

## EUROPEAN LABOUR MARKETS IN TIMES OF CRISIS A GENDER PERSPECTIVE<sup>1</sup>

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The crisis that began in 2008 has hit European countries diversely, causing economic and labour market disequilibria of more or less magnitude. As with past global crises, the current one has gendered implications. While women's employment is said to have been preserved relative to men's in the early stage of a recession, austerity plans implemented in several countries to limit public deficits and debts are deemed to affect female workers more deeply. How gendered are labour market changes in recession and austerity and how should cross-country differences be analysed? The seminal book edited by Jill Rubery in 1988, *Women and recession*, carried out a comprehensive and comparative review of the gendered dimensions of past recessions, and it constitutes an invaluable guidebook for the present. It notably points out the protective role of the gendered segregation of labour markets (i.e. the fact that women and men do not work in the same sectors or occupations): male-dominated sectors (construction, industry, etc.) are generally first hit in recession, while female-dominated sectors (services and the public sector) remain quite sheltered from a quick drop in the demand for labour – but are exposed to job losses at a later stage. Jill Rubery's book also underlines the way changing gender roles and public policies influence women's labour supply in recessions: as women perceive themselves

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as permanent workers, they tend to remain in the labour market even during protracted downturns.

Are common hypotheses regarding the gender-segregation in the labour market or the role of public support for women's participation still relevant to analysing the gender implications of recent crises? Are public policies implemented in times of recession (stimulus packages, fiscal consolidation, labour market reforms, crisis-related social and employment policies etc.) gender neutral or do they impact differently on women's and men's employment?

This special issue of the *Revue de l'OFCE* aims to shed light on the differences in the gendered dimensions of past and/or present crises and related policies' impacts on European labour markets. The issue includes several comparative papers that either deal with gender at the European Union (EU) level, encompassing a variety of European countries, or that focus on more specific groups of countries, such as those most hit by the crisis and austerity: central and eastern European (CEE) countries, or 'continental' countries. To complete the picture, a focus on specific country cases helps understanding the great variety of crises and how related policies impact on gender in labour markets. For instance, in Germany where female employment has apparently been spared the effects of recession in quantitative terms, the focus is on the low quality of women's jobs. In central and eastern Europe, as well as in southern countries such as Greece, Portugal and Spain, male and female employment has been so deeply affected in quantitative terms (both in the recession and in the austerity phase of policy) that poverty and material deprivation have increased for all. In the UK, the impact of the recession and austerity has been selective, increasing existing inequalities by gender and by ethnicity, as well as within each category. In Sweden where the public sector is widespread and female-dominated, the impact of recessions on women's employment has been delayed, occurring in austerity phases through the downsizing of the local government sector.

Various approaches are developed in this issue. First of all, many papers show the importance of the timing of recessions and define several phases with different gender implications, often distinguishing the recession and the austerity phases or adding an intermediate phase of recovery. When it comes to the analysis of crisis related policies, the phases may however sometimes appear less sharply, overlapping instead of alternating, for instance when austerity measures were implemented prior to the crisis – eventually in line with the economic governance of the euro zone or with a previous downturn. Several papers cover the long-term changes in labour market or public policies, trying to identify the impact of recession and austerity on

trends in female and male employment (or foregone employment growth), and/or to question the change in public policies from a gender perspective. Others rather focus on the short-term gender impact of recession and austerity, exploring the relevance of common hypotheses regarding the demand for labour (segregation effect, buffer effect) or the labour supply (discouraged-worker effect, added-worker effect).

*Jill Rubery and Maria Karamessini*, drawing on the collective book they edited in 2013, *Women and austerity*, focus on eight European countries most affected by the Great Recession (Iceland, the UK, Hungary, Greece, Ireland, Spain, Portugal and Italy) to underline the “challenge of austerity” for gender equality. In the short run, the recession phase predominantly appears as a “he-cession” since employment losses are concentrated in male-dominated sectors (construction and manufacturing, etc.) and hit men more than women, leading to reductions in gender gaps and to a downward convergence of pay and employment conditions. This is a common trend in all countries, whatever the initial differences in women’s relative position in the employment structure or the social system and the prevailing social norms on gender roles. The longer term trends are characterised by an austerity phase that may turn into a “she-austerity” whose implications are even more important from a gender perspective. One of the key changes concerns the (female-dominated) public sector that, depending on the magnitude of fiscal consolidation plans, may cease to provide protection from job losses or be exposed to job freezes or deterioration in pay and employment conditions. Such a change exerts a specific pressure on women with higher education, due to their concentration in public service employment. Labour market flexibility and deregulation contribute for their part to a levelling down of (less educated) men and women’s employment conditions at the bottom of the labour market, a change that is liable to weaken gender equality as an important policy matter. Austerity also has negative social implications as regards the gender regimes of work and care. The state’s withdrawal from the provision of social care bears the risk of bringing to an end the “de-familialisation” of care and to hamper women’s access to quality employment, especially for those who cannot afford costly childcare services.]

*H  l  ne P  rivier* analyses the dynamics of women and men’s employment in eight countries (Denmark, France, Germany, Greece, Italy, Spain, Sweden and the UK) that have been diversely hit in the Great Recession. She explores the gender impact of the recession distinguishing three different phases: the recession phase (drop in GDP), the rebound phase (stimulus packages and relative GDP

recovery) and the austerity phase (cuts in public spending impairing the GDP growth). While male employment was more affected during the recession phase and recovered better in the rebound phase, the austerity phase is expected to be particularly harsh for female employment. A shift-share analysis relying on Eurostat data confirms the role of sex sectoral segregation in explaining the gender impacts of recession, but with notable differences between countries. In Spain, sex sectoral segregation has contributed to protecting women relatively from job losses and explains most of the narrowing of the gender gap. Such protection is weaker in Denmark and the UK, where women have experienced more job losses than expected, had their distribution across economic sectors remained the same during recession. Austerity plans have begun to hamper female employment, again with important differences across countries.

**Mark Smith and Paula Villa** adopt a medium term perspective and a holistic view to encompass the full gendered impact of the recession, both on the labour market and on employment policies in Europe (EU27). In the context of widespread rises in female employment rates prior to the crisis, they highlight what they call “foregone employment growth” during recessions, as well as the differing responses of women’s and men’s activity patterns. Reviewing the European Union and Member States’ policies, they show that previous advances in gender equality have also been foregone. Gender preoccupations are no more a priority on the European agenda. At the EU level, the gender perspective has lost the prominent position it had acquired in policy-making since the 1990s. It has been challenged during the recession as governments have responded to the crisis by “reverting to type” and weakening gender equality commitments. For instance, some countries have implemented cuts in their equality-related measures, while others have treated women as a buffer labour force in their crisis-related measures.

Focusing on the case of Central and Eastern European (CEE) countries, **Éva Fodor and Beáta Nagy** find that job and occupational segregation have protected women’s employment more than men’s in these countries as well. After the collapse of State Socialism at the beginning of the 1990s, women and men’s employment declined much, leading to a rise in poverty. By the 2008 crisis, it was far from having recovered from the transformation shock. The Great Recession has led to a sharp deterioration of the situation of women and men in both CEE and Southern EU countries. Examining the evolution of employment and material deprivation in “peripheral” (CEE and the much-affected Southern EU countries) and “core” (Western EU) countries, the authors show that, whereas women in core countries

were not much affected in the first stage of the recession, women in peripheries experienced a deep employment crisis. In these countries, the Great Recession has been an “an ebbing tide” lowering “all boats”: the observed reduction of the gender gaps has been the result of a levelling down, leading to increased unemployment and very deep levels of material deprivation and to decreased job satisfaction for both women and men. If women have been less affected than their male counterparts in CEE countries, they have been much more vulnerable to the 2008 crisis than their western peers.

*Anne Eydoux* focuses on “continental” countries (France and Germany), exploring from a gender perspective the effects of the 2001 and 2008 economic downturns and their policy responses. During the Great Recession, France experienced a significant rise in both male and female unemployment, while Germany apparently witnessed a (gendered) “employment miracle”: unemployment rates only temporarily increased for men but continuously decreased for women. Germany is thus often cited as a model for France, especially for its structural labour market reforms (decided in the early 2000s when the country was in recession and experiencing a deep employment crisis). These reforms are often presented as the reason for its current employment performance. In both countries, economic downturns have hit male-dominated sectors and men’s jobs first, thereby leading to a reduction or a reversal of the unemployment gender gap and challenging the male-breadwinner model. But women have not been spared: their employment and social conditions have been impaired by austerity measures and “structural” labour market reforms. While recovery plans and labour market policies developed in the earlier stage of recessions have tended to provide support to the male-dominated sectors and to the male labour force, structural reforms have deteriorated the quality of women’s employment.

*Claudia Weinkopf* provides further insights into the trends and patterns of female employment in Germany, showing that the country’s good employment performance in quantitative terms may also be analysed as a defeat in terms of gender equality. The recent economic crisis did not significantly hit female and male employment nor directly challenge gender equality. But before, during and after the recession, real progress towards a more equal German labour market has been hindered by labour market reforms and an institutional framework that remains very ambiguous and inconsistent as regards the role of women in the labour market. The so-called German “employment miracle” has been accompanied since the mid-2000s with a rise in low, hourly-pay jobs for women and atypical or marginal forms of employment. Women’s employment growth has been prima-

rily based on a steadily rising number of part-time jobs and mini-jobs (encouraged through incentives to keep the monthly earnings below a pay threshold of €450) that confines them to a second earner position, while reconciliation instruments now (since August 2013) provide for a new payment for caregivers who are not using childcare.

*Yolanda Peña-Boquete* focuses on Spain, a Southern country among the most affected in the Great Recession. Prior to the 2008 crisis, women's position in the Spanish labour had improved as regards all outcomes (level of education, employment rate, participation) but the unemployment gender gap had resisted quite strongly: women kept having a much higher unemployment rate than men, up to twice as much in some periods. This gap almost disappeared during the Great Recession. The author compares the gendered responses of unemployment in the 1992-1993 recession and during the most recent one. The decomposition of changes in female employment shows that whereas the buffer effect was central during the 1992-1993 recession (women in unstable jobs acted as a labour force buffer), the segregation effect has been more significant in the ongoing recession. The observed reduction of the unemployment gender gap in the Great Recession results from women's over-representation in less cyclical or protected sectors (segregation effect) while male-dominated sectors were both most hit by the economic downturn and exposed to job losses, due to a higher share of temporary jobs (men-detrimental buffer effect).

*Maria Karamessini and Franciscos Koutentakis* explore the case of Greece, which is particular in a number of respects. Greece has experienced the deepest structural crisis in its recent history and has been through an austerity cure resulting in a further fall of its GDP, which slumped by 20.1% from 2008 to 2012, while employment dropped by 17.5% and unemployment increased by 3.3 times. Analysing the gender impact of the crisis, the authors show that, while male employment retreated much more than female employment as the Great Recession impacted male-dominated sectors more, the gender unemployment gap has remained remarkably stable. Their thorough analysis suggests two simultaneous explanations of this apparent puzzle. They interpret supply-side responses in terms of a discouraged-worker effect for men, whose falling participation mitigated the rise in unemployment, and in terms of an added-worker effect for women: inactive women joined the labour force in increasing numbers while employment opportunities were still shrinking, thus boosting their unemployment rate.

*Pilar Gonzáles* points out some distinctive gender features of the Portuguese labour market when compared to its southern neighbours

Greece or Spain: the traditionally high rates of female participation and employment. As in the Greek case, the recession started with the crisis of 2008 and continued with austerity measures implemented under the auspices of the Troika. It resulted in a rise of unemployment to huge and unprecedented levels both for women and men as well as in increasing inequalities. As in many other countries, the unemployment gender gap closed during the Great Recession because male-dominated sectors have been hit more. It cannot be interpreted as a step towards gender equality when it occurs under massive unemployment affecting both sexes. Moreover, the gender segregation of the labour market did not diminish. Pay and poverty gaps did not notably change and remained gender biased, disadvantaging women. According to the author, previous achievements in gender equality have nevertheless been sufficiently incorporated into the institutional and legal framework, so as to ensure that they are not reversible during recession, even if the gender dimension has lost visibility in the public debate, hampering further progress.

*Anthony Rafferty* examines labour market developments and government policy responses in the UK after the crisis of 2008, during both the recession phase and the unfurling austerity phase. In the country's high-inequality economic model, he analyses the way the experience of recession and austerity has differed, not only by gender but also by ethnicity. He highlights both the varying overall effects by gender and the tendency for ethnic minority women and men to have fared worse than UK born white women and men in the recession phase. Austerity policies, because they negatively impact on public sector jobs and welfare expenditures, tend to intensify further existing inequalities, and to affect women disproportionately. Longer term trends in growing female labour market participation are nonetheless unlikely to be reversed: women in the UK will remain as committed to the labour market as before, even if many more have a rougher time of it.

The Swedish case is analysed by *Anita Nyberg*. In Sweden as in other Northern European countries, female and male employment rates are high. The labour market is highly segregated and women are over-represented in the public sector. The rapid development of this sector has long facilitated the expansion of women's employment, simultaneously creating jobs and facilitating the reconciliation of work and care by providing child and elderly care. This feature has made women relatively sheltered during recessions, which have more affected male-dominated activities. But it has turned into a disadvantage for women in times of austerity. Comparing the short-term and long-term gender impact of two economic recessions (1990-1993 and

2009) in the private and public (state and local government) sectors, the author shows that women's employment has not been protected. During recessions and recoveries, the share of women in total employment increased (especially in the private and in the state sector). But the downsizing of the local government sector resulting from budget consolidation policies and changed political priorities led to a loss of female employment in this sector (and to employment transfers to the private sector). Structural transformations towards a bigger private service sector and employees with higher education may also benefit women. From 1990 to 2013, employment rates declined by 8% for both sexes, and the share of women in total employment remained unchanged.

All of these contributions demonstrate the importance of a gendered analysis of labour markets and public policies in recession and austerity. They show that the observed reduction in gender employment or unemployment gaps in the first stages of recession do not mean that gender equality has improved, because the narrowing of gender gap is mainly due to the deterioration of men's situation. Besides, this may lead to considering gender equality as being of secondary importance. The extent to which women are hit during recessions may be underestimated because of a focus on the short-term dynamics of employment and unemployment, or on quantitative changes instead of qualitative issues (such as job quality or more generally quality of life). In-depth analyses of changes in labour markets and public policies during recessions reveal that advances in gender equality in recent years in both older and newer members of the EU are always at risk of being suspended or reversed. In this sense, economic crises and the responses to them may jeopardize the progress towards gender equality.

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