

# The Price of Austerity

## The impact on women's rights and gender equality in Europe

**“POVERTY RISKS FOR WOMEN WHO HAVE EXPERIENCED VIOLENCE AND FOR  
MULTIPLE MARGINALIZED GROUPS OF WOMEN”  
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# Presentation

1. European Women's Lobby
2. The price of austerity – impact:
  - ✓ Women's work and wages
  - ✓ Cut backs in public services and benefits
  - ✓ Reduced funding for women's rights
  - ✓ Recommendations
  - ✓ Conclusions





## The voice of European Women

- ✓ The largest umbrella organisation of women's associations in the EU, with more than 2000 member organisations:
  - ✓ 30 National Coordinations
  - ✓ 21 European-level member organisations



# The voice of European Women



## The price of austerity -

The impact on women's rights and gender equality in Europe



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# EWL report on the impact of austerity

- ✓ Follow-up of the EWL/Oxfam 2010 study “*The Invisible Crisis?*”
- ✓ Focus on austerity - unprecedented cuts in public spending
- ✓ Questionnaire for EWL members (answers from 13 countries)
- ✓ Not a complete comparative overview; snapshots that help to identify new trends



# The impact of austerity - three key areas

1. Public sector lay-offs and wage cuts
2. Cutbacks in services and benefits
3. Reduced funding for women's rights and gender equality



# Cuts in public sector jobs and wages - what is at stake?

Public sector has played a role in promoting gender equality in employment

38% of employed women in the EU work in the public sector

Good quality jobs (job security, pensions rights, reconciliation policies)

Better wages

Public services enable women's paid employment



# Cuts in public sector jobs and wages - what is at stake?

- Women constitute 69.2% of public sector workers in the EU: changes in public sector jobs and wages affect women more
- Cuts have hit female-dominated sectors of health and education hardest: Teacher's minimum salary in Latvia cut by 30% to €6000 per year; the gender pay gap has increased from 13.4% to 17.6%.
- Significant lay-offs in Greece (-25%), the UK (-20%), Romania (-10%) and Latvia (-10%)
- Wage cuts or freezes in at least 13 countries





# Women in employment Not a he-cession after all

Women as affected by unemployment as men since 2010

Women's employment rate: from progress to stagnation

EU average: **62.3%** in 2011; **62.8%** in 2008; **60%** in 2005

Women's employment rate has dropped to the level of 2005 in 12 countries

GR, ES, RO, SK, IE, DK, UK, PT, SI, LT, LV, EE

Temporary freeze or a permanent threat to women's economic independence?



# Working conditions and wages

Increasing precariousness

Wage cuts in public sector push women to economic insecurity

In Portugal in 2012 the hourly salary of a nurse on a temporary contract is €4, €2 less than in 2011

Cuts reduce women's average wage, may turn back progress in closing the gender pay gap

EU average gender pay gap decreased 2008-2010

Positive trend already reversed in Romania and Latvia



# Beyond employment statistics

The narrowing of gender gaps in employment is not a sign for gender equality!

Levelling down, not equalising up

Feminisation of working conditions

Women in a more precarious position when unemployed

Gender differences in access to and level of unemployment benefits

Unpaid work is increasing, so is the gender gap



# Cutbacks in services and benefits

## From economic crisis to care crisis?

Reduced availability and affordability of care services may lead to reprivatisation of care and reinforce traditional gender roles

Public kindergartens closed down (GR, PT)

Limited after-school activity (IT)

Care services for elderly and disabled limited (IE)

Compensation for childcare costs reduced (UK)

Women's difficulties to reconcile work and care responsibilities are already increasing!



# Cutbacks in services and benefits

## From economic crisis to care crisis?

Cuts in care related benefits reduce the economic independence of women with care responsibilities

Maternity leave (PT, FYROM, RO), parental leave (DE, SI, PT)

Child benefits cut/frozen (IE, FI, UK, DK)

Other care-related benefits cut (PT, CZ, EE, IE)

Limited access to benefits (UK, PT, CZ)

Savings on policies to enhance men's participation in unpaid care are a threat to gender equality

paternity leave benefit withdrawn (EE), paternity/parental leave reforms postponed (ES, DE)



# Cuts in other services and benefits

Cuts threaten women's economic independence because women use public services more than men and rely more on social benefits

- Cuts in healthcare services (PT, RO, GR)

- Cuts in social benefits (e.g. disability benefit in IE)

- Cuts in pension benefits and new rules (GR, IE, FR)

- Increased VAT burdens least well off (RO, CZ)

Cuts in **VAW services** (ES, UK, IE) at a time when VAW reported to increase

Cumulative financial impact: lone mothers and single female pensioners hit hardest?

- In the UK lone parents losing services worth 18.5% of their income



# Reduced Funding for Women's Rights

Disintegrating gender equality institutions

The weakening of gender equality institutions/bodies undermines international commitments to women's rights

closures and mergers of institutions/bodies

(RO, ES, TK, IE, DK)

drastically reduced funding for institutions

(IE, UK, GR)

reduced funding for gender equality projects

Have supportive policies and funding for gender equality been linked to the upswing economic cycle?

Are gender equality policies a 'luxury'?



# Reduced Funding for Women's Rights

Struggling women's organisations

Reduced funding for women's organisations is curtailing vital services provided by them:

All types of organisations affected

Cuts in public core funding

Reduced public and private grants

Difficulty to recruit volunteers

Is reduced funding silencing women's voices?





# Recommendations

Addressed to:

EU Member States

European Commission

Women's organisations



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# Recommendations

## EU Member States (short and long term):

- ✓ Invest in women's rights/gender equality
- ✓ Prevent further cutbacks that deteriorate women's living conditions
- ✓ Gender impact assessment – budgets and economic policy reforms
- ✓ Gender budgeting – subject budgetary/taxation measures

Protect vital services

## European Commission:

- ✓ Leadership role in mitigating gender impacts of austerity – through European Semester :EU 2020 processes
- ✓ Long term vision for long term future – replace short-term fiscal stability policies
- ✓ Gather data beyond the labour-market
- ✓ Greater co-ordination: gender equality, employment, economic

## Women's organisations:

- ✓ Mobilise around budgetary policies, independent gender impact assessment of budgets, seek more consultation



# Conclusion

Somebody pays for the savings; every cut has a price  
Cutbacks are paid from the pockets of women and those with little voice in economic decision-making

Cumulative effects of austerity threaten to turn back time on gender equality:

- Women's economic independence compromised

- Feminisation of poverty heightened

- Risk of reprivatisation of care and return to traditional gender roles

- Voices of women's organisations and gender equality institutions silenced

Women's organisations must get involved in financial decision-making to ensure that gender impacts are assessed, mitigated, addressed.



**More information:**

**[www.womenlobby.org](http://www.womenlobby.org)**

**Thank you for your  
attention!**



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