

How women are being affected by the global economic crisis and austerity measures

by

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EXECUTIVE SUMMARY

The global trade union federation Public Services International (PSI) commissioned this report to identify how women are being affected by the global financial and economic crises, and the austerity measures being implemented by many governments. The report analyses how women are being affected by changes in employment, income, public services and benefits.

The 2008 global financial crisis was triggered by the collapse of the US sub-prime mortgage market. The failure of these loans, packaged as complex derivatives and securities, sent shockwaves through deregulated global financial institutions and threatened the overall global economy.

Governments used reserves and borrowed extensively to support the financial sector. This increased sovereign debt. Global GDP has declined. Unemployment has increased. Tax revenues have fallen. Rather than taking action to stimulate the economy and increase revenues, many governments are cutting expenditures, jobs and public services.

Women workers and their children, in both the public and private sectors, are bearing the brunt of these cuts:

- Women are the majority among public sector workers and therefore have lost more jobs.
- The economic crisis has reduced demand for exports from developing countries in sectors where most workers are female.
- The gender pay gap has widened.
- The long struggle for equality has been set back by closure or funding cuts for public institutions that promote equality for women at work and in society.
- Shelters for victims of domestic violence have been closed.
- Governments have failed to respect the legal rights of women workers. In at least one case, pregnant women were first to lose their jobs.
- Wage freezes and cuts have reduced the incomes and mobility of women who were already among the lowest paid.
- Cuts in public services and women's income will have long term effects on the health, well-being and future opportunities of their children.
- Those who are most vulnerable are being hurt the most. For example, girls are dropping out of school to care for other family members while their mothers seek work.
- More and more women are working in insecure jobs with long hours, low pay, and poor working conditions to support their families.
- Reduced access to health and education for women and girls will have long term effects on their position in society.

How women are being affected by the global economic crisis and austerity measures

Public Services International (PSI) commissioned this report to identify how women are being affected by the global financial and economic crises, and the austerity measures being implemented by many governments. The report analyses how women are being affected by changes in employment, income, public services and benefits.

1 Stages of the crisis and extent of austerity

1.1 Origins and responses to the global financial crisis

The 2007/08 global financial crisis was triggered by the collapse of the US sub-prime mortgage market, which affected other national housing markets. The immediate cause was the pooling of risky loans as exotic derivatives and securities, which were sold by financial institutions to other lenders. Although the collapse of the sub-prime mortgage market was the trigger, the origins of the crisis lay in the system of financial 'light touch' that was introduced in the 1980s when national financial sectors were deregulated (Crotty, 2009). Driven by a thirst for larger profits and bonuses, financial products became ever more complex and less transparent (Crotty, 2009). When the financial crisis inevitably hit, it threatened the overall global economy.

Governments introduced fiscal and monetary stimulus packages in 2008/9 which initially appeared to resolve the crisis. Governments intervened in the economy on a scale not seen since the 1980s. Although economic growth slowed globally, many national economies managed to maintain small increases in growth, mitigating the overall economic contraction. Governments used reserves and borrowed extensively to support the financial sector. This led to increased levels of national government debt.

The second stage of the crisis, after 2010, was characterised by higher public sector deficits and increasing sovereign debt. Governments implemented austerity measures in an attempt to maintain confidence in the capital markets. Fiscal measures to stimulate the economy were abandoned. GDP growth slowed. Employment growth was reduced. This trend was led by high income countries. Global GDP fell from 5% in 2010 to 4% in 2011 (ILO, 2012). Lower income countries were affected by a fall in demand for industrial products and exports to high income countries. Slowing economic activity caused a decline in employment and tax revenues. With lower revenues, governments started to reduce spending by cutting public services, benefits and public sector jobs (ILO, 2012).

In many countries, cuts in public sector employment affects women most severely since the majority of public sector workers are female. The full impact of many austerity policies is still to be felt. Breaking the trend, some nations have introduced stimulus packages, rather than austerity policies. These are discussed in section 8.

In policy debates at the national, regional and international levels, there is a divide between support for austerity measures to reduce government debt and stimulus measures to boost growth and government revenues. In addition, reform of the banking sector, which caused the crisis, has not been addressed. Reduced lending by banks has affected small and medium sized

enterprises and held back economic growth. Many are now suggesting governments should exert more control over the banks that were bailed out by huge expenditures of public money. Governments have been reluctant to exercise such control, even when the majority of shares are government owned.

1.2 Austerity packages

Most austerity measures have been introduced in European countries. A few others have adopted austerity packages, including Ghana, New Zealand, South Korea and Botswana. Several national governments have been forced to adopt austerity measures as a condition of loans to finance government debt. The largest austerity packages have been imposed by the EU/ IMF on Hungary, Latvia, Greece, Ireland, Portugal and Spain. Many smaller countries – including Jamaica, Ghana and the Ivory Coast – have also had to impose austerity measures as a condition of financial support. Many loans have been structured so that most of the cuts take place within the first couple of years, 2010-2012. At the same time, the predicted economic growth remains fragile and elusive. Table 1 shows the countries affected by austerity measures and the size of IMF loans.

Table 1: Incidence of austerity policies (Y = Yes, N = No)

Country	Austerity?	G20	EU	IMF 'rescue'	Period of IMF loan
Bulgaria	Y		X		
Denmark	N		X		
France	Y	X	X		
Germany	Y	X	X		
Greece	Y		X	X \$16,612,681	2010/13
Hungary	Y		X	X	
Iceland	Y			X \$879,879	2008/11
Ireland	Y		X	X \$12,233,962	2010/13
Italy	Y	X	X		
Latvia	Y		X	X \$956,319	2008/11
Lithuania	Y		X		
Poland				X 12,045,544	2011/13
Portugal	Y		X	X	
Romania	Y		X	X \$1,942,396	2011/13
Russia	Y	X			
Spain	Y		X		
Ukraine	Y			X \$6,284,850	2010/12
United Kingdom	Y	X	X		

Country	Austerity?	G20	EU	IMF 'rescue'	
Argentina	N	X			
Brazil	Y	X			
Mexico		X			
Jamaica	Y			\$1.27billion	2010/12
Canada		X			
Australia	N	X			
China	N	X			
India	N	X			
Indonesia	N	X			
Japan	N	X			
Korea	Y	X	X		
New Zealand	Y				
Sri Lanka	N				
Saudi Arabia	N	X			
Ivory Coast	Y			X\$235,041	2009/12
Ghana	Y			X \$243,507	2009/12
Burundi	Y				
Maldives	Y				
South Africa	N	X			

Source: IMF, 2012

One of the main measures introduced to reduce deficits is cutting or freezing public sector wages. In the Ivory Coast, recovering from civil war, the public sector wage bill has been frozen at 6.8% of GDP by limiting recruitment to education and health. Ghana introduced similar measures, including a hiring freeze and a lower than budgeted salary increase for health workers. In addition, Ivory Coast has reduced electricity subsidies which will neutralise rises in "pro-poor" expenditures. Ghana has increased utility prices (Weisbrot *et al*, 2009).

Jamaica illustrates some of the problems. In 2010, Jamaica imposed a public sector wage freeze to meet IMF conditions for a \$1.27 billion loan. The debt was restructured in July 2011 to reduce payments. Public sector unions successfully challenged the wage freeze at the Industrial Disputes

Tribunal and the Supreme Court. As it was legally required to do, the government restored previously negotiated wage increases with back pay. The IMF consequently refused to release any further loan instalments. This also stopped the release of funding from other multilateral agencies. Negotiations with the IMF have restarted recently. Despite the court ruling, the IMF's terms are expected to include more public sector wage freezes (Johnson & Montecino, 2012).

Most European countries have introduced austerity packages, led by the European Union (EU). The focus is on reducing expenditures rather than increasing revenues. The exceptions are France and Luxembourg which have introduced higher taxes for high income earners. Spending restrictions will be extended if the EU Austerity Pact is finally agreed among the 26 EU members. There is stronger opposition to this following the elections in France and Greece.

Rather than increase direct taxation, many countries have increased regressive indirect taxation (Theodoropoulou and Watt, 2011). In Ireland, the National Recovery Plan (2011-2014) proposed increasing the Value Added Tax (VAT) from 21% to 22% in 2013, with a further increase to 23% in 2014. These changes will generate €620 million (National Recovery Plan 2011-2014, 2011). In Africa, governments are ever more frequently increasing VAT rates to generate revenues. Botswana has increased the VAT from 10% to 12% (South African Development Community, 2011). In Ghana, a study (Osei-Akoto *et al*, 2009) found that indirect taxes have a disproportionate impact on low income households, the majority of which are headed by women. Indirect taxes are equal to about 10% of GDP in Ghana. VAT on petroleum makes it more expensive for lower income households to use public transport because fuel costs are 62% of total public transport costs. Taxes on kerosene, used extensively by low income urban and rural households for cooking, are another example of the regressive effect of indirect taxes. (Osei-Akoto *et al*, 2009)

2 Learning from previous economic crises

Several studies have looked at the gender impact of financial and economic crises. They reveal that women are affected both during the crisis and for years afterwards. Van Staveren (2010) studied eight countries. Indonesia, Korea, Malaysia, Philippines and Thailand were affected by the 1997 Asian financial crisis. Brazil and Argentina experienced financial crises in 1999 and 2001 respectively. Turkey had a financial crisis in 2002. All of these were characterized by a currency crisis, a crash in stock market and real estate values, reduced investment and increasing government debt. Van Staveren (2010) compared these crisis countries with a group of countries which had not experienced a financial crisis. The non-crisis group included India, Pakistan, Mongolia, Vietnam, Egypt, Chile and Mexico.

As measured in official statistics, female participation in the labour force increased in the crisis countries. When the number men who were out of work increased, women looked for work – often unsuccessfully – as a way to maintain household income. The overall rate of female unemployment increased. Harper *et al* (2010) reported women had to work harder (Sirimanne, 2009) and often take on degrading activities.

Health and education were also affected. More girls dropped out of school during crises, taking on more household tasks as adult women sought work to make up for lost family income. Boys were prioritised for education. As a result, the gender gap in primary school enrolment increased slightly in crisis countries, even as it narrowed by 9.7% in other nations. At the secondary school level, the growth in enrolment was only half as much as in non-crisis countries. The gender related

development index – a broad measure of gender inequalities in income, school enrolment, literacy and life expectancy – also found that people in crisis countries lagged behind (Van Staveren, 2010).

The study covered ten years. It showed that the effects of an economic crisis are felt for many years and may hinder improvements in the position of women over a long period (Van Staveren, 2010). Often households have to sell assets, a desperate measure which contributes to chronic poverty (Harper *et al*, 2010). Reduced access to health care and education for women and girls has long term effects on their health and position in society.

3 Loss of employment and employment opportunities

Globally, the proportion of women in vulnerable employment (50.5%) is greater than that of men (48.2%) (ILO, 2012). Vulnerable employment is characterised by long hours, low pay, poor working conditions, and a lack of social benefits or statutory entitlements. It includes casual employment, zero hour call-ins, and abusive fixed and part-time contracts. In three global regions, the proportion of women in vulnerable employment is significantly greater than men (Table 2). During an economic crisis, women must therefore cope with increasing insecurity: they are more likely to lose their jobs, or to be forced to take less.

Table 2: Percentage of women and men in vulnerable employment

	Women	Men
North Africa	55%	32%
Middle East	42%	27%
Sub-Saharan Africa	85%	70%
Source: ILO Global Employment Trends, 2012: 12		

A second factor is the number of women who have given up looking for work because there are no jobs. Globally, women account for two-thirds of those who would work if work was available. This is a very high figure because women are only one-third of the global workforce (ILO, 2012: 35).

The OECD reports that female labour force participation (those who are employed or actively looking for a job) in Greece increased by 2.9% in the last three years (2009-2012), but the employment rate for women fell 0.8%. A similar growth in women looking for non-existing jobs took place in Spain and Ireland. In Eastern Europe and Central Asia, the World Bank (2011) reported that non-working family members tried to enter the labour force but were often not successful. During periods of recession, women from low income groups attempt to enter the labour force in order to contribute to household income (Bhalotra and Umaña-Aponte 2009). They are not necessarily successful or may enter employment which is insecure, with few labour rights. This reinforces the Van Staveren (2010) conclusions on the gender effects of economic crises.

The rate of youth unemployment in Central and Eastern Europe, Russia and Central Asia grew to 17.7% in 2011. While this is serious for both young men and young women, it is more likely to force young women to abandon their search for work and return to more traditional goals of motherhood and family. The lives of young women are thus doubly affected. In North Africa, 41% of young women are out of work. Even high levels of education do not protect young women from unemployment in this region (ILO, 2012: 75).

3.1 Public sector job losses

Public sector workers are one of the groups most likely to be affected by job cuts (Theodoropoulou and Watt, 2011). Over the last decade, many governments have steadily cut public services and the workers who provide them. Today – with the economic crisis and continuing corporate tax cuts reducing tax revenues, and billions of public dollars spent to bail out financial institutions – governments are cutting even more public employees and services.

In Sub-Saharan Africa, governments have stepped up privatisation of services. Taxes collected from multinational companies have been reduced (Baroni *et al*, 2009). Health and education have been cut.

Since the majority of public sector workers in most countries are women, they are most likely to lose their jobs (Theodoropoulou and Watt, 2011). A study in Latvia, Romania, Ireland and Spain examined how women had been affected (Fulton, 2011). Latvia, Romania and Ireland were forced to impose austerity measures as a condition for receiving IMF loans.

Table 3: Women and public sector workers

	Women public sector employees as % of all women employees	Women as % of public sector
Ireland	42%	72%
Spain	24%	54%
Latvia	39%	63%
Romania	21%	53%

Source: Fulton, 2011

Between 2008 and 2010, Latvia cut the number of public sector workers in central government by 20%. Jobs in local government were reduced by 16%. In Ireland, about 12,000 jobs were lost. Romania reduced its public sector workforce by almost 100,000 between 2009 and the end of 2010. In Spain, a freeze on recruitment is expected to reduce public administration by 7% by 2014.

Table 4: Job losses in Ireland, Latvia, and Romania

	Number of public sector workers in 2008	Number of public sector workers in 2010/11	% Change
Ireland	319,450	307,900	3.6%
Latvia	78,900 central government 122,900 local government	62,900 103,100	20% 16%
Romania	1,390,000	1,290,000	7%

Source: Fulton, 2011

In the United Kingdom, where women are 65% of the public sector workforce, the Coalition government plans to cut 710,000 public employees by 2015. A reduction in local authority spending has caused even more job cuts (Local Government Association, 2011). Table 5 shows that, except for the East Midlands region, between 60% and 75% of the workers affected are women. In northern regions, due to a decline in manufacturing, there are limited opportunities for alternative employment. The unemployment rate for women in the North West region has increased at double the rate for men (TUC, 2009).

Table 5: Reductions in local authority jobs in England & Wales

	Change in head count	% women
England & Wales	129,051	66.4
South East	-13,474	75.8
East of England	-12,694	71.2
West Midlands	-11,368	70.2
Wales	-7,162	69.8
North East	-11,040	68.4
South West	-23,719	66.4
North West	-24,050	65.6
Yorkshire & Humber	-10,203	65.2
London	-10,607	60.0
East Midlands	-4,733	29.0

Source: www.lga.gov.uk/lga/core/page.do?pagelid=1955843

By the end of 2011, 2.67 million people were unemployed in the UK. At 1.12 million, women's unemployment reached its highest level in 25 years (Saner, 2012). Women's unemployment has

jumped by 18 per cent while men's unemployment has increased by 1 per cent (Labour Force Survey, 2012). The number of older women (aged 50-64) who were unemployed increased by 20,000 in the last quarter of 2011 (Saner, 2012). As the cuts in public sector jobs have just begun, it is expected that the unemployment rate for women will continue to increase. Despite government promises, there is no evidence that the private sector will create new jobs. The future effects of austerity on women are expected to be very significant, changing their lives for the worse, and reducing their household income.

3.2 Private sector job losses

Women form 60–80% of the export manufacturing workforce in developing countries (World Bank, 2009 in Emmett, 2009). The downturn in world trade that followed the financial crisis affected women in export-led sectors such as textiles, garments, electronics and horticulture (Table 6). Oxfam International reported that more than half of the 40,000 jobs lost in the Philippines were in export processing zones, where 80 per cent of workers are women (Emmett, 2009).

Table 6: Women as % of export-led workforces

	Women as % of labour force	Sector
Malaysia	78%	Garments
Bangladesh	85%	Garments
Philippines	50%+	Electronics
Uganda	85%	Cut flowers
Ecuador	70%	Cut flowers
Thailand	80%	Fruit
Source: World Bank PREM Gender & Workforce, 2009		

Women's employment in the service sector, where they are a large part of the workforce, also fell because of reduced demand. In the Caribbean, for example, an increase in employment has particularly affected women who work in tourism (Foster & Reddock, 2010).

In Greece, overall private sector unemployment increased by 1.7% in 2008/9. It increased by 2% for women aged 35-44 and by 1.5% for women aged 25-34. With full time jobs unavailable, men moved into part time jobs often held by women. Male part time jobs increased by 25%; female part time jobs by only 20% (Woestman, 2010).

Women have not only lost jobs. Their employment rights have been trampled. Oxfam International (2009) reported that employers did not pay outstanding wages, and failed to respect legal requirements such as giving layoff notice or compensation (Emmett, 2009). Overtime, an important source of additional income was reduced. Benefits that support workers, such as food and transport, were cut. Governments have failed to enforce labour rights during the crisis (Emmett, 2009). In Trinidad & Tobago, pregnant women were the first workers to be made redundant (Foster & Reddock, 2010).

Where employment support initiatives have been introduced, they often targeted men. In the Philippines, a government initiative to create 41,000 jobs through infrastructure projects was announced one day after 42,000 jobs were lost in the garment, semi-conductor and electronics industries where the majority of workers are women (Emmett, 2009). In Greece, the government introduced support for the male-dominated construction and tourism sectors. It did not introduce any policies to support the retail sector, where most workers are female (Woestman, 2010).) In one of the few examples of initiatives to support women, Turkey cut social security taxes for firms that recruited unemployed women (World Bank, 2011).

4 Loss of income

Many public sector workers who retained their jobs have been hit with pay freezes, wage cuts or a reduction in hours (Fulton, 2011). Ivory Coast, Ghana and Jamaica imposed public sector pay freezes to meet the conditions imposed for IMF loans. The UK and Greece also imposed pay freezes and cuts. Ireland cut public sector pay by at least 5%. Latvia cut wages by 20%. Fulton, 2011: 11).

In Romania, the government initially abandoned pay increases and reduced bonuses. It then imposed a temporary 25% pay cut from July to December 2010. At the end of that period, the government abolished a range of bonuses and restored only part of the pay cut with an increase of 15% (Fulton, 2010). Spain, in January 2010, limited pay increases to 0.3%. After inflation, the government estimated that this had cut wage expenditures by 4% (Fulton, 2011: 12). In May 2010, Spain announced a further cut in wages averaging 5%.

Cuts in pensions have reduced the purchasing power of retired workers, and pushed some into poverty. Many current employees will have to work longer for less before they can retire on reduced pensions (Theodoropoulou and Watt, 2011). Ireland imposed a pension levy on all public sector workers. In Romania, the retirement age for women will increase from 57 to 63 (Fulton, 2011).

In some cases, enforced retirement has been used to reduce the size of the workforce. In 2009, Fiji reduced the retirement age for civil servants from 60 to 55. This measure pushed many women, who either did not have a pension or only a small pension, into poverty. (Fiji Nursing Association, 2012)

The number of low-paid women workers is significant in all countries. Wage cuts therefore have a greater effect on their disposable income (Woestman, 2010). In Latvia, in 2011, men's public sector pay was 7.7% below the 2008 level. Women's public sector pay was 8.7% lower (Fulton, 2011: 16). The gender pay gap for the public and private sectors has also increased, with men earning 1% more than in 2008, while women earn 1% less. The average pay gap increased from 15.2% in 2008 to 16.9% in 2011.

Romania cut wages in 2010. More women than men were affected. Public sector workers on low wages were pushed below subsistence levels (Fulton, 2011: 18). The gender pay gap in the public sector has increased from 7.8% in 2008 to 12.6% in 2010 (Fulton, 2011).

In the United Kingdom, the public sector pay gap is 9.2%. In the private sector the gap is twice as wide at 18.0% (Guardian, 2012). With the continuing loss of jobs in the public sector, the implications for equal pay and working conditions for women are bleak.

Even before the financial crisis in 2008, there were signs that the gender pay gap in several countries was increasing. Table 7 shows countries in Europe with increasing gender pay gaps.

Table 7: Countries with increasing gender pay gaps

Country	2002	2006	2007	2008
Czech Republic	22%	23%	24%	26%
Estonia	n/a	30%	31%	n/a
France	n/a	15%	17%	18%
Ireland	15%	17%	17%	n/a
Lithuania	13%	17%	20%	22%
Malta	n/a	5%	8%	9%
Poland	8%	8%	8%	10%
Portugal	n/a	8%	8%	9%
Slovenia	6%	8%	8%	9%

Source: Eurostat, Structure of earning survey methodology

Overall, many women, in both the private and public sectors, have lost their jobs. Many of the austerity measures imposed by governments, such as wage freezes and pay cuts, affect women most severely because they are more likely to be on low wages. This loss of income is a real threat to their children and other dependents. For example, in Eastern Europe and Central Asia, cuts in household income led to a reduction in the quantity and quality of food purchased. In Armenia, Bulgaria and Montenegro, there were fewer doctor visits, and less use of medical care and prescription drugs, all of which make families more vulnerable (World Bank, 2011).

When household income declines, it reduces women's control over expenditures. It affects the whole family's well-being. Income transfers to women have a greater effect on children's nutritional status than similar transfers to men (Duflo, 2003). A reduction in household income increases child mortality, especially female mortality (Baird, Freedman and Schady, 2007). It leads to lower levels of girls' participation in school (World Bank PREM, 2009). Reduced household income also affects relationships, increasing the likelihood of family breakdowns, divorce and poverty. (Syndicat National des Enseignants d'Education Permanente de Cote d'Ivoire SYNDEPSI, 2012).

5 Loss of benefits

Cuts in benefits have a dramatic effect on women. A wide range of benefits is being cut, including benefits for children, disability and housing. In the UK, benefits are being reduced overall by changing the index used to assess annual increases. A switch from the Retail Prices Index to the lower Consumer Price Index will reduce benefits relative to inflation (Fawcett/IFS, 2011).

Cutting benefits and allowances hurts women, particularly single women with children, who already live on low incomes. The reductions will push them further into poverty and affect the health, education and well-being of their children.

5.1 Child benefits

Several countries have reduced or restricted eligibility for child benefits. These are usually paid directly to the mother to help ensure that children have adequate clothing and don't go to school hungry. Ireland cut child benefit payments by €16 a month for the first and second child to €150 in 2010. A further cut of €10 a month was imposed in 2011. Child benefits were also cut or frozen in Spain. The UK has frozen the child benefit for three years. A maternity grant of £500 will only be paid for the first child.

5.2 Child care allowances

Some countries provide allowances to cover the costs, or partial costs, of child care. These may be paid as cash, tax allowances or vouchers. The allowances are essential for some women to enter the labour market, contribute to the economy, and support their families. Governments benefit from income taxes paid by women who would otherwise be out of the labour force. Some of these allowances are being reduced. In the UK, a child care allowance within 'Working Tax credits' provides financial support to workers on low incomes. The government has proposed reducing this support. Parents will only be able to claim 70% of child care costs, rather than 80%. Sixty per cent of recipients of the child care tax credit are single parents (Fawcett/ IFS, 2011).

5.3 Tax and benefits changes

Some government austerity packages, with their accompanying changes in taxes and benefits, seem to be targeted at low to middle income individuals and families. Recent research in the UK by the Fawcett Society and Institute of Fiscal Studies has found that single women with children are most affected by the changes. Increases in personal tax allowances will not help low paid women. In 2009/10, 73% of those earning less than the income tax threshold of £7,475 were women (Fawcett/ IFS, 2011).

5.4 Re-entering the labour force

Single parents, especially mothers, have to overcome barriers to enter the job market because of their child care responsibilities. Public sector employers have been more active in acknowledging their needs as carers by providing flexible hours and working conditions. In addition, the gender pay gap in the public sector is narrower than in the private sector. With the rapid decline in public sector jobs, women will have fewer opportunities for flexible jobs or well-paid part time work.

The introduction of a universal benefit in the UK will combine many existing benefits into a single payment. Its stated aim is to provide incentives for the main wage earner in a household to return to work. As women are often the second wage earner, because they earn less and take time off work to have children, they will be disadvantaged. The change may force women to leave the labour market (Fawcett/IFS, 2011). The universal benefit will be paid to one person within a

household. If the man is the main wage earner, he will receive the benefit. Child benefits will no longer be paid directly to the mother.

5.5 Remittances

At a global level, reductions in employment reduce the payment of remittances by migrant workers. Remittances provide essential support to households in many low and medium income countries. Women both send and receive them. In 2011, remittances to six developing regions rose for the first time since 2008 (Mohapatra *et al*, 2011).

Remittance flows to Latin America and the Caribbean declined during the global economic crisis, remained flat in 2010, and grew by 7% in the first three quarters of 2011. The crisis in the US housing sector affected migrant construction workers from Latin and Central America. While this reduced employment for men, women were been affected by the decline in remittances and household income (Mohapatra *et al*, 2011). Remittances have fallen due to high unemployment in Spain, which has about a tenth of total Latin American migrants. In many cases, workers have used savings or reduced their personal consumption in order to continue to send money home (Mohapatra *et al*, 2011).

In other European countries, migrant workers have experienced higher rates of unemployment than domestic workers. Groups such as construction and trade workers are particularly hard hit. Remittance outflows from the UK, Italy, Spain and France have all declined since 2008 (Mohapatra *et al*, 2011). In addition, high domestic unemployment has fuelled political pressure to reduce or restrict migration.

Declining employment in export-led sectors has reduced the remittances these women send to their households. For example, 90% of garments worker in Cambodia are women. Almost all of them support their families in the rural provinces (Emmett, 2009).

High unemployment, in both the public and private sectors, reduces the opportunities available for women to migrate and send remittances to their families, which in turn reduces household income (World Bank, 2009).

6 Loss of services

Austerity measures are resulting in a significant loss of public services. The cuts are reducing services such as social care, libraries, further and higher education, early years care services, and sexual and reproductive health services, all of which are used by women. Access is also reduced by the introduction of fees for public services which were previously free. Reductions in direct provision of social care services, and in support for carers, affect women. Subsidies for public transport, of which women are the main users, are being reduced. This limits women's mobility, especially older women. Public sector investments in housing are also being cut, affecting women with low incomes. Reductions in funding for legal aid and organisations that promote women's rights will hinder the struggle for equality.

Quality public services are built on the principle of equal access for all, without financial barriers, supported by fair, progressive taxes. Many countries are moving in the opposite direction by introducing regressive fees. For example, Antigua and Barbuda have imposed fees for basic hospital services. Needed medical tests are now referred to private laboratories where patients must pay the fee. Women, who often have low paid jobs and rely on these services for themselves and their children, will be among the hardest hit by these regressive user fees (Antigua & Barbuda Public Service Association, 2012).

Women provide the majority of informal care for the elderly and people with disabilities. As mothers, they provide the majority of child care. Reductions in child care services and support will limit their opportunities for paid work. Cuts in social care will force women to take on even more unpaid caring responsibilities.

Governments have also reduced services for women who are victims of abuse and domestic violence. In both the UK and Spain, women's shelters and refuges have been closed. Cuts in support for affordable housing will also make it more difficult for women to move away from violent partners.

The UK is cutting legal aid (Asylum Aid, 2011). Women seeking to escape violence, women with disabilities, blacks and minorities, and refugee and asylum-seeking women will be denied access to the advice and legal representation needed to ensure their rights are respected and upheld (Rights of Women, 2012).

The long struggle for equality is also being undermined by governments that are abolishing or weakening public institutions set up over the last three or four decades to promote equal rights in the labour force and society. Spain has closed the Ministry of Equality. Ireland has cut funding for the National Women's Commission of Ireland by 35% (Women's National Commission for Ireland, 2012). The UK has eliminated funding for the Women's National Commission.

7 Mix of austerity and support

Although many European countries have adopted austerity programmes, there are important public debates about whether austerity measures are appropriate during a period of economic crisis. The increase in unemployment is contributing to greater demands for measures to stimulate the economy and provide opportunities for people who have lost their jobs.

Several countries in Eastern Europe (but not part of the European Union) and Central Asia have adopted a range of programmes that attempt to support people and reduce the impact of job losses. These countries made unemployment insurance benefits available to families affected by the economic crisis. However, only about a third of unemployed workers in the region are eligible (World Bank, 2011).

Bulgaria, Montenegro and Serbia improved social assistance programmes to respond to the increased demand from families. They increased coverage under 'last resort social assistance' programmes. Armenia, Romania, Russia, and Turkey increased pensions to protect poor families.

None of these measures, however, have been sufficient to stop the overall increase in poverty caused by the economic crisis.

8 Conclusion

Women are losing jobs in both the private and public sectors. This has an immediate effect on household income, and a much longer term effect on the role of women in the labour force. There was already growing evidence that the gender pay gap is expanding in both the public and private sectors. As women form a large proportion of public sector workforces, they feel the impact of public sector job cuts most acutely. Many women will be forced to abandon their position in the labour force or move into the private or informal sector. The reduction in public services will affect women's access to health, education and social care. A loss of services will also affect women in caring roles, increasing the already high rates of unpaid care.

The extensive changes in government services are affecting women as public sector workers, benefit recipients and service users. Despite the introduction of extensive equality legislation, which has attempted to improve the rights of women over the last thirty years, government austerity measures have not been informed by an awareness of their impact on women. More research is needed to measure the impact on women as public sector workers and service users. After several decades of rising female participation in the labour market, the next decade could see a decline in the role of women in the workforce, accompanied by a loss of rights and a reduction in women's influence on a wide range of decisions.

There is a continued need to measure how the economic crisis and the cuts in government spending are affecting women. As governments have been reluctant to use gender impact assessments to assess austerity measures, there will have to be an increase in political will to collect and analyse data. Trade unions and other civil society organisations must campaign for the needed research and analysis to be done, as well as undertake it themselves. Equality institutions and organisations have been damaged by cuts. New investments in equality structures are required.

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