Impact of the Global Economic Crisis and Austerity Measures on Women

by

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EXECUTIVE SUMMARY

The Public Services International (PSI) commissioned this report to identify how women are being affected by both the global economic crisis and the austerity measures implemented in response to government indebtedness. The report provides an examination of how the global economic crisis and austerity measures are affecting women through an analysis of changes in employment, income, public services and benefits.

Causes of economic crisis and austerity measures
The global financial crisis was triggered in 2007/8 by the collapse of the US sub-prime mortgage market, which affected other national housing markets. The immediate cause of the crisis was the practice of banks to pool loans and sell on the most risky loans to other lenders. Although the collapse of the sub-prime mortgage market was the trigger of the crisis, its origins lay in the system of financial ‘light touch’ that was introduced in the 1980s, following the de-regulation of national financial sectors (Crotty, 2009). Financial products became more complex and less transparent (Crotty, 2009). When the crisis started, the overall-effect was to threaten the global economy.

Governments introduced fiscal and monetary stimulus packages in 2008/9 which, initially, appeared to resolve the crisis. In order to provide fiscal and monetary interventions, governments had to use reserves and borrow extensively to support the financial sector through the crisis. 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 sovereign debt problems, which led to austerity policies, in an attempt to maintain confidence in the capital markets. As a result of the abandonment of fiscal measures to stimulate the economy, GDP growth slowed and employment growth was reduced. This trend was led by high income countries when global GDP fell from 5% in 2010 to 4 % in 2011 (ILO, 2012). Lower income countries have also been affected by the fall in demand for industrial products by high income countries. The reduction in economic activity resulted in a fall in employment and a reduction in tax revenues, which impacted on government revenue. With lower incomes, governments started to reduce government spending as seen in cuts in public services, benefits and government/public sector jobs (ILO, 2012). Reduced employment in the public sector is beginning to affect women, who form the largest part of the public sector workforce, in many countries. However, the full impact of many austerity policies is still to be felt.

One of the main measures that are introduced to reduce deficits is cutting or freezing of public sector wage expenditure. In the Ivory Coast, recovering from civil war, the public sector wage bill is being kept at 6.8% of GDP by limiting recruitment to education and health. In Ghana, similar measures were introduced with a freeze of public sector posts and a lower than budgeted salary increase for health workers. In addition, Ivory Coast has reduced subsidies on electricity which will neutralise the effects of rises in ‘pro-poor’ expenditure. Ghana has increased utility prices(Weisbrot et al, 2009).
Austerity and support

Although many European countries have adopted austerity programmes, there are still 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 affected by unemployment. Several countries in the Eastern Europe (but not part of the European Union) and Central Asia have adopted a range of programmes that attempt to support people through economic crisis and so reduce the impact of loss of jobs, although these measures have not stopped an increase in poverty.

Learning from previous economic crises

A study by Van Staveren (2010) looked at eight countries which had experienced financial crisis in the previous 15 years. Five 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 these financial crises encompassed a currency crisis/stock market crash, property crash, out-flow of investment and government debts. Van Staveren (2010) compared data for 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.

The results of this comparison of crisis and non-crisis countries showed that women were affected negatively in terms of education and health. Changes in the position of women in the labour market showed different trends because the crises seemed to push women into the labour market to make up household income because of the rising rates of male unemployment. Harper et al (2010) reported women having to work harder (Sirimanne, 2009) and often take on degrading activities. The period of the study covered ten years, which was longer than the period of the crises and their aftermath. The effects of an economic crisis are felt for many years and may slow down improvements in the position of women over a long period (Van Staveren, 2010). Often households have to sell assets which contribute to chronic poverty from which it is difficult to move out of (Harper et al, 2010). The impact of reduced access to health care and education for women and girls has long term effects on women’s health and the position of women in society.

Austerity

The majority of austerity measures have been introduced in European countries. However, there are a small group of countries outside Europe that have adopted austerity packages, including Ghana, New Zealand, South Korea and Botswana. In many cases, they have been introduced by national governments but several countries have had austerity measures imposed on them as terms of the loans, needed to finance government debt. The largest austerity packages have been imposed by the EU/IMF on Hungary, Latvia, Greece, Ireland, Portugal and Spain in response to the public debt crisis but many smaller countries have had to accept austerity packages, for example, Jamaica, Ghana and the Ivory Coast. Financial support was conditional on countries introducing austerity measures. Many austerity packages have been structured so that most of the adjustment is taking place within the first couple of years of the loan, 2010-2012.
Public sector workers were identified as one of the groups most likely to be affected by reductions in public sector budgets (Theodoropoulou and Watt, 2011). Although the effect of the global economic crisis led to loss of private sector jobs, the future effects of austerity packages on women’s employment are expected to be very significant. Rising numbers of women have lost their jobs in the public sector. As the terms and conditions of most public sector jobs are better than for the private sector, especially at lower skill levels, the loss of jobs will affect women’s lives and their household income.

Loss of employment

Even when employment support initiatives have been introduced, they often target male workers. In Greece, the government introduced support for two sectors, construction and tourism, which have a majority of male workers. The retail sector, which has a majority of women workers, was not targeted by any supportive policy (Woestman, 2010). One of the few examples of employment initiatives, which supported the entry of women into the labour market, was found in Turkey, which provided social security tax reductions for firms that recruited unemployed women (World Bank, 2011).

Loss of income

Women’s income is affected by the loss of jobs in both the private and public sectors. Many of the measures that are used to reduce costs, such as freezing of wages, enforced pay cuts will affect women most severely because they earn less than men and are more likely to be on low wages. The loss of income for women is also felt by their households, which affect children and other dependents. In Eastern Europe and Central Asia, falls in household income led to a reduction in the quantity and quality of food purchased. In Armenia, Bulgaria and Montenegro there was a reduction in the number of doctor visits, medical care and prescription drug use, which can make families more vulnerable to future crises (World Bank, 2011).

The effects of reductions of household income can result in the loss of women’s control over household income, which impacts on health, education and poverty reduction. Income transfers to women have been found to have a greater effect on children’s nutritional status that a similar transfer to men (Duflo, 2003). Previous economic crises have shown that reductions in household income impacts on child mortality, especially female mortality (Baird, Freedman and Schady, 2007) and leads to lower levels of girls’ participation in school (World Bank PREM, 2009). Reduced household income also affects the relationships within the family, which result in family breakdowns, increased divorce rates and poverty (Syndicat National des Enseignantsd’Educationpermanente de Cote d’Ivoire SYNDEPSI, 2012)

Loss of benefits

One feature of many austerity packages is a reduction in welfare benefits or restrictions on eligibility to benefits. These cuts in benefits are expected to have a dramatic effect on women, especially single women with children. A wide range of benefits are affected, including benefits for children, disability and housing. Benefits can be reduced overall by changing the index used to assess annual increases. Changes to benefits and allowances will affect women, particularly single women with children, because they are often dependent on them. They already live on low incomes and reductions in benefits or more limited eligibility will push women further into poverty. The health, education and wellbeing of children will be
affected.

Loss of public services
Austerity measures are resulting in the loss of public services and the loss of access to services for carers. Many cuts in public services are reducing services such as social care, libraries, further and higher education, early years care services, sexual/reproductive health services, all of which are used by women. Access to services is also affected 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 will affect women. Subsidies for public transport, of which women are the main users, are being reduced. This will limit women’s mobility, especially older women. Reductions in funding for legal aid and organisations that promote women’s rights are also affected, which will impact on the promotion of women’s rights.

Conclusion
Women are losing jobs in both the private and public sectors, which has an immediate effect on household income but a much long term effect on the role of women in the labour force. There is already growing evidence that the gender pay gap is expanding in both the public and private sectors, for example, Czech Republic and Lithuania. As women form a large proportion of public sector workforces, the impact of public sector job cuts are being felt most acutely by women. 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, which are already used more by women, will affect access to health, education and social care. A loss of services will also affect women in caring roles, with an increase in the already high rates of unpaid care.

Extensive changes are taking place in government services, which are affecting women as public sector workers, as benefit recipients and as service users. Government policies have not been informed by an awareness of how they will impact on women. This is even after the introduction of extensive equality legislation, which has attempted to improve the rights of women over the last thirty years. More statistics and other forms of data are 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, which will lead to a reduction in the influence of women on a wide range of decisions.

There is a continued need to measure the impact of both the economic crisis and the cuts in government spending on 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 have an important role to play in campaigning for research and analysis as well as undertaking it themselves. The damage done to equality institutions and organisation by a reduction in funding will have to be resolved by new investments in equality structures.
Impact of the Global Economic Crisis and Austerity Measures on Women

The Public Services International (PSI) commissioned this report to identify how women are being affected by both the global economic crisis and the austerity measures implemented in response to government indebtedness. The report provides an examination of how the global economic crisis and austerity measures are affecting women through an analysis of changes in employment, income, public services and benefits.

The report is structured in the following sections:
1. Stages of the crisis and austerity policies;
2. Learning from previous crises;
3. Loss of employment/employment opportunities;
4. Loss of income;
5. Loss of benefits;
6. Loss of public services;
7. Stimulus packages;
8. Conclusion.

1 Stages of the crisis and extent of austerity

1.1 Origins and responses to the global financial crisis

The global financial crisis was triggered in 2007/8 by the collapse of the US sub-prime mortgage market, which affected other national housing markets. The immediate cause of the crisis was the practice of banks to pool loans and sell on the most risky loans to other lenders. Although the collapse of the sub-prime mortgage market was the trigger of the crisis, its origins lay in the system of financial ‘light touch’ that was introduced in the 1980s, following the de-regulation of national financial sectors (Crotty, 2009). The financial services sector expanded in relation to the non-financial sectors of the economy. Financial products became more complex and less transparent (Crotty, 2009). When the crisis started, the overall-effect was to threaten the 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 introduction of public sector reforms in the 1980s, which had aimed to reduce government economic intervention. Although economic growth had slowed down globally, many national economies managed to maintain small increases in growth and there was a reduction in economic contraction. In order to provide fiscal and monetary interventions, governments had to use reserves and borrow extensively to support the financial sector through the crisis. 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 sovereign debt problems, which led to austerity policies, in an attempt to maintain confidence in the capital markets. Fiscal stimuli were reduced and attempts to stimulate the economies were reduced to quantitative easing, which involved central banks putting additional money into the economy. As a result of the abandonment of fiscal measures to stimulate the economy, GDP growth slowed and employment growth was reduced. This trend was led by high income
countries when global GDP fell from 5% in 2010 to 4% in 2011 (ILO, 2012). Lower income countries have also been affected by the fall in demand for industrial products by high income countries. The reduction in economic activity resulted in a fall in employment and a reduction in tax revenues, which impacted on government revenue. With lower incomes, governments started to reduce government spending as seen in cuts in public services, benefits and government/public sector jobs (ILO, 2012).

Reduced employment in the public sector is beginning to affect women, who form the largest part of the public sector workforce, in many countries. It is still unclear whether employment rates and economic growth will start to rise, as many countries are recording rising levels of unemployment. However, the full impact of many austerity policies is still to be felt. In some countries, stimulus packages have been introduced, rather than austerity policies. These are discussed in section 8.

In policy debates, at national, regional and international levels, there is a divide between support for continued austerity measures in order to reduce government debt or increased fiscal measures to stimulate growth. In addition, the reform of the banking sector, the original cause of the crisis, has not been addressed. Lending by banks has been reduced since the banking crisis. This has affected small and medium sized enterprises and has had an impact on economic growth. There is growing questioning of how much control government should exert over banks that have been bailed out by such large amounts of public money. Governments have been reluctant to take control of banks, even when the majority of shares are government owned.

Table 1: Incidence of austerity policies

<table>
<thead>
<tr>
<th>Country</th>
<th>Austerity?</th>
<th>G20</th>
<th>EU</th>
<th>IMF ‘rescue’</th>
<th>Period of IMF loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>N*</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $16,612,681</td>
<td>2010/13</td>
</tr>
<tr>
<td>Hungary</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $879,879</td>
<td>2008/11</td>
</tr>
<tr>
<td>Iceland</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $12,233,962</td>
<td>2010/13</td>
</tr>
<tr>
<td>Ireland</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $956,319</td>
<td>2008/11</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $12,045,544</td>
<td>2011/13</td>
</tr>
<tr>
<td>Portugal</td>
<td>Y</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Y</td>
<td></td>
<td>X</td>
<td>X $1,942,396</td>
<td>2011/13</td>
</tr>
<tr>
<td>Russia</td>
<td>(Y)</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Spain  |  Y  |  X  
Ukraine |  Y  |  X  $6,284,850  |  2010/12 
United Kingdom  |  Y  |  X  |  X

<table>
<thead>
<tr>
<th>Country</th>
<th>Austerity?</th>
<th>G20</th>
<th>EU</th>
<th>IMF ‘rescue’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>(Y)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jamaica</td>
<td>Y</td>
<td></td>
<td></td>
<td>$1.27 billion</td>
</tr>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>India</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>N*</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>Y</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ivory Coast</td>
<td>Y</td>
<td></td>
<td></td>
<td>X $235,041</td>
</tr>
<tr>
<td>Ghana</td>
<td>Y</td>
<td></td>
<td></td>
<td>X $243,507</td>
</tr>
<tr>
<td>Burundi</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maldives</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>N</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IMF, 2012

1.2 Austerity packages
The majority of austerity measures have been introduced in European countries. However, there are a small group of countries outside Europe that have adopted austerity packages, including Ghana, New Zealand, South Korea and Botswana. In many cases, they have been introduced by national governments but several countries have had austerity measures imposed on them as
terms of the IMF loans, needed to finance government debt. The largest austerity packages have been imposed by the EU/IMF on Hungary, Latvia, Greece, Ireland, Portugal and Spain but many smaller countries have had to accept austerity packages, for example, Jamaica, Ghana and the Ivory Coast. Many austerity packages have been structured so that most of the adjustment is taking place within the first couple of years of the loan, 2010-2012. At the same time, any economic growth that has been predicted is still fragile. Table 1 shows the countries affected by austerity measures and the size of IMF loans.

One of the main measures that are introduced to reduce deficits is cutting or freezing of public sector wage expenditure. In the Ivory Coast, recovering from civil war, the public sector wage bill is being kept at 6.8% of GDP by limiting recruitment to education and health. In Ghana, similar measures were introduced with a freeze of public sector posts and a lower than budgeted salary increase for health workers. In addition, Ivory Coast has reduced subsidies on electricity which will neutralise the effects of rises in ‘pro-poor’ expenditure. Ghana has increased utility prices (Weisbrodt et al, 2009).

Jamaica illustrates some of the problems facing governments which challenge the conditions imposed by the IMF. A public sector wage freeze was one of the conditions for a $1.27billion IMF loan agreed in 2010. By July 2011 a debt restructuring initiative led to reduced debt payments. The Jamaican government has lost a case taken by public sector unions to the Supreme Court and Industrial Disputes Tribunal about the legality of the wage freeze. The government reached an agreement with the public sector unions and paid back-pay and wages increases which had been agreed before the pay freeze. As a result, IMF refused to make regular loan reviews which meant that no further loan instalments were released. This also stopped the release of other sources of funding from other multilateral agencies. Negotiations with the IMF have restarted recently but the terms are expected to be similar to the 2010 loan, with public sector wage freezes as an integral part of the conditions (Johnson & Montecino, 2012).

In Europe, where the majority of countries have introduced austerity packages, led by the European Union (EU), the main focus of austerity packages is on reducing expenditure rather than raising taxation levels, with the exception of France and Luxembourg, who have introduced higher taxation for high income groups. The restrictions of spending will be extended if the EU Austerity Pact is finally agreed among 26 EU members, although there is now stronger opposition to this, following elections in France and Greece.

Rather than increase raise levels of direct taxation, many countries have increased indirect taxation, which is likely to have a regressive impact on income (Theodoropoulou and Watt, 2011). In Ireland, the National Recovery Plan (2011-2014) set out a proposed increase in the standard rate of 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, VAT increases are being used increasingly by governments to generate revenues. In Botswana, one of the countries that have imposed austerity programmes, the VAT rate has been increased from 10% to 12% (South African Development Community, 2011). In Ghana, a recent study (Osei-Akotoet al, 2009) identified the impact of indirect taxes on low income households, the majority of which are headed by women. Indirect taxes form about 10% of GDP in Ghana. VAT on petroleum affects lower income households through their use of public transport because fuel costs are 62% of total
public transport costs. Indirect taxes on kerosene, which is used extensively by low income urban and rural households for cooking, also have a regressive effect (Osei-Akoto et al, 2009).

In the following sections, the impacts of the financial crisis and resulting austerity packages will be analysed in terms of:

- Loss of employment/ employment opportunities;
- Loss of income;
- Loss of benefits;
- Loss of public services, including legal rights and access to refuges.

Before this analysis of the current situation, the next section highlights several studies that have looked at the impact of previous economic crises on women.

2 Learning from previous economic crises

There have been several studies that have looked at the gender impact of previous financial and economic crises. These are important to consider because of the insights that they provide into how women are affected not just during the crisis but for years afterwards. Van Staveren (2010) studied eight countries which had experienced financial crisis in the previous 15 years. Five 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 these financial crises encompassed a currency crisis/ stock market crash, property crash, out-flow of investment and government debts. Van Staveren (2010) compared data for 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. This study showed that financial crises had several impacts. The crisis countries showed an increase in female labour force participation, particularly in manufacturing and service sectors. When the number of unemployed men increased, women often joined the labour force as a way of maintaining the household income. However, the rate of female unemployment increased in both crisis and non-crisis countries. This suggested that as the rate of female employment increased, so did the risk of unemployment for new entrants and women returning to the paid labour force.

In relation to health and education there were differences between crisis and non-crisis countries. Primary school completion rates increased in non-crisis countries but crisis countries showed negative changes. This data can be interpreted as showing that more girls dropped out of school during crises. They may be expected to do more household tasks when adult women enter the labour force or in times of household income reductions, boys are prioritised for education. Although the gender gap in primary school enrolment increased slightly in crisis countries, in contrast, in non-crisis countries the female/male gap narrowed by 9.7%. For secondary school enrolment, although rates improved in both crisis and non-crisis countries, the improvement in non-crisis countries was twice that in crisis countries. The gender related development index measures gender inequalities in terms of income, school enrolment, literacy and life expectancy. Crisis countries showed lower levels of improvement for this index than non-crisis countries (Van Staveren, 2010).
The results of this comparison of crisis and non-crisis countries show that women are affected negatively in terms of education and health. Changes in the position of women in the labour market show different trends because the crises seemed to push women into the labour market to make up household income because of the rising rates of male unemployment. Harper et al (2010) reported women having to work harder (Sirimanne, 2009) and often take on degrading activities. The period of study covered ten years, which was longer than the period of the crises and their aftermath. This suggests that the effects of an economic crisis are felt for many years and may slow down improvements in the position of women over a long period (Van Staveren, 2010). Often households have to sell assets which contribute to chronic poverty from which it is difficult to move out of (Harper et al, 2010). The impact of reduced access to health care and education for women and girls has long term effects on health and the position of women in society.

3 Loss of employment and employment opportunities

The impact of the global economic crisis and austerity measures on women’s employment can be interpreted in several ways. There are two global employment trends, vulnerable employment and the proportion of people not engaged in either work or looking for work, where the position of women is likely to be more affected by the global financial and economic crisis.

Globally, the proportion of women in vulnerable employment (50.5%) is greater than that of men (48.2%) (ILO, 2012). Vulnerable employment is defined, by the ILO, as work where people are self-employed or part of family firms, where labour rights are limited and where workers work long hours, for low pay, in poor conditions, with no social benefits or statutory entitlements. This can cover casual employment, zero hour contacts, abusive fixed and part-time contacts. In three global regions, the proportion of women in vulnerable employment is significantly greater than men (Table 2). The implications of these rates during a global economic crisis are that women are more likely to be affected by loss of employment or will have to cope with increasing insecurity.

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Africa</td>
<td>55%</td>
<td>32%</td>
</tr>
<tr>
<td>Middle East</td>
<td>42%</td>
<td>27%</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>85%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Table 2: Percentage of women and men in vulnerable employment

A second factor that is likely to affect women is the ‘short fall’ in the workforce, which means the numbers of workers who are neither employed nor looking for work, but who could work, if work was available. Women are more likely to have stopped looking for work and so do not feature in unemployment statistics. Globally, adult women form two-thirds of the global short-fall, which is a high figure because women only form a third of the global workforce (ILO, 2012: 35). An example of labour force participation in Greece illustrates this. The OECD found that female labour force participation (those who are employed or actively looking for a job) in Greece increased by 2.9% in the last 3 years (2009-2012) but the employment rate for women fell 0.8% in the same period. A similar process has been identified 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 during the economic crisis but were often not successful. During periods of recession, women from low income groups with low levels of education attempt to enter the labour force as a way of contributing 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 is also reflected in the Van Staveren (2010) study of the gender effects of previous economic crises.

There has been a strong focus on the rise of youth unemployment. For example, the rate of youth unemployment in Central and Eastern Europe, Russia and Central Asia was 17.7% in 2011. Whilst the effect of unemployment for young people is serious for both young men and young women, it can lead young women to abandon their search for work and return to more traditional goals of motherhood and family. In North Africa, unemployment is a major problem for women and young people, with young women doubly affected. 41% of young women in the North Africa region are unemployed. This rate is similar across income groups, so that 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 were identified as one of the groups most likely to be affected by reductions in public sector budgets (Theodoropoulou and Watt, 2011). One of the effects of public sector reform, in many countries, has been the contraction of services delivered directly by government. This has led to a decrease in the number of public sector workers, so that many countries have already reduced their public sector workforces over the last decade. The loss of government revenues through reductions in taxation as a result of reduced economic growth and austerity packages are leading to further cuts in the public sector workforce. In countries in Sub-Saharan Africa, the crisis has intensified privatisation and led to a reduction in the collection of taxes from multinational companies (Baroni et al, 2009). This has reduced government revenues resulting in cuts to education and health budgets and hence losses of jobs.

In many countries, the majority of public sector workers are women and so the impact of public sector job cuts will be felt most strongly by women (Theodoropoulou and Watt, 2011). Several examples of countries in Europe, where women are experiencing public sector jobs cuts, will be outlined below. A study (2011) of four countries in Europe, Latvia, Romania, Ireland and Spain, examined how women had been affected by the crisis and austerity measures (Fulton, 2011). Latvia, Romania and Ireland had had to impose austerity measures as conditions for receiving IMF loans.

### Table 4: Women and public sector workers

<table>
<thead>
<tr>
<th></th>
<th>Women public sector employees as % all women employees</th>
<th>Women as % of public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>42%</td>
<td>72%</td>
</tr>
<tr>
<td>Spain</td>
<td>24%</td>
<td>54%</td>
</tr>
</tbody>
</table>
There are several measures used to reduce employment and the costs of employment. In an attempt to reduce the numbers of jobs, vacancies are often left unfilled as a first measure. This impacts on the workload of the remaining workers. Between 2008 and 2010, Latvia cut the number of public sector workers in central government, from 78,900 to 62,900. Jobs in local government were reduced by 16%, falling from 122,900 to 103,100. In Ireland, after initial freezing of recruitment, about 12,000 jobs were lost, with the number of public service employees falling from 319,450 to 307,900. Romania has reduced its public sector workforce by almost 100,000 between 2009 and end of 2010. In Spain, a freeze on public sector recruitment, with only one in ten vacancies being filled, is expected to continue until 2014, which will have reduced the public administration sector by 7%.

Table 5: Job losses in Ireland, Latvia, Romania and Spain

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

Source: Fulton, 2011

In the United Kingdom, austerity measures were introduced following the creation of the Coalition government in 2010. 710,000 public sector jobs are due to be cut by 2015. Women form 65% of the public sector workforce. There have been immediate reductions in local authority spending, which are resulting in a loss of jobs (Local Government Association, 2011). As Table 5 shows, except for the East Midlands region, between 60% and 75% of jobs lost are women’s jobs. In many regions in the north of England, the public sector has been the largest employer since the decline of manufacturing industries. Women have formed a large proportion of the public sector workforce. Their job losses will have an impact on household income in regions where 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 6: Reductions in local authority jobs in England & Wales

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


At the end of 2011, 2.67 million people were unemployed in the UK. 1.12 million are women, which is the highest level of women’s unemployment for 25 years (Saner, 2012). Women’s unemployment has increased by 18 per cent since the economic crisis but men’s unemployment has only increased by 1 per cent (Labour Force Survey, 2012). There has also been an increase in the number of older women (aged 50-64) unemployed, with an increase of 20,000 in the last quarter of 2011 (Saner, 2012). As the cuts in public sector jobs have only just begun, it is expected that the unemployment rate for women will continue to increase. The government rationale for such large cuts in public sector jobs was that the private sector would create new jobs. There is no evidence to show that this is happening. It is becoming clearer that if public sector jobs are replaced at all, it is by outsourcing of public services to the private sector, with poor pay and terms and conditions.

Both the global economic crisis and austerity measures are having an impact on women’s employment in both the public and private sectors. Although the effect of the global economic crisis led to loss of private sector jobs, the future effects of austerity packages on women’s employment are expected to be very significant. Rising numbers of women have lost their jobs in the public sector. As the terms and conditions of most public sector jobs are better than in the private sector, especially at lower skill levels, the loss of jobs will affect women’s lives and their household income. The next section will examine how women’s incomes are being affected.

3.2 Private sector job losses

Women form 60–80 per cent of the export manufacturing workforce in developing countries (World Bank, 2009 in Emmett, 2009). The initial downturn in world trade, following the financial crisis, is likely to have affected women in export-led sectors, such as textiles, garments, electronics and horticulture (Table 3). 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 3: Women as % of export-led workforces**

<table>
<thead>
<tr>
<th>Country</th>
<th>Women as % of labour force</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>78%</td>
<td>Garments</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>85%</td>
<td>Garments</td>
</tr>
<tr>
<td>Philippines</td>
<td>+50%</td>
<td>Electronics</td>
</tr>
<tr>
<td>Uganda</td>
<td>85%</td>
<td>Cut flowers</td>
</tr>
<tr>
<td>Ecuador</td>
<td>70%</td>
<td>Cut flowers</td>
</tr>
<tr>
<td>Thailand</td>
<td>80%</td>
<td>Fruit</td>
</tr>
</tbody>
</table>

*Source: World Bank PREM Gender & Workforce, 2009*

The global financial crisis has also impacted on women’s employment in the private sector because the fall in growth rates led to a reduction in demand for goods and services. Women form a large part of the service sector workforce, for example, tourism. In the Caribbean, where women form a large part of the service sector, there has been an increase in unemployment, with women in tourism particularly affected (Foster & Reddock, 2010).

In Greece, private sector unemployment has increased by 1.7% in 2008/9 but women’s unemployment increased by 2% for women aged 35-44 and by 1.5% for women aged 25-34. There are also gender differences in the increase of part time jobs, where women often take the majority of jobs. In Greece, male part time jobs increased by 25% but female part time jobs increased by only 20% (Woestman, 2010).

Women not only lose jobs but their employment rights are eroded. Oxfam International (2009) reported that with falling global demand, employers did not pay outstanding wages and also avoided other legal employment rights, for example, giving notice and redundancy compensation (Emmett, 2009). There was reduced overtime, which is an important source of additional income. Welfare facilities for workers, such as food and transport, were reduced. Governments have not been enforcing labour rights during this crisis (Emmett, 2009). In Trinidad & Tobago, pregnant women were the first workers to be made redundant (Foster & Reddock, 2010).

Even when employment support initiatives have been introduced, they often target male workers. In the Philippines, a government initiative to create 41,000 new jobs through government infrastructure projects, was announced a day after 42,000 jobs were lost in the garment, semiconductor and electronics industry, where the majority of workers are women (Emmett, 2009). In Greece, the government introduced support for two sectors, construction and tourism, which have a majority of male workers. The retail sector, which has a majority of women workers, was not targeted by any supportive policy (Woestman, 2010). One of the few examples of employment initiatives, which supported the entry of women into the labour market, was found in Turkey, which provided social security tax reductions for firms that recruited unemployed women (World Bank, 2011).
4 Loss of income

The loss of jobs in both the public and private sectors will impact on women’s income. This section will outline the overall impact of loss of income as well as discussing some indirect effects.

4.1 Job losses

The loss of jobs has an immediate effect of reducing income but many public sector workers have also experienced pay freezes, wage cuts and short time working (Fulton, 2011). In Ivory Coast, Ghana and Jamaica, public sector pay freezes have been imposed as part of IMF loan conditionality. In the UK and Greece, public sector workers have had pay freezes and pay cuts imposed on them. Ireland imposed a pay cut of at least 5% on public sector workers, with those on average salaries, having a cut of 6%. Latvia cut pay by 20% in 2009 for higher paid and 15% for lower paid groups in the public sector. The IMF reported a 20% cut in the wage bill in Latvia (Fulton, 2011: 11).

In Romania, after initially abandoning pay increases and reducing bonuses, the government imposed a temporary 25% cut in public sector pay between July – December 2010. By December 2010, the government had abolished a range of bonuses and the 13th month pay but restored part of the 25% pay cut with an increase of 15% (Fulton, 2010). In Spain, in January 2010, limited wage increases of 0.3% were imposed, although with an allowance for inflation, the government estimated that there has been a 4% cut of the pay bill (Fulton, 2011: 12). By May 2010, the government announced an average 5% cut in public sector pay, with slightly higher rates for higher paid and lower rates for lower paid.

Reductions in pensions have affected retired people but those in work, will have to work for longer before retiring and will often have reduced benefits (Theodoropoulou and Watt, 2011). Ireland imposed a pension levy on all public sector workers, with the higher paid contributing more than the lower paid. This is affecting women, who have to adapt to a higher retirement age, and will have to work longer. In Romania, the retirement age for women will increase from 57 to 63 years of age (Fulton, 2011). Enforced retirement can also be used to reduce the size of the workforce. In 2009, Fiji reduced the retirement for civil servants from 60 to 55 years of age. This measure pushed many women, who either did not have a pension or had a small pension, into poverty (Fiji Nursing Association, 2012).

As the percentage of women working on low pay is considerable in all countries, the impact of wages cuts on the disposable income of women is greater (Woestman, 2010). In Latvia, in 2011, men’s public sector pay was 7.7% below the 2008 level but 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 in 2011 than they earned in 2008, whereas women were earning 1% less than they did in 2008. The average pay gap has increased from 15.2% in 2008 to 16.9% in 2011.

In Romania, the gender pay gap has been widening. All public sector workers experienced a drop in pay in 2010 but women were slightly more affected in public administration and health and social care. In the public education sector, there was a slight rise in women’s wages. For public sector workers on low wages, the reduction in pay has pushed them below subsistence levels
(Fulton, 2011: 18). In Romania between 2008 and 2010, the gender public sector pay gap has increased from 7.8% to 12.6% (Fulton, 2011). In the United Kingdom, the public sector pay gap is 9.2%, which is half that of the private sector at 18.0% (Guardian, 2012). As the trend is away from employment in the public sector towards the private sector, the implications for the pay of women and their working conditions is bleak.

Even before the financial crisis in 2008, there were signs that the gender pay gap in several countries was increasing. Table 4 shows countries in Europe with increasing gender pay gaps.

Table 4: Countries with increasing gender pay gaps

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

Source: Eurostat, Structure of earning survey methodology

Women’s income is affected by the loss of jobs in both the private and public sectors. Many of the measures that are used to reduce costs, such as freezing of wages and enforced pay cuts, will affect women most severely because they earn less than men and are more likely to be on low wages. The loss of income for women is also felt by their households, which affect children and other dependents. In Eastern Europe and Central Asia, falls in household income led to a reduction in the quantity and quality of food purchased. In Armenia, Bulgaria and Montenegro there was a reduction in the number of doctor visits, and in the use of medical care and prescription drugs, which can make families more vulnerable to future crises (World Bank, 2011).

5 Loss of benefits

One feature of many austerity packages is a reduction in welfare benefits or restrictions on eligibility to benefits. These cuts in benefits are expected to have a dramatic effect on women, especially single women with children. A wide range of benefits are affected, including benefits for children, people with disabilities and housing. Benefits can be reduced overall by changing the index used to assess annual increases. In the UK, the use of the Consumer Price Index, rather than the higher Retail Prices Index, to calculate annual increases in benefits will result in smaller annual benefit increases, which will reduce benefits relative to inflation (Fawcett/IFS, 2011). Single women with children are expected to be the most affected.
5.1 Child benefits
Several countries have reduced or restricted eligibility for child benefits. These are usually paid directly to the mother of children. In Ireland, there have been cuts in child benefits payments, with reductions of €16/month for the first and second child to €150, in 2010. In 2011, there was a further reduction of €10/month to €140/month. In Spain and the UK, there has been both a loss of child benefits and a freezing of benefits. In the UK, child benefit has been frozen for three years and a maternity grant of £500 will only be paid for the first child.

5.2 Child care allowances
As well as child benefits or child allowances, some countries provide allowances to cover the costs, or partial costs, of child care, which may be paid as cash, tax allowances or vouchers. These allowances are often essential for women to afford to enter the labour market. Some of these allowances are being reduced. In the UK, there is a child care allowance within ‘Working Tax credits’, which provide financial support for workers on low incomes, a type of indirect minimum wage. It has been proposed that eligibility for the child care allowance will be changed. Parents will only be able to claim 70% of child care costs, rather than 80%, which is the current rate. 60% of recipients of the childcare component of working tax credits are single parents (Fawcett/IFS, 2011).

5.3 Tax and benefits changes
As part of the reduction of benefits within austerity packages, changes in tax and benefits systems are being introduced. The overall impact is often difficult to assess because of the different elements involved but recent research in the UK, by the Fawcett Society and Institute of Fiscal Studies, shows that single women with children will be the most affected by the changes. Increases in personal tax allowances, whilst taking some women out of the payment of tax, will not have any effect on women earning less than the annual personal tax allowance. 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
In the UK, 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 providing flexible working conditions, which acknowledge the needs of carers, through the provision of part time working and flexible hours. The gender pay gap in the private sector (20.8%) is greater than that of the public sector (11.6%). With the rapid decline in the number of public sector jobs, there will be a loss of flexible job opportunities and well-paid part time work.

The introduction of a universal benefit, in the UK, which will combine many existing benefits into a single payment, will aim to increase the 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 will have taken time off work to have children, they will be disadvantaged by this new arrangement and it may lead to more women leaving the labour market (Fawcett/IFS, 2011). The payment of a universal benefit will be paid to one person within a household. If the man is the main wage
earner, he is more likely to be the recipient of the universal benefit. This will take money away from women, because child benefit no longer be paid direct to the mother.

Changes to benefits and allowances will affect women, particularly single women with children, because they are often dependent on them. They already live on low incomes and reductions in benefits or more limited eligibility will push women further into poverty. The health, education and wellbeing of children will be affected.

5.5 Remittances

At a global level, reductions in employment, for both men and women, affect the payment of remittances. Remittances are recognised as providing essential support to households in many low and medium income countries. Women contribute to the sending of remittances and also receive them. In 2011, the level of remittances to six developing regions rose for the first time since 2008 (Mohapatraet al, 2011). However, remittance flows to Latin America and the Caribbean were lower than expected because of the weakness of the US and Spanish economies. Western Europe is the major source of remittances for Europe and Central Asia, Africa and the Middle East (Mohapatraet al, 2011).

Remittance flows to Latin America and the Caribbean declined during the global economic crisis, did not increase in 2010 and grew by 7% in the first three quarters of 2011. The crisis in the housing sector in the US has affected migrant construction workers, the majority who come from Latin and Central America. This has affected the employment of men rather than women, but women have been affected by the decline in remittances in terms of the effect on household income (Mohapatraet al, 2011). Remittances to Latin America have also been affected by the increase in unemployment in Spain, which has about a tenth of total Latin American migrants. However, the outflow of remittances has remained stable because workers have used savings or reduced personal consumption in order to continue to send money back (Mohapatraet al, 2011).

In other European countries, migrant workers have been affected by the reduction in jobs as a result of the economic crisis and experienced higher rates of unemployment than domestic workers. High rates of domestic unemployment have led to pressure to reduce the levels of migration and introduce more restrictive migration policies. Groups that have been affected are particularly low skilled workers, for example, construction workers and care workers. Remittance outflows from the UK, Italy, Spain and France have all declined since 2008 (Mohapatraet al, 2011).

The decline of women’s employment in export-led sectors has led to a reduction in the remittances sent by these women workers to their households. 90% of garments workers in Cambodia are women and almost all of them support their families in the rural provinces (Emmett, 2009). High rates of unemployment in either the public or private sector reduces the opportunities available for women to migrate and send remittances to their families, which in turn affects household income (World Bank, 2009).

The effects of reductions of household income can result in the loss of women’s control over household income, which impacts on health, education and poverty reduction. Income transfers to women have been found to have a greater effect on children’s nutritional status that a similar transfer to men (Duflo, 2003). Previous economic crises have shown that reductions in household
income impacts on child mortality, especially female mortality (Baird, Freedman and Schady, 2007) and leads to lower levels of girls’ participation in school (World Bank PREM, 2009). Reduced household income also affects the relationships within the family, which result in family breakdowns, increased divorce rates and poverty (Syndicat National des Enseignants d’Education permanente de Cote d’Ivoire SYNDEPCI, 2012).

6 Loss of services

Austerity measures are resulting in the loss of public services and the loss of access to services for carers. Many cuts in public services are reducing services such as social care, libraries, further and higher education, early years care services, sexual/reproductive health services, all of which are used by women. Reductions in direct provision of social care services and in support for carers will affect women. Subsidies for public transport, of which women are the main users, are being reduced. This will limit women’s mobility, especially for older women. Public sector investments in housing are also being reduced, with an impact on women with low incomes.

Many countries are experiencing the move from public services, free at the point of access, to fee-paying public services. For example, Antigua and Barbuda, basic hospital services, which were previously free, are now subject to a fee. Laboratory tests are now referred to private laboratories and individual patients have to pay the fee. As women are the main users of these services and often have low paid jobs, they will be directly affected by the introduction of fees for hospitals services (Antigua & Barbuda Public Service Association, 2012).

Women provide the majority of informal care for older people and people with disabilities in many countries. As mothers, they provide the majority of childcare. Reductions in child care or subsidies for child care will limited the opportunities for women to enter the labour market. Cuts in social care will lead to women taking on further caring responsibilities.

There is increasing evidence that some of the reductions in public spending are reducing services for women experiencing domestic violence. In both the UK and Spain, local authority cuts in services have resulted in the closure of women’s refuges. Reductions in housing benefit will make it more difficult for women to move away from violent partners.

The reduction of free legal aid services in the UK, is expected to impact on women by limiting their opportunities for accessing legal aid (Asylum Aid, 2011). Women who experience violence, disabled women, black and minority ethnic and refugee and asylum-seeking women will be particularly affected by cuts to legal aid. Legal aid information, advice and representation are essential for women to obtain their legal rights (Rights of Women, 2012).

The rights of women are also being undermined by the abolition or changes to legal equality structures, which has been sent up over the last three or four decades, as part of a process to establish rights for women in the labour force and society. In Spain, the Ministry of Equality has been closed. In Ireland, funding has been reduced by 35% for the National Women’s Commission of Ireland (Women’s National Commission for Ireland, 2012). In the UK, the Women’s National Commission has had its funding terminated.
7 Mix of austerity and support

Although many European countries have adopted austerity programmes, there are still public debates about whether austerity measures are appropriate during a period of economic crisis. Increases in unemployment are contributing to greater demands for measures to stimulate the economy and provide opportunities for people affected by unemployment.

Several countries in the Eastern Europe, which are not part of the European Union, and countries in Central Asia have adopted a range of programmes that attempt to support people through economic crisis and so reduce the impact of loss of jobs. Several examples are outlined below. In contrast to countries that have introduced austerity measures, several countries made unemployment insurance benefits available to families affected by the economic crisis. However, only about a third of workers in the region are eligible for unemployment insurance (World Bank, 2011).

In Bulgaria, Montenegro and Serbia, social assistance programmes to reduce poverty responded to the increased demand from families. In Bulgaria, Montenegro, and Serbia, ‘last resort social assistance’ programmes increased coverage rates in response to the crisis. Pension increases were used in Armenia, Romania, Russia, and Turkey to protect poor families. However, even though measures were adopted that attempted to alleviate the effects of the crisis, they have been insignificant in that the overall effect of the crisis has increased the level of poverty. Although debates are taking place in many countries about the need for increased measures to support people affected by the global economic crisis, the political arguments have still to be won. Increased evidence that government interventions are effective is important for campaigning.

8 Conclusion

There is already evidence from earlier financial and economic crises that shows that women are affected, often disproportionately by crises. In the current crisis, women are losing jobs in both the private and public sectors, which has an immediate effect on household income but a much long term effect on the role of women in the labour force. There was already growing evidence that the gender pay gap was expanding in some countries, in both the public and private sectors, before the crisis. As women form a large proportion of public sector workforces, the impact of public sector job cuts are being felt most acutely by women. Many women will be forced to abandon their position in the labour force or take a less well-paid job. The reduction in public services, which are already used more by women, will affect access to health, education and social care. A loss of services will also affect women in caring roles, with an increase in the already high rates of unpaid care.

Extensive changes are taking place in government services, which are affecting women as public sector workers, as benefit recipients and as service users. Government policies have not been informed by an awareness of how they will impact on women. This is even after the introduction of extensive equality legislation, which has attempted to improve the rights of women over the last thirty years. More statistics and other forms of data are 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, which will lead to a reduction in the influence of women on a wide range of decisions.

There is a continued need to measure the impact of both the economic crisis and the cuts in government spending on 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 have an important role to play in campaigning for research and analysis as well as undertaking it themselves. The damage done to equality institutions and organisation by a reduction in funding will have to be resolved by new investments in equality structures.

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