

# THE CHALLENGE OF AUSTERITY FOR EQUALITY

## A CONSIDERATION OF EIGHT EUROPEAN COUNTRIES IN THE CRISIS

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The article deals with the comparative experience of women and men during the current crisis in eight of the European countries most affected by austerity and the challenge that recession and austerity represent for gender equality. Short term reductions in gender gaps and the female employment rate have been a common trend in all countries but the longer term trends are more important from a gender perspective. More labour market flexibility leads to a greater convergence of men's and women's employment conditions at the bottom of the labour market; reductions in public sector employment hamper women's access to stable, protected and more equal jobs, while the withdrawal of the state from the provision of social care is interrupting the defamilialisation of care. However, as women's employment remains vital for social reproduction at both the macro and household levels, gender equality must be an essential component of a progressive exit strategy from the crisis.

*Keywords:* Crisis, austerity, Gender equality, Europe.

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We are in the middle of a global economic crisis which is considered as the worst since the Great Depression of the 1930s. The experience of the crisis in different parts of the globe and countries varies greatly as regards the initial shock, secondary effects, policy responses and economic and social effects. As regards the political management of the crisis, after significant state intervention and public spending to rescue banks and avoid economic collapse during the initial years, austerity became

the new principle for public policy, especially in Europe, after the financial crisis was converted into a sovereign debt crisis which menaced the breakup of the Eurozone. This twist in the form of the crisis and the character of public policy constitutes a turning point concerning the gendered effects of the crisis which seems to be transforming from a recession to a sh(e)-austerity.

The article deals with the comparative experience of women and men in European countries most affected by either the financial or the austerity crises and the challenges posed by the crisis for gender equality. It draws, for its theoretical framework and empirical evidence, on a collective volume recently published by the authors (Karamessini and Rubery, 2014) to analyse in particular the implications of the changes observed in labour markets, public policy, political developments and individual/household responses to the crisis and austerity for both gender inequalities and for gender regimes – defined here to include the gender division of labour, the gender culture and the gender dimension to the welfare state.

The focus is on a sample of eight European countries – Iceland, the UK, Hungary, Greece, Ireland, Spain, Portugal, and Italy – selected among the European countries that have been most affected by the financial crisis, austerity and fiscal consolidation. Each entered the crisis at a different time and has experienced different types of problems but all have faced significant adjustment problems (Karamessini, 2014a). The starting point for the analysis is that gender differences in vulnerability to recession and austerity derive from differences in women's position, relative to that of men's, in the job structure, the family economy and the welfare system and from prevailing social norms on gender roles (Rubery, 1988). Women's relative position and prevailing social norms vary by gender regime. The gendered effects of the economic crisis are also nation-specific and depend on its nature, transmission mechanisms, sectoral pattern, and type of policy response to it, and finally, on the gender ideologies developed in its course that influence institutional change (Rubery, 2014a).

The argument is made that the closing of gender gaps in the labour market achieved by the deterioration of men's position during the first phase of the crisis may be reversed since the full implementation of austerity is likely to harm women's employ-

ment position relatively more. In fact austerity measures risk the reversal of past progress towards gender equality by undermining important employment and social welfare protections and putting gender equality policy onto the back burner. This means that a progressive strategy cannot rely solely on a benevolent state. Greater solidarity needs to be forged between women and men but based around the precondition that gender equality is central to a progressive route out of the crisis.

The article is organised in three parts. The first describes the developments of gender regimes before the crisis in the selected countries; the second examines the comparative labour market experiences of women and men during the crisis and austerity in these countries; while the third analyses the changes in the employment and welfare systems and gender relations during the crisis and discusses their possible implications for the development of gender regimes in Europe.

## 1. European gender regimes pre crisis: converging divergences

Over the period from the early 1990s until the outbreak of the current global financial crisis the gender regimes of the European countries studied here converged towards a greater and long-lasting integration of women into paid work which had developed in parallel with a decisive shift away from the male-breadwinner family model towards a dual earner/adult worker family model (Lewis *et al.*, 2008; Daly, 2011). The dual earner family model had become the most common model in all eight countries but the male breadwinner model remained widespread in Greece, Spain and Ireland (Karamessini, 2014a). Thus, in spite of the wide variety in regimes at the beginning of the period, accounted for by historical legacies and crystallised in different gender contracts (O'Reilly and Nazio, 2014), common upward trends emerged, for example in female employment rates, female aspirations for continuous employment over the lifecycle and gender equality in employment, state support for working parents and in the shares of dual-earner and lone-parent households. Yet, within these upward trends, strong differences were still observed between countries on each of these dimensions, pointing to a pattern of converging divergences.

Convergence was evident in employment integration for although in all eight countries female employment rates rose significantly over the 1994-2007 period, increases were particularly high in countries with low initial female employment rates such as Ireland and Spain. Only Hungary suffered a fall associated with the ending of the communist regime but female employment rates were rising again towards the end of the period (Table 1). The boost in female employment rates reflected the continuing rise in women's educational attainment and changes in gender norms and values but was also facilitated by changes in labour market institutions and the welfare state. Part-time employment has been promoted by public policy as a suitable work option for women nearly everywhere; it spread quickly also in countries in which it had been marginal up to the early nineties such as Italy and Spain. Furthermore, the EU in its employment and social policy urged all EU Member States to improve their parental leave and childcare systems in order to achieve higher maternal employment rates. It thus provided an impetus for substantial improvements in the care regimes of those EU countries that lagged behind the EU average re support to working parents. In our group of countries, this applies to all those of southern Europe (Karamessini, 2014b; Gonzalez Gago and Segalez Kirzner, 2014; Verashchagina and Capparucci, 2014; Ferreira, 2014) as well as to the UK and Ireland (Rubery and Rafferty, 2014; Barry and Conroy, 2014).

Despite the trend towards convergence in female employment rates (Table 1), the overall dispersion of female employment rates in 2007 still remained high due in large part to national differences in employment rates among the less well educated and at the younger and older ends of the age range. Low employment rates for young women in Greece, Italy and Hungary reflected difficulties in initial integration into employment. These same countries also had very low female employment rates for older workers due to the low activity of these older cohorts in prime age (European Commission, 2007), to various early retirement options and to a low legal age of retirement for women in Italy and Greece. At the other end of the spectrum, the female employment rate in Iceland was 80 per cent in 2007, reflecting a long-standing retirement age at 67 for both women and men and integration across a long working life (Thorsdottir, 2014).

Table 1. Female employment rates in selected European countries

	1994	2008	2012	$\Delta$ 1994-2008	$\Delta$ 2008-2012
	15-64 y.	15-64 y.	15-64 y.	in p.p.	in p.p.
Greece	37.1	48.7	41.9	11.6	-6.8
Hungary	47.8	50.6	52.1	2.8	1.5
Iceland	74.6	79.6	77.8	5.0	-1.8
Ireland	39.8	60.2	55.1	20.4	-5.1
Italy	35.7	47.2	47.1	11.5	-0.1
Portugal	54.1	62.5	58.7	8.4	-3.8
Spain	30.7	54.9	50.6	24.2	-4.3
United Kingdom	61.2	65.8	65.1	4.6	-0.7
EU-27 average		58.9	58.6		-0.3

y=years, p.p. =percentage points.

Note: Figures for Hungary and Iceland for 1994 come from OECD.

Source: Eurostat online (data extracted on 6.9.2013).

Gender differences in the employment effects of the crisis depend on the different position of men and women in the job structure, including not only occupational and sectoral segregation of employment by sex but also the relatively greater concentration of women in precarious jobs. According to an EU-wide report by Bettio and Verashchagina (2009), a slight rise was witnessed in the level of occupational segregation in EU-27 between 1992 and 2007 but sectoral segregation increased more strongly. A common feature of all gender regimes before the crisis in the countries examined here was the high concentration of women in the public sector, especially of the higher educated, making these women particularly vulnerable to austerity policies. Women can be more vulnerable to recession than men due to their higher concentration in part-time and temporary work but there were great differences in the level of such concentration between countries prior to the crisis. Women's greater vulnerability to recession may be also related to their over-representation in some forms of self-employment (unpaid work in family businesses and farms, dependent work classified as self-employment) and in informal work, which were more widespread in the Southern and Eastern European countries of our group before the crisis (Karamessini, 2014b; Ferreira, 2014; Frey, 2014).

**Table 2. Indicators of cross-country gender differences within employment in selected European countries 2007**

%

Countries	Public sector employment <sup>1</sup>		Part-time employment <sup>2</sup>		Temporary employment <sup>2</sup>	
	% of all employed men	% of all employed women	% Male dependent employees	% Female dependent employees	% Male dependent employees	% Female dependent employees
Greece	14	28	5.0	13.7	9.3	13.1
Hungary	13	33	1.6	4.2	7.7	6.8
Iceland	14	45	7.8	24.8	11.2	13.6
Ireland	15	38	7.5	34.9	6.7	9.5
Italy	24	18	5.3	31.2	11.2	15.9
Portugal	17	28	2.0	8.7	21.8	23.0
Spain	15	26	3.4	20.8	30.6	33.1
United kingdom	16	43	9.1	37.2	5.3	6.4

1. Extracts from Karamessini and Rubery (2014) Table 16.6, p. 322 European Labor force survey special tabulations.

2. *Op. cit.*/ Table 16.5, p. 321.

Source: OECD.

## 2. Gendered labour market effects under recession and austerity: main trends

Assessment of the gendered labour market effects of the crisis is complicated by both the change in the nature of the crisis, from financial crisis and recession to fiscal consolidation and austerity and by the continuing evolving nature of policy responses and outcomes. Any assessment of its overall effects is thus provisional. The impact of the changing contours of the crisis is already evident in so far as although the immediate effects on men were stronger the prospects for women under austerity are bleaker. Thus although gender gaps have closed this has occurred in a context where women as well as men have already faced employment loss (Karamessini and Rubery, 2014, p. 324) thus in these eight countries ending the long run upward trend in women's employment. Segregation by sector is the main cause of these gender effects but segregation has switched from being a source of protection against job loss to a cause of exposure to austerity. There is also no evidence of women withdrawing from the labour market in response to the downturn; in fact participation rates particularly among lower educated women tended to increase indicating the presence of an added worker effect. Women are thus

not acting as a buffer either in protecting men against job loss or acting as a labour reserve in voluntarily withdrawing from the labour market. Indeed the group that acted most as a buffer was young people of both genders together with male migrants (Bettio and Verashchagina, 2014).

### **2.1. Recession effects – “he-cession”**

The “Great Recession” brought about dramatic changes in employment within the selected eight countries, particularly in Greece, Spain and Ireland where over the period 2008-2012 male employment rates dropped by 14 to 15 percentage points and female rates by 4 to 7. Although women’s employment loss is less, these effects reversed the long-term upward trend in female employment rates and pushed up female unemployment rates: among our eight case studies only in Italy and Hungary had the female employment rate by 2012 returned to or exceeded respectively its 2008 level.

Sectoral segregation accounts for much of the pattern of job loss. Men bore the brunt of the initial recession downturn in the male-dominated construction and manufacturing sectors in all countries together with finance in the UK, Iceland and Ireland. Subsequently the recession spread to the more mixed private services causing women to become more vulnerable to job loss. Although men’s unemployment rate rise was higher than women’s in all countries except Iceland but if the increases are measured in percentage points they are roughly equal for men and women in Greece and the UK and quite similar in Spain and Portugal (81 and 72 per cent of the male increase respectively). However in three countries – Italy, Hungary and Ireland – the increase for women even on this measure was only around three fifths that experienced by men. Inequalities between younger and older women have also increased in our eight countries. In Ireland, in particular, employment rates for women aged 45-59 have remained roughly stable in the crisis while those for young women have plummeted, resulting in many emigrating to find better job prospects. Moreover those new hires in the public sector – again mainly young women – are being employed after 2010 on terms and conditions up to 30 per cent below the pre-2010 conditions (Barry and Conroy, 2014).

In contrast to women acting as a reserve army and voluntarily reducing participation in the labour market in response to the crisis, it has been men whose inactivity rates have increased in all countries while those for women fell except in Ireland. This suggests that an “added-worker effect” is more likely than any “discouraged worker effect” in at least seven of the countries, although this trend is for all women while analyses of added versus discouraged worker effects have normally been focused on the behaviour of married women. Further evidence of women consolidating their position in the labour market and the family economy is found in the increase in female couples between 2007 and 2009 in the seven countries for which we have data (Bettio and Verashchagina, 2014) and a parallel reduction in dual-earner couples in the same countries over the same period. As male partners lose their jobs women are either staying on or even (re)entering the labour force. The implication is also that the crisis has interrupted trends towards a universal adult worker family model where both partners contribute to household budgets. It is probable that it is difficult to make ends meet for many sole breadwinners, whether male or female, but the strain is likely to be greater on women whose earnings opportunities are lower and who are likely to still be responsible for care.

All in all, labour market developments during recession in our group of eight countries confirm that the impact of the crisis on gender inequalities in the labour market has been a downward levelling of gender gaps in employment, unemployment and economic activity, as demonstrated by Bettio and Verashchagina’s (2014) comparative study of EU countries. While these general trends justify the characterisation of the initial phase of the Great Recession in Europe as a “he-cession” for all eight countries, the subsequent experience was different. Three countries experienced GDP growth between 2010 and 2011 but while in the UK this was a “he-recovery” with male employment increasing while women’s employment declined after late 2009 (Rubery and Rafferty, 2014), in Italy and Hungary, and Iceland after 2011, there was more of a “she-recovery” as female employment grew more than male employment.



## **2.2. Austerity effects – from “he-cession” to “sh(e) austerity”?**

The key change in employment trends during the austerity phase of the crisis in the eight countries studied here concerns public sector employment. From providing protection from job loss in the early phase public sector employment has become both a key factor in deteriorating demand for labour and in the freezing or deterioration in pay and employment conditions. Due to the higher concentration of female than male employment in the public sector, these developments can be expected to have a greater impact on women than on men although the gender composition of employment in the subsectors in which the cuts take place and the categories of personnel that are laid off also play a role.

Indeed, the pattern of job loss during the crisis and the employment impact of austerity policies by gender across the eight case studies have roughly followed the timing, severity and form of austerity policies. The turn to austerity has not occurred in all countries at the same time and has been affected by variations in the size and form of fiscal consolidation (Karamessini, 2014a). Iceland, Ireland and Hungary adopted austerity policies from the very start of the crisis while in Greece, the UK, and Spain the policies began in earnest in mid-2010 to be followed even later by Portugal and Italy.

To track the impact of austerity table 3 takes public administration, education, health and social care as a proxy for public sector employment and shows that in the first phase of the crisis (2008-2010) continued growth in these areas provided protection for overall female employment due to women's high representation. The only exceptions were Iceland and Italy where women's employment fell. During the next phase this protection effect effectively disappeared as a consequence of stagnant or declining overall employment in six countries with growth evident in only Portugal and Hungary. In the UK, Iceland and Greece employment fell by 1.8, 6.4 and 9.8 per cent respectively with the large fall in Greece the combined result of huge reductions in temporary jobs, hiring restrictions and mass take up of early retirement in anticipation of pension reforms (Karamessini, 2014b). Employment is set to decline further as redundancies of permanent public sector employees have just started. Although the effect of these reversals to growth between 2010-2012 was to reduce protection for women the pattern of change

varied with falls in female employment in four countries (though only above the rate for men in Ireland and Greece while in Iceland the fall was roughly equal and in the UK higher for male employment). In the remaining countries female employment rose but only marginally in Italy and Hungary whereas men appeared to be the main beneficiaries of the public works scheme which was launched in Hungary after 2009. Overall employment in these sectors grew by 1.8% compared to only 0.5 per cent growth for women (Frey 2014). Portugal and Spain recorded above 2 per cent increases in employment for women while men's employment grew even faster in Portugal but declined in Spain. However, in both countries where public sector recruitment is now frozen and further job cuts are expected (Gonzalez Gago and Segales Kirzner, 2014; Ferreira, 2014).

**Table 3. Change in employment by total and in the public sector\* in selected European countries 2008-2010, 2010-2012**

%

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

\* It refers to public administration, defence, compulsory social security, education, health and social care.

Source: Extract from Karamessini and Rubery (2014), Table 16.8, p. 326. European Labour Force Survey (Eurostat on line) own elaboration.

The estimation of the full gendered effects of the crisis on public sector employment is not yet possible as fiscal consolidation plans in the Eurozone's periphery countries and the UK are on-going and even tightening. It is even too early to assess whether the austerity will be a "he" or "she" in terms of job loss. It is, however, seriously compromising job opportunities for women, including the higher educated.

### 2.3. Labour market flexibility and deregulation

The crisis has not only changed aggregate trends in economic activity patterns but also employment conditions. In the first place non-standard forms of employment have been used by employers as flexibility buffers involving the flexibilization/ feminisation of employment and working conditions for men. Temporary employment has mainly enabled firms to make rapid reductions in employment to cope with the downturn in demand and to make new hires without offering employment security. Women's greater concentration in temporary jobs pre crisis resulted in women facing greater loss of temporary jobs in seven of the eight countries, the exception being Spain (Table 4). They have also benefited less than men from new hires on such contracts – except in Hungary.

**Table 4. Changes in part-time and temporary employment in selected European countries 2008-2011**

End - initial year change (%)

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

Source: Extract from Karamessini and Rubery (2013), Table 16.9, p. 328. OECD.

The main change in part-time work has been first in the share of involuntary part-time work that has increased for both men and women in all our countries (Bettio *et al.*, 2013, Figure 1.8) and

second the much faster increase in male part-time jobs, while for women the extent of part-time working has remained relatively stable. This development in male part-time work is probably related to the conversion of full-time jobs into part-time to reduce redundancies but men still have a long way to go to catch up with women's part-time employment rate. Hungary has experienced exceptional rises in part-time for both men and women but these are increases from a very low starting point and reflect both work sharing policies and the large-scale public works jobs scheme (Frey, 2014).

The second impact on employment conditions comes from labour market deregulation measures. Pressure for deregulation has stemmed from a policy agenda which has assumed that deregulation will assist not only labour market flexibility and responsiveness but also the austerity aims of internal devaluation in indebted Eurozone countries and reduced public deficit. While the rhetoric focuses on removing privileges for labour market insiders, who are normally expected to be men, in practice many of the policies increase deregulation in secondary labour market segments where women are most affected. Thus the labour market reform programmes have not only focused on reducing wage premiums and other apparently favourable conditions in the public sector but also on reducing legal rights and protections and limiting the extent of the coverage of collective bargaining arrangements in the private sector. These developments not only have immediate short term effects on particular groups of men and women including the unemployed, the low paid, lone parents and public sector employees but also may lead to fundamental changes in social models and gender regimes, as discussed in the next section.

### 3. Austerity and the development of gender regimes in Europe

In the pre crisis period, as we have described, we witnessed a process of converging divergence in European gender regimes as countries with limited female employment and underdeveloped welfare support for care improved their performance, even if significant variation remained around a generally rising European average level of gender equality. In contrast the austerity period

seems likely to lead to renewed widening of differences among countries around a falling average standard of gender equality (Karamessini and Rubery, 2014). This overall decline is certain if gender equality is measured by reference to women's economic position compared to the trajectory for women pre crisis rather than in relation to gender gaps which narrow because men's position is deteriorating faster.

The likelihood of renewed divergences arises from the austerity measures being more severe in European countries that were already towards the bottom end of European rankings by either employment performance or welfare state support or both—for example in Greece, Spain, Italy, Ireland and Hungary. Among the countries we focused on – that are most of those at the centre of the crisis and austerity – only Iceland had a well established gender regime based on both high levels of integration and strong welfare support (Thorsdottir, 2014). The UK, Portugal and in the immediate pre crisis years also Ireland had relatively high employment rates for women, though integration in the UK and Ireland is lower if a full-time equivalent employment rate measure is used. All three countries had moved towards developing more welfare support for working parents but these were emerging developments which rendered them potentially vulnerable in the crisis.

While the time period is too short to assess the longer term outcomes of austerity on gender equality, we can identify current trends within each of the three spheres that directly impact on gender equality – namely the labour market, welfare systems and gender relations – and offer some predictions of potential scenarios. One feature to emerge is the strong scope for contradictions in the different trends and it is through these contradictions that pressure could come to bear upon policymakers to review and possibly change the direction of current policies. Thus the purpose here is not to map out for policymakers a new internally consistent approach to gender regimes, compatible with the austerity vision, but to identify the pressure points and inconsistencies which may yet help to turn the political tide.

### **3.1. Labour market developments**

There are several interacting trends with respect to labour market developments which may lead to considerable changes

both to the absolute and relative positions of women and men in the labour market. Austerity policies, especially when combined with increased deregulation of the labour market, may serve to exacerbate already existing trends or even constitute a turning point in a country's employment model. Labour market change is unlikely to have even effects either by gender or within genders, so instead of discussing overall trends we consider the likelihood of divergent trends by gender and education level, as a proxy also for social class.

If we look first at prospects of lower educated men and women, there has been a long term tendency towards a hollowing out of the labour market in middle level jobs in some European countries (Fernandez-Macias *et al.*, 2012; Hurley *et al.*, 2013) which has negative impacts on prospects for less advantaged men. In the past most men, at least by prime age, might hope to escape from low paid or precarious work, while women faced this prospect often through their life course. Recession and austerity has increased this hollowing out in more countries (Hurley *et al.*, 2013) and in the future one might expect more men to find themselves trapped alongside women in low paid and precarious work. Evidence to support this notion comes from the loss of wage income among men (Bettio *et al.*, 2013), the similarities in men and women's involvement in temporary employment and the high rates of increase in part-time work among men (part-time work as a share of men's employment rose from 7.7% to 9.5% 2007-2012 for EU27 while for women the increase was lower from 31.2% to 32.6% (European Labour Force Survey Eurostat online database).

However, despite these signs of convergence there is still the likelihood of gender specific forms of precarious and low paid work; it is not that plausible for example that care sector jobs, one of the main areas for job growth, will be filled equally by men and women. It is more plausible that these will remain female jobs, either in the formal but low paid sector, or even informal economy jobs filled by migrant female labour (Simonazzi, 2009). It is also likely in countries where most low paid work is part-time that women will continue to dominate these lower paid job areas as the existence of these jobs which do not provide living wages presupposes another breadwinner in the household.

Prospects for those at the bottom of the labour market are critically dependent upon policies to regulate employment conditions, particularly with respect to the level of minimum wages, the extension of collective agreements to non-signatory employers and of course the enforcement of regulation. In most cases so far, while there have been widespread real wage cuts in minimum wage rates (ETUI, 2013), only a few countries – such as Greece and under the instructions of the troika – have introduced nominal wage cuts as well. Austerity measures are also challenging the practices of extending collective agreements – for example in Spain and Portugal (ETUI, 2013) – which is likely to have a major impact on those in the most precarious labour market segments. These changes could signal a turning point, converting these employment systems from inclusive high collective bargaining coverage to exclusive collective bargaining systems where coverage is confined to areas of strong trade union regulation, with potentially negative effects for women.

For higher educated women the most significant labour market development under austerity has been the pressure on pay, employment conditions and jobs in public services where a majority of higher educated women in our country sample tend to be employed (Karamessini and Rubery, 2014: Table 16.6, p. 322). These public sector adjustments have variously involved redundancies, low ratios for rehiring after quits, further outsourcing, wage freezes or wage cuts, barriers to promotion, reduced pensions and/or specific levies for pensions, removal of collective bargaining processes, increases in hours of work and increased work intensity (Rubery, 2014b). This multi-pronged downgrading of the material conditions in public sector employment has been accompanied in many cases by an intensification of the rhetoric against the work ethic and indeed value of public service workers (Cardona, 2009). Given the high importance of public services as a source of employment for higher educated women, the impact of these combined developments can be expected to have strong gender effects, leading to widening of gender pay gaps for the higher educated, even when these are already often higher than for the lower educated (Arulampalam *et al.*, 2007). For some countries these developments are not new; in Hungary as in other Eastern European countries there is a long term tradition of low value

attached to highly skilled work in public services associated often with labour shortages (Rubery, 2014b) but it is also clear that these problems would be likely to be greater if public services were not staffed by women. In short, instead of being relied on as a promoter of gender equality, the state may increasingly rely on women's relatively disadvantaged position to resolve its fiscal problems by downgrading employment conditions.

What are the implications of these divergent developments for the overall prospects for gender equality in Europe in the future? First of all the tendency towards greater convergence between lower educated women and men may detract attention from gender equality as an important social goal, even though this greater equality has only been brought about by a levelling down of employment conditions for men. At the same time education may no longer provide the basis for women to enter into quality employment, particularly for those in countries which have downgraded the size or the quality of public sector employment. Women may in response increasingly seek careers in the private sector but the barriers to entry are unlikely to diminish under the twin effects of austerity which is undoubtedly increasing competition for jobs in the private sector and deregulation which may increase expected working hours and reduce the likelihood of work life balance policies which the public sector has provided in many countries.

A further issue is the future commitment to raising female employment rates which became a mantra of both European and in many cases national employment policies in the decade prior to the crisis. At the European level this commitment has not quite disappeared but has become increasingly invisible (Villa and Smith, 2014), hidden behind a joint employment rate target for men and women and at a national level attention has been primarily focused on job loss for men with the continuing employment gap for women being given limited attention. Furthermore the focus has changed from generating a large labour supply to providing more jobs to resolve the unemployment problem, in particular that for youth. Nevertheless some key elements of the policy of raising the employment rate for women still remain, that is where not working would lead to a charge on the state. Thus in the UK there has been increased pressure on lone parents to work



with ever younger children (Rubery and Rafferty, 2014) and in many countries women are being required to work longer if they wish to be eligible for a pension. Thus inactivity among women is increasingly only tolerated when the responsibility for supporting the inactivity lies with the family, that is with the husband in most cases for mothers or with parents for young people.

### **3.1.1. Social policy developments**

Social policy is critical for gender equality; social provision of care services is the only form of support compatible with women's effective integration into employment which does not result in either some form of exploitation of the labour of other women or in a care deficit (including low fertility rates). There are no examples of effective integration of women, at an aggregate level, based on men's voluntary participation in care work; any changes in the domestic division of labour between men and women have at most been marginal and significant participation by men may be heavily penalised in the labour market without policies to support these gender role changes. The alternatives to social provision are first to rely on other family members such as grandmothers but this policy cannot last more than a generation as grandmothers would then be also in employment; this in fact happened in Portugal, prompting a late development of welfare support (Tavora, 2012; Ferreira, 2014). Where family support is insufficient, women may in fact rely on cheap female domestic labour where wage inequalities are high) or externally sourced female labour in the form of legal or illegal migrant female care labour (in Southern European countries – Simonazzi, 2009). On this basis the inclusion of childcare targets as an element of European employment policy from 2000 onwards represented a major step forward and led to quite widespread development of childcare provision in most of our case study countries. Elder care support was also being developed in some of countries – for example in Spain after a new 2007 law – where the tradition had been to rely on the family.

Against this background of progressive, even if slow, defamilialisation of care, the austerity period appears to be halting and even reversing progressive developments. Announced programmes for childcare development have been halted or closed down

(for example in Italy, the UK) and in Spain the elder care developments have been put on hold. Even the more traditional support for families in the form of child benefits to support the costs of child raising have been cut back in many countries suggesting a reversal in willingness to fund the general costs of social reproduction. These policies have direct and immediate impact on families but particularly mothers who often have responsibility for household budgets. As such they may act to reinforce women's work commitments even as childcare support is being cutback. Much of the current cutbacks are predicated on the expectation that women will take up the slack by providing unpaid care work. However, women have not only invested more in their education but are also likely to be aware of the reduced capacity of male partners to provide lifelong support due to both higher divorce rates and declines in family wage secure jobs. In this context it is unlikely that there will be an orderly retreat by women into domestic work.

Nevertheless the longer term effects on both fertility and the quality of child support may be severe. It is notable that when cases are made for investment in infrastructure to boost growth in the context of prolonged recession most of the focus is on physical infrastructure projects and not on human development projects which are assumed to be less productive (Perrons and Plomien, 2013). In this context the recent announcement of a social investment package from the EU which promotes in particular investment in children (European Commission, 2013) is welcome even though there is little evidence of funding or commitment outside of DG employment within the EU.

Other changes taking place in European social models are also likely to have negative impacts on gender equality. First there are the widespread pension reforms which are adding to the years of full-time work needed for a full pension, with the burden falling particularly on women as they have the most interrupted careers. Some countries provide some compensation for years spent in care work but women's pensions are likely to further lag behind men's as a result of the extended time period for full pensions. In some countries there is also a trend towards more targeted benefits involving more household means testing which has negative impacts on women. This is a relatively new departure for example in

Portugal but is an intensification of a common practice in the UK. However, even in the latter case recent policies are reversing major gains won by women some decades ago and that was for benefits for children to be paid to the main care giver. The new benefit regime will provide all benefits to only one member of the family on the spurious and clearly anti-feminist proposition that the state should not interfere in internal family issues.

### **3.1.2. Gender relations and ideology**

A key issue in considering the future development of gender regimes is the future of both public policy and individual attitudes and responses to gender equality and gender roles. These two dimensions are not necessarily developing in the same direction. Thus, at both the EU and national level, the crisis and austerity has been taken by policymakers as an opportunity to back pedal on commitments to gender equality. This applies not only to the promotion of women's employment within employment policy but also to resources to implement gender equality policies and principles. In Ireland gender mainstreaming arrangements have been discontinued, in the UK budgets for implementing gender equality cut back and gender impact assessments of legislation ended and in Spain the Equality Ministry was dissolved (Karamessini and Rubery, 2014: table 16.11, p. 335).

At the same time at the individual and the household level there appears in many cases to have been a reinforced commitment among women to wage work; under recession and austerity the so-called added worker effect has been dominating over discouraged worker effects (Bettio *et al.*, 2013). These responses by women may serve to keep issues such as childcare on the policy agenda even though policymakers would prefer to return to a situation where the state took no role in childcare provision. These same policymakers would, however, wish women to spend ever longer years in employment in order to earn rights to a pension; these long careers are unlikely to be possible for all if many are prevented from staying in or re-entering employment due to a shortage of childcare. If careers are interrupted for too long a period, women will only be able to return to poor quality jobs and it may be more difficult to sustain these into relative old age. Thus there are many inconsistencies in the approach associated with the

presence of both a traditional view of the family and women's role therein and a set of policies for welfare reform based on the notion of longer working lives for both men and women.

These multiple ideologies or perspectives on women's role are probably always present but the recession has provided fertile grounds for conservative gender ideologies to flourish, most notably in the US with the rise of the Tea Party and more restrictive abortion legislation at state level but also in Spain where abortion rights are due to be curtailed. These movements are not necessarily supported by citizens and particularly by women themselves, as witnessed by the importance of the female vote in the re-election of Obama. In Hungary there has been an explicit move away from gender equality in favour of a more nationalistic family policy by the government (Frey, 2014) but the support for this approach among citizens is unclear. Nevertheless there remains the ever present danger of a conservative ideological backlash, especially in countries where notions of gender equality have not taken strong root.

#### 4. Conclusions

This review has considered the immediate and longer term implications of recession and austerity for a group of eight countries that have been among those most affected by the financial crisis or the austerity policies or both. The implications for the future of both gender equality and social models may thus be expected to be stronger in this sample than across the whole of the EU. However changes induced in these countries could also set in train changes elsewhere, particularly with respect to employment and social models. Nevertheless the changes to date may be expected to be less evident in countries less affected by the crisis such as Sweden, Germany and even France.

The immediate gender effects of both recession and austerity are primarily explained by prevailing patterns of gender segregation interacting with the scale of demand changes. It is gender segregation that primarily accounts for men's higher rate of job loss in the financial crisis and women's prospects of greater job loss under austerity. These predictable short term effects on employment opportunities by gender do not thereby provide an

appropriate measure for longer term prospects; in particular short term reductions in gender gaps as men face demand downturns are not indicative of any underlying trends in the treatment of gender in the labour market. Nevertheless some of the patterns of change uncovered in the labour market, in social policy and in gender relations do indicate longer term consequences but with varied impacts on men and women and by social class. These longer term impacts may apply primarily to this group of countries but to the extent that they imply changes to common trends across Europe, their significance may be more widespread.

The first longer term implication is that the intensity and length of the recession and austerity period is clearly emboldening employers and governments to reduce employment protection and pay for both men and women. This is likely to have longer term consequences in creating more flexible and less regulated labour markets, potentially leading to greater convergence at the bottom of the labour market in the prospects for men and women, even though more women are still likely to be concentrated in this segment. This downward convergence is to some extent already evident in lower pay for men (Bettio *et al.*, 2013) and in higher representation of men among part-time workers. Further trends in that direction are likely to intensify problems of the working poor in Europe, such that being in work will be insufficient for individuals or families to escape poverty (Fraser *et al.*, 2011).

The second longer term implication is that there could be a long term downgrading of the status and pay of public sector employment with particularly negative implications for job quality for highly educated women (Rubery, 2014b). Such a trend would intensify rather than reduce the problems of undervaluation of care and service work undertaken by women by reducing the quantity or quality of employment in the public sector, one area where women have had access to stable protected and more gender equal employment, as public sectors have in many countries been at the forefront of implementation and promotion of gender equality policies. This trend could also mean that the pattern for higher educated or higher class women relative to their male counterparts could go in the opposite direction than for the lower educated, that is towards greater divergence.

This second trend also links to the third and that is the retreat from high quality social services to support and replace women's domestic labour. The slowing down or even reversal of the policy of defamilialisation of care also indicates a potential change in the value attached to these non market concerns and activities, and initiating a further stage in the Polanyian shift to the dominance of the market at the expense of the community. This push towards ever more market values might, as Polanyi (2001) has argued, eventually provoke resistance or a double movement back to greater power to the community over the market. Here, however, we need to recognise Nancy Fraser's (2012) warning that this double movement could imply a push back towards "traditional values". It is thus vital in any resistance to the marketisation of the European social model that the need is also recognised for these traditional values also to be transformed into a more inclusive and gender equal set of values.

The justification, if needed, for continuing with a progressive gender equality policy can also be found in the behaviour of European citizens and households during the recession and austerity. There is no evidence of women retreating from the labour market, or even that they are regarded by employers as less desirable employees; indeed in many countries younger women are faring better in the labour market than younger men, as measured by access to employment, although women may be more likely to accept jobs below the level associated with their education or experience (Elias and Purcell, 2013). Furthermore women's earnings are ever more important for family budgets making it unrealistic to expect any return to a traditional male breadwinner family model.

Women's employment is thus a vital part of any sustainable and equitable model for recovery at both a macro and a micro household level. Contrary to the early years of the European Employment Strategy, there can be no reliance on the state promoting women's employment as an important element of both macro and micro economic sustainability and security. However, there are greater grounds for seeing converging interests of men and women, particularly among lower skilled groups, as both sexes face the problems of downgraded employment conditions and difficulties of making ends meet in single earner households. While developing an alternative macro strategy will still require recapturing the state from the interests of financial capital it is essential

that men and women both agree on a common vision of a more equitable, more gender equal and more sustainable strategy for exiting the crisis (Perrons and Plomien, 2014).

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