(-1.0)
Iceland	1.7	(2.6)	-6.3	(-6.4)
USA	2.1	(1.6)	-0.1	(0.2)

Table 16.10: Changes to pay and working conditions in the public sector

Greece	Pay cuts up to 45% . Working time increased from 37.5 to 40 hours. Recruitment freeze/10- 20% replacement rate form 2011.
Hungary	Pay scale freeze plus 8.2% average cut in gross average pay 2008 -2010. Public works programmes but at only around 70% of the minimum wage.
Iceland	Nominal salary cuts for many government employees.
Ireland	Pay cuts average 14% lower pay, pensions for new entrants Recruitment freeze/ early retirement scheme.
Italy	Pay freeze plus 5-10% cuts for higher paid and a 20% replacement rate. Plan for 10% cut in public sector employment.
Spain	Salary cuts 5% 2010, a base salary freeze for 2012,plus bonus cut. 0-10% replacement. Increase in civil servants' and teachers' working time.
Portugal	Pay cuts (3.5% to 10.5%) plus suspension of 13th and 14 th month salaries, recruitment freeze since 2011 and 2% per annum personnel until 2014. Increase in teaching hours.
UK	Imposed two year wage freeze 2010-2012 to be followed by two years of 1% pay rises. Budget cuts imply a 16% cut in public sector employment by 2018.
USA	Federal wages freeze since 2010 and 0.5% employment decline 2011. Higher cuts at state level plus removal of public sector employees' collective bargaining rights in some cases.

Gender relations/gender equality at a critical juncture?

1) Fragility of policy commitment to gender equality based on **business case**

- Almost **disappearance of gender equality** from EU policy programme
- Roll back of gender equality policy in many countries
- Gender equality as a **luxury good**?

Table 16.11: Changes to equality policies

Greece	New National Programme for Substantive Gender Equality 2010-2013 funded by the European Social Fund.
Hungary	New emphasis on family policy in contrast to gender equality
Iceland	New gender equality laws (40% quotas on boards, regulation of prostitution and domestic violence, equal pay standard and gender mainstreaming) but parental leave pay cut reducing fathers' take up (to be reversed 2013).
Ireland	Dismantlement of gender mainstreaming system plus major budget cuts, closures and mergers of gender equality bodies.
Italy	Symbolic introduction of 3 day paternity leave and new €300 voucher for women returning to work after 5 months maternity leave (for 3 years)
Spain	Equality Ministry abolished in 2010 after opening 2008 and some gender monitoring institutes at the regional level closed. Introduction of paternity leave postponed
Portugal	New gender equality policies introduced in 2011 have been suspended by new right wing government at end of 2011.
UK	EHRC's budget cut by 2/3. Early review of gender duty on public sector organisations. Failure to implement parts of 2010 Equality Act.
USA	Equal pay rights restored by Lily Ledbetter Fair Pay Act. Health care reforms.

Gender relations/gender equality at a critical juncture?

2) *Restructuring of social and economic models*

If social models fundamentally restructured, *critical juncture in gender relations* is more likely. Social provision of care only option that does not involve exploitation of other women or a care deficit

- *Responses to crisis neoliberal* (7 out of 9 countries), nationalist (Hungary) social democratic/feminist (Iceland).
- Some governments using austerity to bring about widespread *radical change*- UK, Spain, Portugal (others position less clear)
- Impact most on *poorest/often women* (only Iceland protecting poor)- Greece minimum wage ↓ 22%, Ireland - universal charge, UK most deprived regions cut the most, Portugal increasing household means testing).

Widespread *reversals to social investment in care*/ defamilialisation of care- long term threat to gender equality as socially progressive policy

Long term structural problems of economies not addressed-

- But women's employment still important to *macro economy and micro economy*/family policy and strategy- (high employment rate/family security)

Changes to care regimes

	Family support	Childcare	Eldercare
Greece	Abolition of child tax credits	Reduced provision and understaffing	Future of 'home help' not secure
Hungary	Freeze to family allowances but generous family tax reductions in new flat rate tax	Modest expansion of nursery facilities	Municipalities reducing provision of elder care ¹
Iceland	Frozen child benefits/ more means testing	Rise in childcare costs	
Ireland	Reduced child benefits	No change from low base.	Cuts to domiciliary care and to carers' allowances
Italy	Major reductions in funds for family policies	2007 childcare programme halted	Budget cuts reducing social care
Spain	2007 policy of giving €2500 to new parents abolished.		New domiciliary care rights suspended
Portugal	Means-testing of social benefits including family support	Halt to new investments in social care but existing projects implemented.	Halt to new investments in social care but existing projects implemented.
UK	Cuts in child tax credits and freezes to child benefits plus abolition for higher paid.	Scaling down of subsidised childcare services plus reduced child tax credits	Budget cuts leading to cutbacks in care provision
USA	More generous child tax credits	Reduced state funding for childcare services	Reduced state funding for eldercare services

Gender relations/gender equality at a critical juncture?

3) *Austerity policies and gender relations*

- Women ever *more integrated* into wage employment- *reinforced by pension reforms*
- Gender gaps apparently declining but need to *differentiate by class and direction*-
 - *narrowing* among lower educated due to *levelling down for men*-
 - but gender gaps may *widen* for higher educated if public sector employment deteriorates.
- Some *conversion of positive policies into negative*: public sector as good employer to profligate employer; higher employment for women into requirement on lone parents to work irrespective of care provision
- Re-emergence/ strengthening of *conservative ideologies*- e.g. US Tea Party, abortion debate Spain, family policy Hungary . But not supported by women or compatible with women's increased need to work.
- Declining provision of care may lead to *lower levels of care and/or to further declining fertility*

Conclusions

Critical juncture analysis calls for *an open framework*

- Development of gender relations may go in divergent direction by country and group

Outcomes involve *losses for men as well as women*- depends on phase but gender gaps no longer appropriate measure of progress

Longer term consequences variable by group and country

- More inactivity/unemployment for some, more flexibility employment for others, more effective competition with men for top jobs for a few.
- Polarization by class likely to lead to wider intra-gender inequalities

Crucial changes to gender equality include:

- revival of conservative ideologies,
- cutbacks to public sector

But return to *traditional models not a realistic option* for women or for families

In longer term could call into question cornerstones of women's advancement such as:

- equal right to education
- public services as alternative to domestic labour

Debateable if gender equality *as a socially progressive agenda* is compatible with neoliberal policies and reversals in de-familialization of care

Need an *alternative strategy for more sustainable/less unequal growth* that challenges the neoliberal model and reclaims the public space.