

**ECONOMIC CRISIS AND AUSTERITY IN EUROPE AND
THE US: GENDERED EFFECTS AND PROSPECTS FOR
GENDER EQUALITY**

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Reflections based on:

Forthcoming edited book with Jill Rubery

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

Framework for analysis

Gender/gender relations as a social construct/ institution

→ expectations of change in response to recession/austerity due to changes in gender relations/gender regime

Gender difference/ segregation persists

→ immediate impact depends on sector/occupational effects

→ effects vary by type of recession- from financial crisis to austerity and public sector/public services cuts

Potential for critical juncture in gender relations-incremental or radical change in gender relations as a social institution

→ robustness of policy commitments to gender equality

→ impact on employment and social models and implications for gender equality

→ implications for gender relations- variations by gender regime but also by gender and class

Changes in gender regime pre crisis: converging divergence

- Significant, in some cases spectacular increases in female employment rates 1994-2007- exceptions US (small change) Hungary (fall then a rise)
- Variations in overall levels largely related to low educated women's employment rates
- Educational advantage for men has been reversed in almost all cases.
- Change reinforced by 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.
<u>Greece</u>	37.1	47.9	10.8
<u>Hungary</u>	47.8	50.9	3.1
<u>Iceland</u>	74.6	81.7	7.1
<u>Ireland</u>	38.9	60.7	21.8
<u>Italy</u>	35.4	46.6	11.2
<u>Portugal</u>	54.1	61.9	7.8
<u>Spain</u>	31.5	55.5	24.0
<u>UK</u>	62.1	66.3	4.2
<u>USA</u>	65.2	65.9	0.7
EU-21 average	49.9	58.5	8.6
OECD average	52.9	57.2	4.3

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

	Share of female population aged 25-64 with tertiary education 2009	Share of male population aged 25-64 with tertiary education 2009	Women with tertiary education- employment rate 2007	Difference in employment rates women with a) tertiary – b) low education
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
EUaverage OECD average	42.5 (EU21) 39,1	33.7 (EU 21) 29.2	81.4 (EU19) 79.2	35.8 (EU19) 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		

Changes in gender regime pre crisis: converging divergence

But no significant change in level of segregation related to changes in 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 16.5: 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).

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)

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

Recession effects- 'he-cession'

- Most job loss reflects sectoral shares- little evidence of women 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
- Rise in female headed households and decline in dual earner households

Table 16.7: Employment and unemployment rates in selected European countries and the US 2008-2012

% of the (active) 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	9.2	16.0

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)	Public administration	Education	Health	All public sector	(All public sector female)
	All NACE		NACE O*	NACE P	NACE Q**	NACE O+P+Q	
2008q2-2010q2							
Ireland	-12.0	(-6.5)	5.3	3.0	6.4	5.1	(3.9)
Greece	-3.4	(-0.8)	-2.2	2.8	7.4	1.9	(5.2)
Spain	-9.6	(-5.1)	7.2	3.7	7.9	6.3	(7.3)
Italy	-2.4	(-1.0)	-2.0	-4.4	1.4	-1.6	(-0.7)
Hungary	-2.3	(0.3)	8.1	3.8	0.2	4.1	(4.8)
Portugal	-4.7	(-3.0)	-10.6	7.5	16.5	3.8	(8.1)
UK	-2.4	(-1.5)	-8.3	14.2	5.3	4.8	(5.2)
Iceland	-8.0	(-2.6)	-3.3	-4.5	9.8	1.3	(-2.3)
USA	-4.6	(-3.4)	1.1	3.7	3.7	2.4	(2.1)
2010q2-2012q2							
Ireland	-1.5	(-0.5)	-8.1	-1.5	4.2	-0.2	(-0.5)
Greece	-14.1	(-13.5)	-13.2	-7.8	-7.1	-9.8	(-14.8)
Spain	-5.8	(-2.8)	-3.6	0.9	2.6	-0.1	(2.7)
Italy	0.1	(2.5)	-2.9	-0.7	3.0	0.0	(0.5)
Hungary	2.4	(2.2)	1.8	1.1	2.5	1.8	(0.5)
Portugal	-5.9	(-4.6)	-5.3	3.8	8.9	2.7	(2.2)
UK	1.3	(0.9)	-7.0	-1.8	0.9	-1.8	(-1.0)
Iceland	1.7	(2.6)	-4.6	-3.7	-9.5	-6.3	(-6.4)
USA	2.1	(1.6)	-3.7	5.6	3.7	-0.1	(0.2)

**Table 16.9: Changes in part-time and temporary employment
in selected European countries and the US 2008-2011**

End - initial year change (%)

	Part-time		Temporary	
	Men	Women	Men	Women
Greece	16.6	-4.7	-8.7	-13.1
Hungary	65.5	45.4	6.5	18.8
Iceland	16.7	0.6	20.4	18.4
Ireland	28.0	1.5	8.6	-3.1
Italy	5.4	3.1	3.1	-4.7
Portugal	37.0	-5.9	-5.8	-6.3
Spain	25.8	-0.8	-24.4	-18.6
UK	12.0	3.8	17.7	6.5
USA	1.1	-7.3		

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 commitments 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

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.

Responses to crisis (Walby) may be neoliberal (7 out of 9 countries), nationalist (Hungary) or 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 not addressed- but women's employment still important to macroeconomic and microeconomic/family policy and strategy-

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 differentiation declining due to levelling down for men- but gender gaps may widen if public sector employment deteriorate.
- Conversion of positive policies into negative: public sector as good employer to profligate employer; higher employment for women into requirements 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..
- Outcomes divergent by gender and class- lower skilled more gender homogenisation - more gender divergence among higher skilled
- Declining provision of care may lead to lower levels of care and/or to further declining fertility

Conclusions

Gender equality, defined by closing gender employment gaps, even improved in the first recession phase but future prospects are bleak.

1. Closing gender gaps achieved by a levelling down for men, not up for women
2. Full implementation of austerity likely to harm women's employment position more than men's;
3. And most importantly, the pursuit of gender equality as a socially progressive agenda is being put into question by neoliberal policies and reversals in de-familialization of care

These policies are affecting men as well as women and there is no evidence that a return to a 'traditional' form of gender regime is a realistic option- for family strategies or for women.

Conclusions

Neoliberalism leading to a polarized society by class and wider intra-gender inequalities

Need an alternative strategy for more sustainable/less unequal growth that challenges the neoliberal model

But any progressive plan for a route out of the crisis requires:

- more common cause to be made across the gender divide
- gender equality be a central objective

Only by recapturing the state and preserving/developing the public space, is there the possibility of an alternative calculus to the market that values non-market activities, in particular care.