

Analysis Note: Gender Equality and Recession

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EXECUTIVE SUMMARY

The current economic situation presents a number of challenges to European policy makers and labour markets. Indeed the crisis has been described as being different to previous recessions in severity and impact. One key difference about this recession is that the impact is likely to be more evenly shared by women and men, markedly different to that in the recessions of the early 1990s and early 1980s. Women now account for a much greater proportion of the labour market and the growth of dual earning means that many more households rely on two incomes to make ends meet. As a result the impact of female job loss has a significant knock-on effect on household incomes whether they are single female-headed or dual earner households. Indeed male job loss in dual earning households creates female breadwinners and thus the impact of labour market inequalities along gender lines are felt not only by individual women but by the whole household.

The early signs from this recession show that women are already experiencing negative outcomes in terms of employment and unemployment, marking this downturn out from previous ones. Although men have reached parity with female unemployment at the EU level, women's unemployment remains above men's in a majority of Member States. High profile male job losses and restructuring have been accompanied by losses in sectors previously more insulated from the effects of recession and, importantly, gender mixed. While there is no evidence of women's employment being impacted upon disproportionately, there is evidence of an impact upon women and men; thus policy responses that recognise this 'equality' are required.

Policy responses to the crisis risk jeopardising advances made in women's employment or the enhanced status of equality in recent years. Gender equality is at risk if the downturn is used as a reason to slowdown progress on equality policies or even to rethink 'expensive' policies that help women on the labour market. In the past incentives to leave the labour market using long-leave schemes have been used to encourage women to (re)adopt a traditional division of labour and although there is no evidence of women wanting to change their labour supply patterns such policies risk reversing advances made in women's employment against Lisbon targets. When faced with challenging times some employers may be tempted to limit or cut policies that aid women yet this approach may have longer term consequences for retention and aggregate levels of female employment. Negotiated concessions to protect levels of employment also need to recognise that women are already more likely to be employed in flexible jobs, be lower paid and/or work shorter hours, thus concessions risk a negative impact on inequality.

The responses to the recession at the European and national level also represent an opportunity and transformational moment to modernise labour markets and promote gender equality. Women's employment has gained much greater prominence since it has become a central plank of the European Employment Strategy and key to boosting European employment rates. Policy makers have the opportunity to implement policies that could change the nature of the labour market for more gender equal outcomes in the future. Furthermore a gender sensitive analysis at this moment also has the advantage of avoiding unintended consequences of ineffective policy or unintended outcomes. Investment in social infrastructure is an opportunity to modernise Europe, promote equality and can be seen as a parallel strategy to investment in green technologies modernising the physical infrastructure. Therefore gender equality should not be a fair weather policy priority but an essential tool in times of boom as well as bust.

INTRODUCTION

This analysis note documents the initial impact of the current economic crisis on women and men, attempts to locate the current trends in the wider context of previous downturns and also identifies the risks and opportunities in current and future policy responses. The central role women have in European labour markets means that a gendered understanding of the current crisis is important to both understand the likely outcomes and also avoid ineffective policy responses or unintended increases in inequality. Indeed the factors affecting women's employment in times of growth do not disappear and continue to act in recessionary times so, for example, the organisation of family and economy will continue to generate constraints and pressures on women workers. The pivotal role women have in meeting the targets of the European Employment Strategy clearly illustrates their importance on the labour market and the need to protect and build upon the gains made. As such gender equality policies and gender mainstreaming are essential tools to understand labour market processes and develop effective responses in both good and bad economic conditions.

This crisis has been described as being different to previous recessions and comparisons have been made with the economic crisis of the 1930s. Indeed in March 2009 the head of the IMF said that he “expects global growth to slow below zero this year, the worst performance in most of our lifetimes” (Wearden 2009). However, there is another key difference about this recession; both the role and impact upon women is likely to be markedly different to that in the recessions of the early 1990s and early 1980s¹ – not least because they account for a much greater proportion of the labour market. High profile job losses in the automobile sector have also been accompanied by losses in sectors previously more insulated from the effects of recession and, importantly more gender mixed, for example finance and retail (EuroFound 2009a). While the effects on the automobile sector make many of the headlines women's job losses are not so prominent in the media, even when they are taking place (TUC 2009). It is hard to argue that this recession will not be different for women and men to previous recessions although there is a debate over the extent to which women are or will be disproportionately affected (Philpott 2009; TUC 2009; US Senate 2008). However, the important point to make is that women *and* men will be affected rather than trying to predict who will be most affected.

Women's Role has changed since the last downturn...

A lot has also changed since the last recession. European economies have grown strongly for a number of years and the rises in female employment have bolstered European labour market performance. During the last recessionary period women accounted for a smaller proportion of employment, pay gaps were larger and share of dual earning households lower. Furthermore there seemed to be some protection from the sex segregation of female and male jobs with male-dominated manufacturing taking the brunt of the job losses. What is different about this recession is that women are significantly more integrated into the labour market than was the case in previous recessions and their attachment to the labour market stronger. There is also a greater reliance on this attachment in the form of women's contribution to household income – in short they ‘have more to lose’ (EHRC 2009a). However, to quote Senator Edward Kennedy, chair of the *US Senate Committee on Health Education, Labor and Pensions*, “despite their critical role in the workforce and in raising families, women and their vulnerability in economic downturns have received too little focus” (US Senate 2008:2). Indeed the critical nature of female employment can be seen in both female-headed

¹ The end of the dot.com bubble in the late 1990s caused widespread stock market losses but did not lead to a recession nor the job loss being witnessed now across the European and the global economy.

households and in dual earning households where male job may loss create female breadwinners. Here the impact of women's disadvantage and gendered labour market inequalities are felt by the whole household and the case for equality is clear.

This Analysis Note is structured around three broad sections; firstly, the Note considers current employment trends and places these in historical context; secondly, the impact of government and employer policies are considered; and the final section explores the opportunities and threats that responses to the economic crisis provide in achieving European goals of high employment and equality.

WOMEN'S AND MEN'S EMPLOYMENT IN A DOWNTURN

The most recent data from across the EU show that labour markets are starting to react to the economic downturn (CEC 2009a). In the media there is a constant stream of news from companies announcing job losses or special measures because of declining business (EuroFound 2009a) and employment difficulties are now being experienced across many sectors as consumer confidence continues to fall (CEC 2009b). The severity of the impact across the EU has not been as extreme as in the USA but European unemployment rates are have risen with the Union officially in recession. However, the use of internal flexibility has allowed firms to protect jobs rather than reduce their workforce (EuroFound 2009a) but the outlook is for a further deterioration in the labour market in the months ahead and rising unemployment; with most recent forecasts once again revising downwards economic prospects (CEC 2009c; CEC 2009d); unemployment is forecast to rise to 11% in 2010.

Table 1: Female Share of Employment during Past and Present Recessions, selected EU Member States

	1971	1982	1992	2007
Belgium	32%	36%	40%	43% ⁹
Denmark	41% ¹⁰	45%	46%	47%
Finland	45%	47%	48%	48%
France	36%	40%	44%	47% ⁸
Greece	n/a	31%	35%	39%
Hungary	42%	48%	49%	45% ⁹
Ireland	27% ¹	30%	33%	42% ⁹
Italy	28%	32% ⁷	35%	39%
Luxembourg	26% ⁴	32% ²	35%	43% ⁹
Netherlands	28% ³	33% ⁶	39%	45%
Norway	36% ⁴	41%	46%	47%
Poland	n/a	48%	46%	45% ⁹
Romania	n/a	44%	47%	46% ⁹
Spain	26%	28%	33%	41%
Portugal	40%	40%	43%	46%
Sweden	40%	46%	49%	47%
United Kingdom	38% ⁵	41%	45%	47% ⁹

Note: 1. 1973; 2. 1991; 3. 1977; 4. 1972; 5. 1975; 6. 1983; 7. 1989; 8. 2006 (ILO); 9. 2006 (Eurostat); 10. 1981
Source: ILO LABORSTA Labour Statistics Database 2009; Eurostat (2008a: figure 44)

It is evidently too soon to make definitive statements about how women and men will be affected by the current crisis but greater equality on labour market, at least in numerical terms, means that there is going to be a greater 'equality' in the impact of the current crisis. Table 1 demonstrates the significant increase in female share of employment over the past four decades at each recession point; the increased shares are particularly marked in Member States such as the Netherlands, Ireland and Luxembourg.

Sex segregation of employment has shaped the impact of previous recessions...

A number of studies highlight how women have been relatively well protected in previous downturns both in Europe (Rubery et al. 1999) and the US (Goodman et al. 1993). Rubery et al. show how rising female employment rates compensated for falling male rates in the early 1990s. Studies have also shown how women's concentration in services has both protected them and led to a rise in employment while men's employment has declined during downturns (Humphries 1988; Rubery et al. 1998). For the 1980s recession Bouillaguet-Bernard and Gauvin (1988) show for France how women's job areas continued to grow in recession and found no evidence of women substituting men (see box 1). During the 1980s recession women's employment actually continued to rise in the US while employment for men and young people were hard hit (Williams 1985). Williams suggest his results are not based on women joining the labour market to compensate for male job loss but rather the differential demand and protection afforded by segregation at the time. The United States is a useful comparator to highlight the impact of recessions on women and men, not least since it entered the current recession somewhat earlier, and certainly more steeply, than Europe. Goodman et al. show that in each of the last five recessions, men have lost at least nine times as many jobs as women and claim that "this fact is primarily attributable to the distribution of male and female employees in the various industries and the degree of cyclical job loss in each industry during recessions" (1993).

Table 2: Where are the job losses in the EU?

Sector (% feminisation)	% Planned job reductions	% planned job creation	% female employment	% male employment	% total employment
Health / social work (78%)	<1%	<1%	17%	4%	10%
Education (71%)	<1%	<1%	11%	4%	7%
Hotels / restaurants (55%)	<1%	7%	5%	3%	4%
Other services (54%)	<1%	1%	6%	4%	5%
Financial services (52%)	14%	6%	4%	3%	3%
Retail (49%)	11%	31%	16%	13%	14%
Real estate / business activities (44%)	4%	8%	9%	9%	9%
Public administration (44%)	12%	4%	7%	7%	7%
Agriculture/fishing (37%)	1%	<1%	5%	7%	6%
Manufacturing (31%)	43%	25%	13%	23%	18%
Transport / communication (26%)	11%	8%	4%	8%	6%
Utilities (22%)	1%	1%	<1%	1%	1%
Mining / quarrying (12%)	1%	7%	<1%	1%	<1%
Construction (8%)	2%	2%	1%	13%	8%
Total (44%)	100%	100%	100%	100%	100%
N =	592027	234934	-	-	-

Note: sectors ranked by women's share of employment (figures in parentheses)

Source: Author's Analysis of Eurostat and European Restructuring Monitor data (Eurofound 2009c)

Some of the early signs of the current recession suggest the insulation women experienced in previous downturns is unlikely to operate to the same extent. However, part of the problem in analysing the early evidence of the current crisis is the lack of gender disaggregated statistics in the most recent statistical releases. The job losses reported by the European Restructuring Monitoring Unit (EuroFound 2009b) are unfortunately not available by gender but these data do allow us to get an early picture of the level of protection male and female job areas are offering. Table 2 shows the distribution of announced job reduction and creation alongside

both the share and concentration of women and men within sectors². The early signs of job loss show that jobs are being lost not only in male-dominated manufacturing and transport as in previous recessions but that there is also significant job loss in the gender-mixed financial services and retail/wholesale. The absence of suitably gender disaggregated data makes it harder to analyse these short-term trends.

Box 1. What Explains the Patterns in Women's Employment during a downturn?

There are various explanations for the impact of an economic downturn on women and broadly speaking these can be grouped into three areas (Rubery 1988);

- The “silver lining” of the segmentation of the market suggests women's concentration in “insulated” industries and occupations provides relative protection (segmentation hypothesis)
- Women's weaker position as marginal employees and new hires makes them more prone to job loss and thus they lose jobs first and are further disadvantaged by social attitudes and seniority rules favouring men (buffer hypothesis).
- Women's position as new entrants and also their lower pay and conditions creates new opportunities for them as men are laid off (substitution hypothesis)

Although these explanations appear to be in tension with each other there is evidence to suggest that they can occur simultaneously across different sub sectors of the labour market (Humphries 1988). For example, women's concentration in personal income-sensitive services can make them vulnerable to the initial effects of recession, just like men, while the sex segregation of some manufacturing jobs may protect women from the effects of the recession in other sectors. Similarly women's concentration in the public sector may provide initial protection but then expose them to the impact of subsequent squeezes on public spending or employment (Baden 1993).

For those women without employment or having lost jobs we also find a number of explanations for the impact of the economic slowdown on their behaviour (Bosworth et al 1996);

- An added worker effect suggests women join the labour force in increasing numbers, and often at low wages, to compensate for falling real household incomes that result from male job loss.
- A withdrawal or discouraged worker effect suggests that as labour market conditions worsen women leave registered or official measures of unemployment

Once again these explanations are not necessarily competing and both the added and discouraged worker effects can simultaneously operate. The added worker effect seems to apply particularly to lower-income groups while middle-income women may adopt withdrawal strategies rather than enter a depressed labour market (Baden 1993).

However, in terms of isolating the exact impact of a recession on women's employment Baden (1993:2) points there are difficulties in trying to separate out the impact of a recession from the longer-terms secular increase in female participation. Indeed Humphries and Rubery (1984) argue that one should not try to estimate the impact of recession on women's employment in the abstract since neither production or social reproduction are autonomous and all workers will continue to be subject to national, industrial, social, technological, trade union, and political pressures during recessions as well as in times of growth.

Male Unemployment Rates catch up women's...

Up to date European statistics tend to focus on unemployment rates with their inherent problems for assessing female labour supply. Nevertheless in March 2009 the gap between male and female unemployment rates had closed, from 1.4 percentage points two years earlier, since the male rates have risen by more than those for women at the EU level (CEC 2009e; Eurostat 2009c). When European unemployment rates began to rise in May 2008 (EuroFound 2009a), female unemployment exceeded male rates in 20 member states and by almost a percentage point at the EU27 level. Table 3 shows the trends over the period since the unemployment low point with male and female unemployment rates converging in all but Estonia. Male unemployment rates have been rising in all but one Member State (overtaking female rates in five) and while female rates have risen in 23 – exceptions being Slovakia, Slovenia, Netherlands and Germany - female unemployment rates remain higher than men's in 15 Member States.

² The reliance on media sources for reporting job creation and destruction and the threshold of 100 job losses for inclusion in the data base may underestimate job creation/destruction in smaller firms where women tend to be found.

Table 3: Trends in European Unemployment Rates May 2008 – January 2009

	Female unemployment greater than male unemployment May 2008	Male unemployment greater than female unemployment May 2008
Female unemployment greater than male unemployment Mar 09	Belgium, Czech Republic, Estonia, Greece, Spain, France, Italy, Cyprus, Poland, Portugal, Luxembourg, Malta, Netherlands*, Austria, Slovakia, Slovenia,	
Male unemployment greater than female unemployment Mar 09	Bulgaria, Denmark, Hungary, Finland, Sweden,	Germany, Ireland, Latvia, Lithuania Romania, UK,

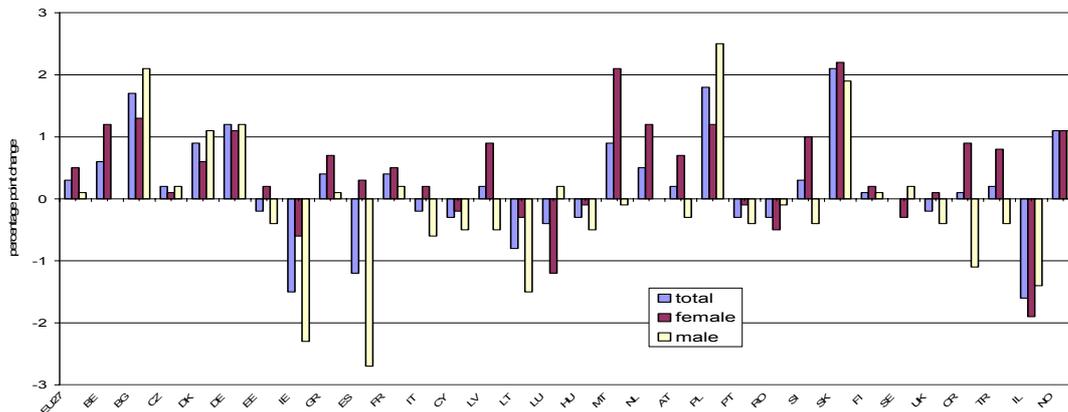
Note: * male and female rates equal in March 2009

Source: Eurostat 2008a; 2009a; 2009b; 2009c;

Employment Rates falls for both women and men...

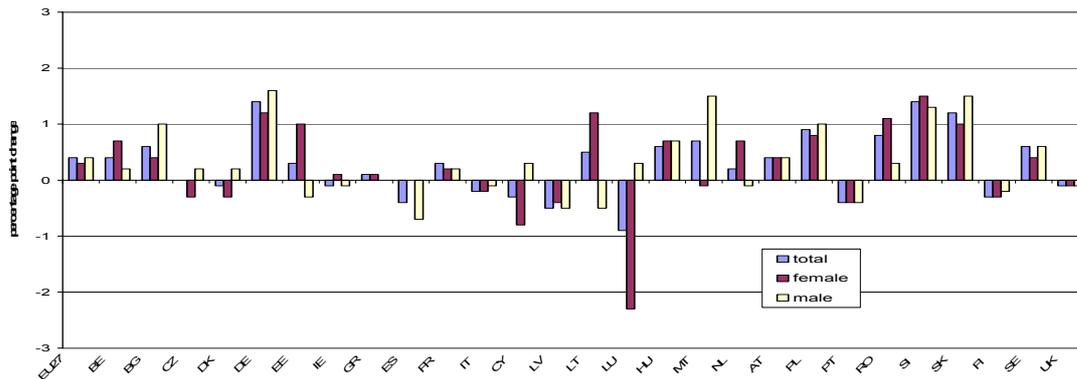
The available information on employment rates only extends to the third quarter of 2008 so the evidence of the impact of the recession is very limited. For the year to the third quarter of 2008 we see employment rates rising by 0.3 of a percentage point in the EU27 with this global figure made up of falling rates in 11 member states. The declines in employment rates for men were more numerous, 16 member states compared to six for women. On the other hand, in Luxembourg, Romania and Sweden the falls in employment rates for women exceeded those for men (figure 1a).³ The results for the last quarter for which we have data, between Q2 and Q3 2008, show falling employment rates for ten Member States for women and men (Figure 1b). In fact we see declines in female employment rates in eight Member States that are either more severe than men's or accompanied by a slight rise in male employment rates. Between Q2 and Q3 2008 there are only four member states where male employment rates fall and women's remain stable or rise. These early signs seem to show the recession having a negative effect on both women and men where they were previously concentrated on men only but also highlight the risks of focusing only on trends in unemployment as a key labour market indicator.

Figure 1a: Percentage point change in employment rates, year to Q3 2008



³ Iceland too experienced a fall in the overall employment rate of 1.6 percentage points, with the fall for women of 1.9 percentage points exceeding that for men. Although these results are in line with other reports from Iceland (see box 6) the provisional nature of these data means that the results need to be regarded with caution.

Figure 1b: Percentage Point Change in employment rates, 2008 Q2-Q3



Once again the US provides a useful comparator. Mishel et al.’s (2003) analysis of six US recessions shows that the impact of each recession on women’s employment rate has got progressively greater. Table 4 shows that in the two previous US recessions in 1990-92 and 2000-02 the gender difference in percentage point terms was less than two percentage points compared to 6.1 (1979-82), 3.5 (1973-75) and 2.5 (1969-71). Table 4 also includes an up date of the position of women and men in the most recent recession and these new BLS data seem to confirm the pattern of male employment rates falling more sharply than those of women but also one of increasing severity of each successive recession on women’s employment: the female employment rate in the US has already declined by more than in any of the previous recessions analysed by Mishel et al.

Table 4: Change in US employment rates over six recessionary periods: percentage point change from unemployment’s low to high point (most recent data for current crisis)

	May 1969 – Aug 1971	Oct 1973 – May 1975	May 1979 – Dec 1982	June 1990 – June 1992	Oct 2000 – June 2002	Mar 2007 – Feb 2009
All						
Men	-2.6	-4.0	-5.8	-2.3	-2.1	-4.1
Women	-0.1	-0.5	0.3	-0.7	-1.4	-1.5
(gender gap)	(2.5)	(3.5)	(6.1)	(1.6)	(0.7)	(2.6)
White						
Men	-2.3	-3.6	-5.5	-2.4	-2.1	-4.2
Women	-0.1	-0.5	0.5	-0.7	-1	-1.2
(gender gap)	(2.2)	(3.1)	(6.0)	(1.7)	(1.1)	(3.0)
African American						
Men	n/a	-7.6	-8.8	-3.0	-2.4	-4.7
Women	n/a	-2.9	-1.3	-1.1	-3.2	-2.8
(gender gap)	n/a	(4.7)	(7.5)	(1.9)	(0.8)	(1.9)

Source: US Current Population Survey (Mishel et al. 2003: table 3.7; BLS 2007; BLS 2009)

These early signs on both sides of the Atlantic show both similarities and differences with previous downturns. Male employment seems to have been hit hard but women’s employment rates have also suffered. Male unemployment rates have risen and caught up the female rate at the EU level yet still remain below those of women in the majority of Member States. The inconsistency of these European results for employment and unemployment rates highlight how the unemployment rate measure does not necessarily capture the full impact of the changing economic conditions for either women or men. Indeed national data confirm that falling employment rates for women are not necessarily accompanied by similar rises in unemployment rates (for example, in the UK (Stratton and Adetunji 2009; TUC 2009)). Sofer (2005) describes how women who lost their jobs in the 1980s recession took much longer

than men to return to employment and faced with a broader range of destinations other than unemployment (see also Margolis 2002). As with other areas of labour market performance the statistics often disguise feminised patterns of behaviour shaped by national rules and norms around labour market activity as well as the constrained labour supply decisions women face (see box 2).⁴

Box 2: Gender Equality and Employment in Transition Countries, with a focus on Bulgaria

It is possible to draw some parallels between the impact of the current recessionary conditions and the quantitative impact of the transition and adjustment in the Member States of Central and Eastern Europe.⁵ When studying the effects of transition on gender equality and employment, one should remember that during Communism men and women were obliged to be in employment and their ‘equality’ there was guaranteed by the Constitution and the Labour Law. The equality meant no differences regarding access to employment and payment, working time and working conditions, etc. but there were inequalities caused by the unequal distribution of male and female labour among economic sectors, branches and activities. Overall the effects of the transition on the female employment led to a 26.2% decrease in employment between 1989 and 2007 and 25% for male employment. However, the dynamic of shrinkage of male and female employment differs depending on the speed of economic restructuring and sectoral changes. Thus, during the first years of the transition (1989-1997) female employment decreased faster, while after 1998 the situation was reversed. The restructuring of the so-called “heavy industries”, i.e. mining and quarrying of energy-producing materials, has raised male unemployment while closure of textile, clothing, and food enterprises reduced female employment. As a result, unemployment increased for both genders, however, up to 1997 female unemployment was higher (15.3% compared to 14.7% in 1997) while for the period 1998-2005 female unemployment dropped below male unemployment. However, from 2006 female unemployment again rose above that for men although with both at a lower overall rate.

The period of transition has been one of rapid institutional change. During the first years (1990-1994) the efforts were towards establishing a relevant institutional and legal framework, where people who lost jobs could register as unemployed thus between 1990 and 1997 the passive policies prevailed. A gender approach was included in the programmes but only in terms of equal access to the policies although at the regional level women were a target group in special projects, for example supporting women entrepreneurs. Since 2003 the country has begun to develop more consistent and gender oriented policy, which targets different group of women – older women, mothers with small children, young women and other women who have difficulties entering or re-entering the labour market. However, the economic growth since 2000 has brought more men than women back to employment. Within an increase in total employment of nearly half a million people, male employment increased by 17% in the period 2002-2007, compared to 14.5% for female employment. The sector and branch distribution of labour did not significantly change the pattern of female employment. Nevertheless in spite of the existing gender and occupational segregation one positive feature that was the lowering of the gender pay gap after 2000. This fact reflects the more consistent income policy and policies promoting gender equality in employment and career development.

The expectations concerning the effects of the current crisis on the female employment differ between “very pessimistic” and “quite optimistic”. The optimism is based on the economic growth of about 6% in 2008 and on though declining but still positive economic growth projected for 2009. The pessimism comes from the expected effects the crisis will have on the financial and production sectors. There is no doubt that many sectors where female employment dominates will be affected negatively, like textile, clothing, financial intermediation, hotels and restaurants, etc. The current crisis, at this stage, has badly hit some industrial sectors where female employment predominates, like “Textile and clothing”. While “male” sectors have suffered too, like “Metallurgy” and “Chemical industry”. To protect employment there, the government has introduced measures supporting part-time employment for a certain period (up to three months) by paying the employed people in addition to their lowered wages the sum of 120 BGN (60 EUR). The idea is to protect the income level of employed people during the period of the part-time employment due to the crisis. Further measures envisaged by an anti-crisis program from the Government in collaboration with the social partners include more flexible working time organisation, keeping production through state interventions and supports for specific sectors like

⁴ Earlier analyses of the impact of recessions on women and men in the US have also stressed the need for improved data that look at flows during a recession, for example in and out of part-time work, to assess the full gendered impact (Williams 1985).

⁵ The CEE countries had rather high rates of female participation and therefore women in the labour market were affected by the dramatic change in economic conditions following the political changes that swept across Europe in the 1990s.

public services, construction, etc. Female employment, dominating in the public sector – health, education, administration - is expected to be preserved by projects funded by the state budget. In fact, the initial stages of the current crisis on the Bulgarian economy provoke fewer gender-specific worries than the economic turbulence during the economic transformations of the 1990s.

Author: Iskra BELEVA, Bulgarian Expert for the EGGE Network

LABOUR MARKET POLICY AND EQUALITY DURING A DOWNTURN

The aggregate changes in employment and unemployment levels identified above are an important part of the impact of the changing economic conditions. However, the experience of the labour market has an important qualitative dimension and the gendered nature of many of these processes means that women and men may also experience different outcomes in qualitative terms. Here the impact of changing policies or responses to the recessionary conditions pose potential threats to gender equality and a gendered understanding of labour market processes is a useful tool in diagnosing challenges and developing solutions. The difference in the types of jobs that women and men do will shape the impact of the recession; for example women's greater concentration in part-time work, lower-paid jobs, jobs with shorter tenure and smaller firms will all impact upon not only the relative effects of the downturn but also the extent to which policy response benefit or disadvantage different groups.

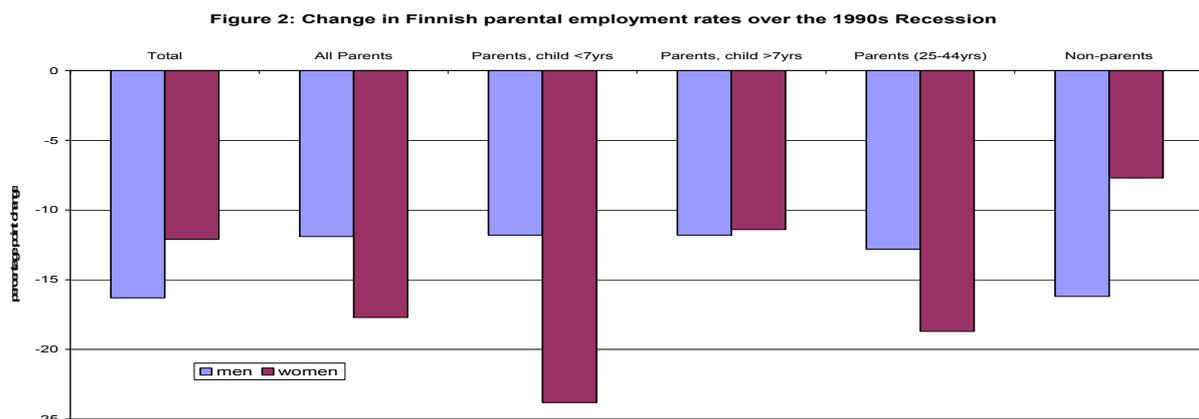
The advances made in women's employment or the enhanced status of equality in recent years mean that there is more to lose from changes in government policy, particularly changes that jeopardise advances. As we have already highlighted women's employment and equality between women and men have become prominent elements of policy at both the European and Member State level and even though gender mainstreaming of policies is often inadequate (Villa and Smith 2008) there is at least a recognition of the need to promote equality. The risk of a downturn being used as a reason to slowdown progress on equality policies or even to rethink 'expensive' policies that help women on the labour market is another threat to gender equality (Rake 2009).

Risks of encouraging women to leave the labour market...

Comparisons have been made between the current crisis and the 1930s when women were encouraged to leave the labour market in favour of men (Schoeni 2009). There is a risk that men are seen as the legitimate holders of jobs when they are in short supply and Seguino (2009) analysis of the World Values Survey found this view was held by 42% of respondents. In EU states the more recent past has seen efforts to encourage women to leave the labour market when there has been low demand for labour via long-leave schemes and income transfers, encouraging a (re)adoption of a traditional division of labour. We can draw on evidence of the promotion of stay-at-home parenting from CEE countries during the transition as both facilities to support working parents and available jobs declined (Paci 2002) (see Box 2). Obviously such policies risk reversing advances made in women's employment against Lisbon targets and while there is no evidence of women wanting to change their labour supply patterns the use of income transfers for this purpose may encourage a reinforcement of the gender division of labour (Plantenga and Remery 2008). On the other hand, encouragements for men to take leave can reduce gender specialisation in household tasks and share the risk of labour market work. Indeed male job loss may inadvertently promote new patterns of the gender division of labour (Clegg 2009).

An analysis of the impact of the early 1990s recession on women's labour market behaviour in Finland demonstrates how leave schemes can be used to reduce the female labour supply.

Haatja (2005) shows that employment rates for women and men declined during the early 1990s recession but the impact on parents was not so equal. Figure 2 shows how even though the recession impacted more on male employment rates, when we compare mothers and fathers the impact was greater on women. The decline in employment rates for mothers of children age under 7 (the target group for home care leave) and mothers aged 25-44 was particularly stark. The data show how the combination of parental leave and “home-care” leave negatively affected the employment rate of women. Haatja (2005) shows how the rate of recovery in employment rates was also weaker for mothers than fathers so while the latter almost regain their former employment rates by 2002 mothers were still some way off.



Source: Haatja 2005; EuroFound 2007

Disadvantages associated with part-time and flexible working...

One key area where women and men differ on the labour market is in their involvement in part time and flexible working. Part-time work for women has been a source of job growth in previous recessions when predominantly male full-time work has been in decline (Smith 2005). However, part-time work may also present certain risks in terms of lower overall pay and marginalisation in the organisation when it comes to redundancies, new training opportunities and protection from seniority rules. Similarly where part-time and temporary jobs dominate the available job opportunities during a recession we may see an expansion of involuntary flexible working (see Box 3). Indeed the prevalence of diverse forms of working arrangements means that the binary distinction between employment and unemployment is not necessarily a useful framework to analyse the impact of a recession on women and men.

The creation of many “one and half” earner households based on a full-time male worker and a part-time female worker highlights some of the difficulties resulting from women’s concentration in part-time work. While dual full-time households may offer some shared risk for the loss of a job, a part-timer is unlikely to earn sufficient income to support a household when faced with the job loss of a full-time working partner. A challenge created by the growth of in-work benefits is the structure of the benefits system that means that second earners may face limited incentives to stay in work if the primary earner loses their job. For example, even during more positive economic times, there is evidence that Working Families Tax Credits in the UK and Guaranteed Minimum Income (RMG) in Luxembourg could discourage participation for some groups of women (Villa and Smith 2008). For men, the creation of many part-time jobs creates other “pitfalls” when wanting to retain a traditional male breadwinner model since men seeking ‘real jobs’ are reluctant to take up part-time work (Threfall 2000: 323).

Workers in or having had atypical jobs are also more likely to be excluded from unemployment benefit systems since they may have broken employment histories or may not have made sufficient contributions (Grimshaw et al 1999). For example, women are disproportionately concentrated in flexible jobs in CEE countries where they miss out on coverage of social security (Cazes and Nesporova 2004). This ineligibility for unemployment benefits also helps explain the trends in unemployment which do not always capture the number of women who want to work (Rubery et al. 1999). A further outcome of work histories based on flexible jobs, that are also often lower paid, is the reduced ability to build up reserves to cope with job loss (Seguino 2009). Lower pay affects the ability of individuals to cope with periods of unemployment and since women are lower paid than men across the EU the potential impact of unemployment can be harder (Dye 2009; TUC 2009). Their more limited access to unemployment benefits compounds these problems. As the proportions of non-standard jobs rises across Member States both men and women are affected by both the insecurity in and outside work. The Commission-promoted Flexicurity policies are targeted at some of these risks but to date much of the Member State activity in this area has been around promote flexibility rather than simultaneously developing security (Villa and Smith 2008).

Box 3: Part-time Work or 'Part-time' Unemployment?

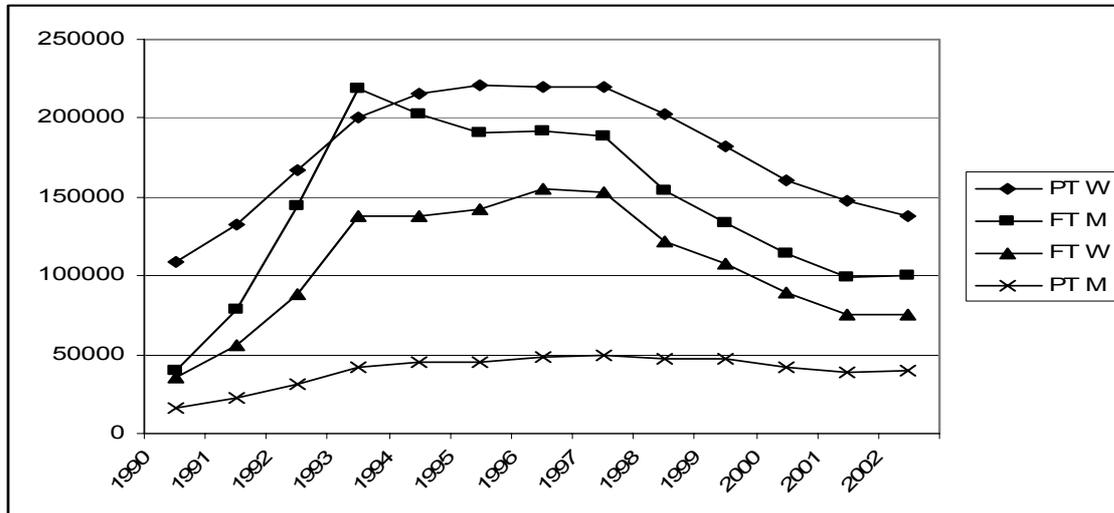
We have become used to different forms of employment, however when it comes to unemployment, we usually think of an unemployed person as someone who is not employed, that the unemployment is the result of an employed person losing his employment, and who receives unemployment benefit and that the return to the labour market is facilitated by different labour market measures. These characteristics, however, may not apply if we speak about women. The trends in unemployment and the data they are based on can be questioned. If a gender perspective is applied it can be established that labour force data mirror men's unemployment much better than women's. The reason is that if men are unemployed they are usually unemployed full-time and are classified as such. Women on the other hand are often part-time unemployed and are not classified as unemployed but as (part-time) employed. Since only full-time unemployed are registered as unemployed, women's unemployment is underestimated in relation to men's. Taking this perspective there is a strong bias in labour force data towards employment: a person who is employed one hour per week and unemployed 39 hours the same week is counted as employed just as someone who works 40 hours. Part-time unemployed does not exist as a category in European public statistics and we therefore do not actually know how today's growing financial and economic crisis affects women's and men's unemployment. What we do know is that men's full-time unemployment seems to increase faster than women's. If women's part-time unemployment increases today, we have no way of knowing since there are no data. We can use the case of Sweden in the 1990s downturn to illustrate.

How big is the problem of part-time unemployment? The reply to that question depends on both how many are affected and how much they are affected. In spite of the lack of data, we can state, at least as far as Sweden is concerned that the number of part-time unemployed is as high or higher most of the time than the number of 'full-time' unemployed women and as high as full-time unemployed men. In the EU, it has been decided that individually-based statistics should be disaggregated by sex. However, this is only the first step in the direction of data which can catch the differences between women and men. Labour force statistics also need to be gender-mainstreamed, which involves ensuring that gender perspectives and attention to the goal of gender equality are central to all activities. The categories of today's labour force statistics mirror men's unemployment much better than women's, and they marginalise and make women's part-time unemployment invisible. In order to measure women's unemployment in the same way as men's, greater attention should be paid to part-time unemployment and it should be treated and published in the same comprehensive way as full-time unemployment. There is very little research about part-time unemployed, but it seems as if part-time unemployed are unemployed for a very long time and they often oscillate between part-time and full-time unemployment (Korpi and Stenberg 2001; Ottosson and Lundquist 2005:18). Women's long average periods of part-time unemployment, lower wages, fewer average hours of work is likely to have profound consequences for women's earnings, social security allowances and not least, in the longer run, their pensions.

Women are often part-time unemployed and are not classified as unemployed but as (part-time) employed and thus women's unemployment can be regarded as underestimated in relation to men's. In Sweden the statistical office does not publish data on the part-time unemployed, but it is possible to explore data collected on underemployment. Included among the underemployed were (up until 2005) those who worked full-time (35-41

hours) or part-time (1-34 hours), but wanted to work more hours but could not for labour market reasons (here data are available from 1990 to 2002). The statistical office was asked to exclude those who were employed full-time from the count of the number of underemployed to create a measure of the number of persons who were part-time unemployed (Nyberg 2003). However, it should be pointed out that we do not know if the part-time unemployed had been looking for a job and/or if they would be able to work more hours within the time period, as used to define the ILO unemployed.

Full-time unemployed (FT) and part-time unemployed (PT), women (W) and men (M), 1990-2002



Source: (Full-time) unemployment from LFS, Statistics Sweden. Part-time unemployment data obtained from Statistics Sweden for a special project.

As can be clearly seen in the diagram, the number of part-time unemployed women is higher than the number of full-time unemployed men and women, demonstrating an undercount of women's unemployment. Similarly the cyclical response of female part-time unemployment is also rather marked: the data show that at the beginning of the economic crisis in the 1990s, men's full-time unemployment increased faster than women's, but women's part-time unemployed also increased strongly.

A change in the LFS data for Sweden means that these data are no longer collected but the Public Employment Service (PES) does collect data in a category called "part-time unemployed" and another one called "temporarily employed on an hourly basis", which are also usually part-time. Although different to those from the official LFS, we can use PES data to look at the current rise in unemployment for the period of September 2007 to January in 2008, before the downturn, and in September 2008 to January 2009, when the recession started. In the first period (2007-08) the differences between women and men in terms of "full-time" unemployment were small but from then on the number of full-time unemployed men increases faster than for women, as in the beginning of the 1990s. However unlike in the last recession the proportion of part-time unemployed did not rise (Nyberg 2009). The PES did not offer an explanation for the trends in part-time unemployment, even though this is a rather surprising result. It is not clear whether this means that part-time unemployment has not been affected by the economic crisis this time but there is no evidence to suggest that fewer people are working part-time. A change in the rules concerning supplementary unemployment benefit may be a more plausible explanation. To receive supplementary unemployment benefit, a person must have lost part of her/his working time and visit the PES. This is still the case, but before April 2008 a person could receive supplementary unemployment benefit for 300 days, but since then only 75 days. If a person only used one or two unemployment benefit days a week, 300 days could last a long time. With the change in the rules the unemployment benefit has expired for many of the part-time unemployed. This probably means that many are still part-time unemployed, but they do not have the same motivation to register with the PES, hence the data that show a decrease in the number of part-time unemployed underestimate their numbers. In fact the number might have increased given what we know from previous recessions, but we do not know this for a fact.⁶ Some of the part-time unemployed might also have become full-time unemployed.

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⁶ There are studies showing that of the part-time unemployed visiting PES, between 60 and 80 per cent receive supplementary unemployment benefit (Nyberg 2003 p. 5-9).

Migrants and those outside the formal labour market are also at risk...

The informal sector may act as a buffer in a recession or a source of activity for workers seeking to raise or maintain household income but it is also a source of disadvantage and insecurity for both women and men in times of boom as well as recession (Bettio 1988). Those outside the formal labour market are further at risks since they are often beyond the scope of social protection or labour market policies aimed at promoting inclusion. Although gender variations in the level of involvement can be rather small the segregation of informal opportunities creates gender differences, for example concentrations of women in the informal care sector (Ungerson and Yeandle 2003). Again the CEE countries provide an illustration of the expansion of the informal sector when economic conditions are hard. In Eastern Europe the informal economy expanded during the transition as formal job opportunities declined and individuals needed informal work to make ends meet (UNIFEM 2006). For example, in Bulgaria informal work was used to supplement other forms of income or even as the only sources of income, particularly for single parents (op cit:45). However, as Paci (2002) points out during the transition years informal employment in the private sector offered better pay than the very low paid work (or some times non existent) in the public sector.⁷

Another area of employment where the risks of the downturn maybe quite different is among the self employed. Indeed cash flow difficulties and the 'credit crunch' may be creating particular problems for small businesses. Recent employment policy at the national and European level has also made significant efforts to promote the level of female entrepreneurship (Villa and Smith 2008) and the recent Prague Employment Summit reaffirmed this approach (CEC 2009f). While the promotion of entrepreneurship may help address some gender inequalities and reduced barriers faced by women in this area there are risks in an uncertain economic climate. Women are underrepresented among entrepreneurs and particularly established entrepreneurs. Initiatives to promote entrepreneurship may create new female-led firms which by definition will be younger and at risk in the current climate. At the same time gendered lines of segregation of employment tend to be replicated for the self-employed so that the across-the-board impact of the current recession is likely to hit both female and male-led businesses.

The informal sector also relies on immigrant labour that may be prepared to accept the poor terms and conditions or may be unable to work in the formal sector. However, migrant groups are also in precarious positions in the formal labour market and their job loss may go unreported or not result in increased unemployment if they return to their country of origin (Box 4). Indeed unemployment rates are often higher for migrants, particularly women (Vie Feminine 2008). The UK had been one of the major recipients of migration from the new Member States, acting as an important source of skilled and unskilled labour, but the deterioration of economic conditions has led to a sharp fall in migrant labour (Travis 2009).

Migrant workers may also be regarded as a buffer of workers that have a lower priority for jobs than nationals. Indeed Seguino's (2009) analysis of the World Values Survey found that

⁷ The growth of the informal sector can be regarded as an added-worker effect (see box 1) in response to falling incomes elsewhere even though evidence of an added worker effect in the formal sector is sometimes less evident (Baden 1993).

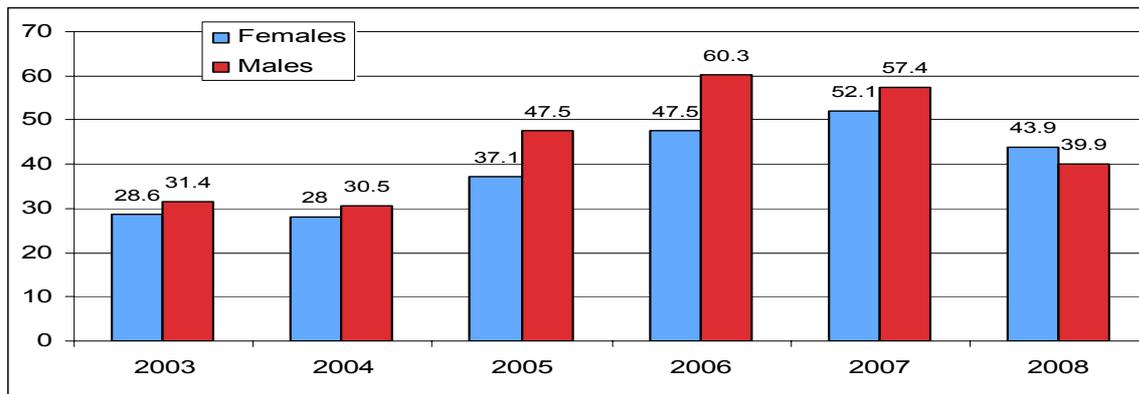
some 70% of respondent felt that employers should prioritise nationals over immigrants when there was a shortage of jobs. As nationals also lose their jobs migrant workers may become a focus of protest (Sturcke 2009) in a similar way to benefits accruing to disadvantaged groups, for example reconciliation policies for women, have also become subject to pressure (Rake 2009). Again history provides a useful illustration from the past: Rosenberg (2003) points out that the hostility of white men to policies enhancing equal rights for women and African-Americans in the US increased considerably when insecurity and job loss of the early 1980s recession spread. Ironically it is these racial groups who are often first to experience job loss or the negative effects of restructuring and have the most difficulty finding new work (Cross 1992; Wilson 1997) and table 3 demonstrates the more severe impact of the US recession on African American women and men compared to Whites.

Box 4: Changing Migration patterns by gender as a result of the Crisis

Ireland was the first EU Member State to be officially declared *in recession* in September 2008. Following a decade of spectacularly high growth (7.2 annual growth for the past decade) and a migration “boom”, the Irish economy has experienced a dramatic decline reflected in a sharp fall in the over-inflated property market as well as in the level of construction activity combined with a deepening financial crisis in the domestic and global economy.

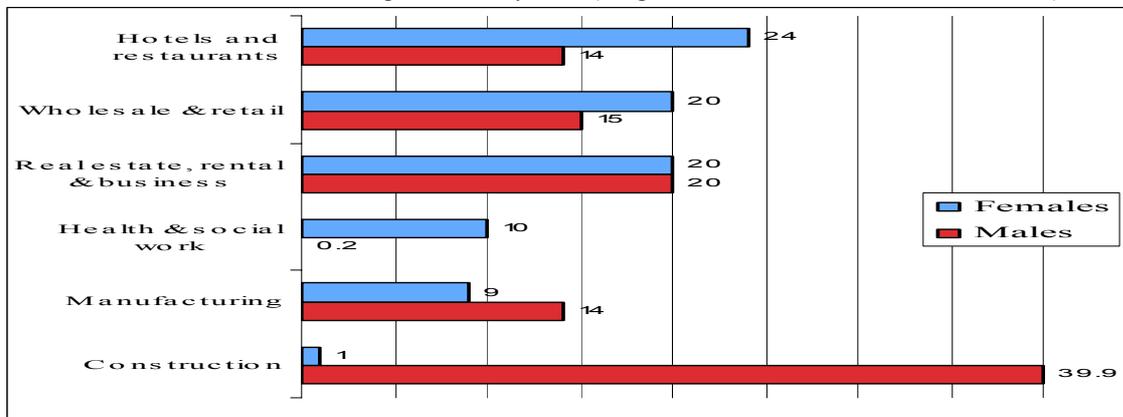
Unemployment levels have risen sharply - the numbers on the Live Register (LR) have more than doubled over the two year period from January 2007 to January 2009. In addition, annual production decreased by 13% and the numbers employed in private firms in the construction industry decreased by 22% in over the year to December 2008. Currently unemployment is affecting all sectors of the economy, including both manufacturing and (mainly female) services sector (CSO 2009b, DSCFA 2009).

Gender trends in immigration into Ireland (in 000s)



Source: CSO (2008: table 2)

Concentration of Foreign Nationals by sector (using Personal Public Service Number allocations)



Source: CSO (2009c)

As the economy has moved into recession, there has been a corresponding fall in net migration. The total

number of migrants into Ireland between 2007 and 2008 fell from 109,000 to 83,800 and, while there has been a marginal increase in emigration over that same year; net migration has declined from 67,300 to 38,500. Immigration data shows a decline, particularly from the former EU12 Member States, from 53,000 in April 2007 to 34,000 in April 2008, representing a fall of over 36% (CSO 2008).

As the figures for net migration fall, the percentage of women is increasing. Between 2006 and 2008 the female percentage of net migration increased very significantly from 42% to 68% (CSO 2008). This reflects a steeper fall in immigration among men as employment opportunities in the predominantly male construction sector were the hardest hit. Ireland seems to be clearly heading towards a *feminisation* in its immigration trends. The following figure shows the gender shift of immigration in Ireland over the period 2003-08:

Data on the allocation of PPSNs (Personal Public Service Numbers) to foreign nationals confirm the decline in immigration showing a fall from 226,800 in 2006 to 215,300 in 2007 mainly due to a drop in 25,300 from those coming from States that recently accessed the EU (partly offset by a 12,600 increase from those from the rest of world) (CSO 2009c). The figures above illustrates the gendered nature of immigration and employment in Ireland:

Migrant men and women in Ireland are heavily represented in traditional gendered sectors (e.g. services and care work for women, and construction for men), while only a narrow range of sectors are important employers for both. There is evidence of a growing tension across the Irish economy and a danger that recession and unemployment decline may reinforce racism and discrimination against immigrant workers.

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Budget cuts can extend the impact of the recession...

Women's concentration in public sector services has, in the past, helped protect them from the initial impact of recessionary conditions. However, as employees of the public sector and users of services, for example care services, women are particularly sensitive to budget cuts as the impact of falling tax receipts takes hold (Box 5). The Barcelona targets have placed a responsibility on Member States to increase the provision of childcare for pre-school age children and recent communications from the Commission have stressed the importance of these reconciliation services (CEC 2008c). Once again the changes in CEE countries provide a useful illustration. We have already seen the significant impact on women's employment as the demand for labour collapsed during the transition but changes to caring services also negatively affected women's employment (Paci 2002). These changes in services to support families meant that public childcare facilities were less available; childcare fees increased, and stay-at-home parenting was promoted (UNICEF 1999:12). These are among the contributory factors that led to the declines in fertility rates (Pollert 2005). Another area where budget cuts can negatively impact gender equality is in the changes in pension provision through restrictions on caring credits or individualisation of accounts which promote further inequalities between women and men (UNIFEM 2006: 37).

Box 5: The gendered impact of budgetary changes caused by the financial crisis in Iceland.

Prior to the collapse of the banking sector in October 2008, the government had proposed a draft budget with a deficit amounting to 8.5% of GDP for 2009. The deficit increased to 13.2% of GDP after the budget had been revised to take better account of the severe economic conditions. The deficit would have been larger if the government had not undertaken cut across most categories of state expenditures as compared with the budget proposal. The government is now faced with the dilemma of having to embark on an ambitious fiscal consolidation program for 2010 to lower public debt without exacerbating the risk of recession in the near term. Public debt is expected to rise by over 80% of GDP on a gross basis and become 109% of GDP in 2009 due to the financial crisis. Three budgetary changes are of relevance from a gender perspective. These changes involved tax rate increase, measures to improve the situation and activation of the unemployed and public expenditure cuts.

The personal income tax rate for the year 2009 was increased by 1.5% while the personal allowance was raised by 24%. This rise in the personal allowance was undertaken to adjust the amount to the inflation rate and in accordance with a tripartite collective agreement made in February 2008. The tax system in Iceland is based on individuals, although couples can ask for joint taxation and jointly use their personal allowances. Hence, the personal allowance, that is a non refundable tax credit, does not itself serve as an incentive for women to work. Instead the emphasis has been on keeping the personal income tax rate relatively low to encourage (female)

employment (now 37.2%). A rise in the amount of the personal allowance reduces the tax burden more at the lower end of the income distribution where women tend to be over-represented than at the top end where men are more numerous. It has been estimated that the tax burden of those earning just above the tax exemption amount (e.g. 120.000 Iskr) falls much more or by 5.5% while the tax burden of those with average earnings (300.000-400.000 ISkr) falls only by 1%. The government did not estimate the gender impact of these changes but their aim was to improve the situation of the low income earners.

At the start of this year, the unemployment benefits - both the income related amount (70% of previous income for 3 months) and the basic amount - were raised by about 10%. This rise did not prevent a fall in the real value of the benefits as the inflation rate last year was 12.4%. The amount of the basic unemployment benefit is now higher than minimum wages negotiated by many trade unions and the social partners are discussing the possibility of equalizing these amounts. This mismatch discourages the employment of those earning less than the basic unemployment benefit, among whom women are over-represented. Measures have also been implemented to improve the interaction between the unemployment benefit schemes and active labour market measures. Since October, unemployment started rising at world record speed. The unemployed can now participate in various activation programs while receiving unemployment benefits such as in-work-training, temporary full-time or part-time employment within a firm, work on one's own business plan or work within the non-profit sector. These measures will be beneficial for the unemployed and men, especially who are now over-presented among the unemployed.

Since last October, men's unemployment rate has risen faster than that of women. Women are more likely than men to work in the public sector where budget cuts have been much less severe than in the private sector. Budgetary cuts this year have forced many public institutes to stop new recruitments making it almost impossible for those entering the labour market to find a job in the public sector. In addition, cuts in public expenditures are threatening the jobs of many in the public sector, especially in the health care sector. Hence, women's unemployment is expected to rise fast this year.

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Employer Practice also has an impact during a Downturn...

The impact of employer practice also has an impact upon the effects of the recession of women and men. While management behaviour may not be designed to jeopardise equality a gendered understanding of the differential impacts of employer decisions will help avoid greater risks to women and gender equality. On the other hand some employers may be tempted to limit policies and initiatives that aid women or even adopt illegal practices, for example dismissing pregnant workers, and any signal from governments that equality has fallen down the political agenda risks may exacerbate this tendency. Women face risks of losing their jobs as a result of being pregnant or being on maternity leave during more stable time so these risks are heightened in times of recession (Rake 2009). Evidence from the Czech Republic during the transition provides an example since 23% of legally available maternity leave went unclaimed in 1993 compared to just 5% in 1989 (UNICEF 1999). Furthermore the recent Commission communication on reconciliation further emphasises the need for fair treatment of women on maternity leave (CEC 2008c).

We have already suggested that job losses in smaller firms may receive less attention than large-scale redundancies and the exclusion of some workers with flexible working histories from registered unemployment may further underestimate the impact of female job loss. Another element of job destruction that may go unnoticed is the failure to renew temporary contracts or the decline in the use of temporary agency work. The proportion of women on fixed-term contracts is slightly higher than that for men at the EU 27 level and in all but six Member States (Eurostat 2008b) and as such women may find themselves at greater risk of the cyclical variations on the use of temporary workers. The use of temporary agency work has shown a sharp year-on-year contraction in hours invoiced by private employment agencies over the past year (Eurociett 2009). In fact analysis of the use of temporary work agencies shows a very strong correlation with business conditions (Canoy et al 2009). The precariousness of temporary agency work was illustrated starkly to 850 BMW workers who

lost their jobs with only a few hours notice (Barr 2009) but the cancellation of temporary agency work contracts on a smaller scale is affecting women and men across the EU (CEC 2009a; EuroFound 2009b; Lemahieu 2009). Paradoxically such trends may lead to a change in composition of jobs resulting from a decline in some forms of atypical work while permanent workers are left with jobs. However, the result will also be a further concentration of weaker groups, who previously worked in flexible jobs, among the out of work.

Working Time Concessions can save jobs but may store up difficulties....

The practice of promoting reductions in working time is something that has protected European jobs from the initial impact of the recession and avoided the sharp rises in unemployment seen in the USA for example. Temporary adjustments in working hours were also given additional support at the recent Prague Employment Summit (CEC 2009f). While the retention of links with the labour market are preferable to unemployment the impact of changing working times may be different for women and men and it is important that social partners are aware of these. Women are already more likely to be working in flexible hours jobs, more likely to be lower paid and more likely to work shorter hours and thus concessions around working time to save employment may risk a negative impact on women and further inequality.

Coirasco and Recio (2001:297-9) highlight the potential impact of concessions around working time flexibility at the organisational level on women's control of free time when unions adopt "defensive strategies" in the face of compulsory redundancies. Concession bargains may indirectly impact upon women since greater time flexibility for men may reinforce women's position as responsible for the domestic sphere, for example at weekends or in the evenings. Indeed in the car industry there are already a number of time-banking arrangements in place where employees have been laid off on full pay or partial pay with a requirement to make good the time owed once production resumes through unpaid overtime (EuroFound 2009a). However, these schemes that store up employer-based flexibility in lieu of pay during slack periods may rely on an additional level of flexibility from both male and female employees when demand picks up. On the other hand, state-funded systems do not rely on banking time that may require future flexibility at the employers' behest. The French system⁸ of *chomage technique* or *chomage partiel* allows companies access to state funds covering 60% of minimum hourly wages during periods when staff are temporarily laid off due exceptional economic difficulties. Recently the French government extended maximum coverage of the scheme to enhance coverage in "highly exposed sectors", for example both female-dominated textiles/clothing and male-dominated automobiles (EuroFound 2009a). This does not mean that job losses are always avoided (Lemahieu 2009; Manduet 2009) but jobs are protected for a period, and unemployment 'shared' across those who retain contact with the labour market (Seguino 2009).

Concessions between employers and employees around working time may also expand the ranks of the so-called involuntary part-time or part-time unemployed (see Box 3), those that work part time because they can not find a full-time job. Mishel et al.'s (2006: figure 4U) analysis of cyclical trends in involuntary part-timers, using BLS data for the USA, clearly demonstrates how the share of part-timers who could not find full-time work rose in the recessions of the early 1970s, 1980s, 1990s and 2001-02. More recent analyses confirm that these trends are evident in the current recession but unfortunately the gender breakdown is not

⁸ Similar publicly funded schemes to support reduced working times also exist and have recently been expanded in Germany, Netherlands and Austria.

available. In fact at the end of 2008 the Economic Policy Institute found that an additional 715,000 workers had been classified as ‘involuntary part time’ and almost 90% of the increase was the result of employers reducing worker hours rather than the unemployed taking part-time work in place of full-time work (Eisenbrey 2009; EPI 2008). There is evidence from across the EU of the increased use of temporary reductions in working time (EuroFound 2009a; Webb 2009). Unlike in many continental European countries, reductions in working time in more liberal economies, like the UK and the US, are not compensated through government schemes and thus increase the financial strain on workers, particularly those who are lower paid, already have shorter hours, have high outgoings (for example, on childcare) or with inadequate reserves (Bunting 2009). For women affected by reductions in working hours the consequences can be even greater for example where they already work part-time (TUC 2009).

Other concessions that employees may agree to when faced with job cuts include changes to income with or without changes to working time. There is some evidence of wage freezes or wage cuts although these have been resisted more strongly than changes to working time or temporary lay offs (EuroFound 2009b). These arrangements have been particularly common in the US and date back to concession bargaining in the early 1980s (French 1997). Data for the US also show that women’s pay fell faster than men’s in the early part of 2008; by three percentage points compared to half a percentage point (US Senate 2008).

Withdrawal of Family Friendly Working arrangements...

On the other hand, enhancements in some types of flexible working help parents reconcile work and family life and have been one of advances made in the effort to promote reconciliation, for example the right to request part-time work. Such efforts rely on the cooperation of companies where parents work and there is unfortunately evidence that some may see flexible working as an additional cost during difficult economic periods. Peacock (2008) suggests that concerns with headcounts during difficult economic times mean that flexible working, job share and other part-time arrangements can appear more expensive since non-wage costs and family friendly policies might be regarded as something of “a luxury” compared to wages and job security. Women are more likely to be in flexible jobs and thus there are associated risks to established work patterns but there are clearly advantages for flexible working when the alternative is job loss. There is some anecdotal evidence to suggest that employers are feeling more constrained in regard to flexible working with the current economic conditions (ERHC 2009a).

By contrast, Rake (2009) argues that organisations should be encouraged to see flexible working as a suitable response to the current crisis and also one that can establish rights to flexible working for the future (see also EHRC 2009a). Indeed, there is also evidence that a restrictive approach to flexible packages might be rather short term in outlook and they can help retain staff while cutting costs. A number of financial institutions, hard hit by the current crisis, have been offering paid leave arrangements (recession sabbaticals) or reduced working hours in order to cut wage costs but retain staff (EuroFound 2009a). This approach has been partly informed by the negative impact of job cuts and hiring freezes in previous recessions where banks were left with staff shortages when the economy picked up. These approaches may be more common in larger companies with a more strategic view to human resources and their corporate social responsibility (EuroFound 2009a) but one that can be used as an example for other firms. The Equality and Human Rights commission in the UK has started a series of short guides on “Managing the downturn and preparing for Recovery” for business around how to handle employment during the crisis and while they make very limited explicit

reference to equality they remind employers of their responsibility for equal treatment (EHRC 2009b). These guides are particularly aimed at small businesses that may not have the professional or dedicated human resources department with the knowledge of equality laws. The TUC also advocates flexible jobs as a “valuable means to retain jobs in the short-term, as well as providing greater flexibility for workers now and as the economy recovers” (TUC 2009:9).

OPPORTUNITIES AND THREATS IN POLICY RESPONSES AND RECOVERY

The responses to the recession at the European and national level represent an opportunity as well as potential threat for women’s employment and gender equality. National and international policy makers have the opportunity to implement policies that could change the nature of the labour market for more gender equal outcomes in recovery and the future (Rake 2009). Furthermore a gender sensitive analysis at this moment also has the advantage of avoiding unintended consequences of ineffective policy or unintended outcomes, for example increases in inequality. However, there is also a danger that high profile job losses in automobiles and manufacturing overshadow female job loss in other parts of the economy. Women’s concentration in small firms means that their job loss can go undetected since it neither makes the headlines and women may not register for unemployment where they do not have the entitlement because of atypical job histories. Dual earning households mean that women’s labour market participation is not only a norm for many households but also an essential part of life thus female job loss can have an equal impact to that of men’s: just as female job loss creates male breadwinners in dual earning households, male job loss creates female breadwinners.

Gender equality should not be a fair weather policy priority. Factors affecting women’s employment in boom periods will continue to act in recessionary times and so neglecting them in difficult economic times may have negative long-term consequences. It is possible to view the current period as an opportunity for change or a “transformative moment in history” in the words of Seguino (2009:11). As such the increase in government involvement in the labour market offers the opportunity to redress some of the inequalities that have persisted. However, the maintenance of gender mainstreamed approach also offers the possibility of effective labour market analysis and policy development. For example, a focus on male unemployment not only neglects women’s higher unemployment rates in two thirds of Member States but also the major flows into employment over recent decades from those (women) who were not registered as unemployed. Similarly where there is evidence of stable or rising part-time rates in the face of declines in full-time jobs this should not necessarily be regarded as a positive sign since the cyclical nature of involuntary part-time employment can equally be regarded as un-reported unemployment.

Box 6: Guidelines for a Gender mainstreamed Response to the Recession

Organisations need to

- Recognise the different starting points for women and men in concession bargaining around hours, flexibility and wages
- Recognise the reconciliation needs of women employees shouldering the double burden of domestic tasks and retain reconciliation policies
- Maintain commitments to equal pay so that pay gaps do not open up further.
- Consider the gender implications of redundancy decisions along the lines of gender or contractual forms.

Policy makers need to

- Keep the focus and emphasise the commitment to gender equality

- Gender mainstream new initiatives and policy responses to the recession.
- Recognise that male job loss creates female breadwinner households.
- Recognise the greater impact of job loss or reduced working time on single headed households, many of whom are women.
- Recognise that women may be exposed to financial insecurity as a result of lower pay, broken employment histories, limited financial reserves and exposure to sub-prime loans.
- Avoid measures that reinforce or even promote male breadwinner models of household organisation and/or encourage women to quit the labour market.
- Protect against a disproportionate impact of the recession on women who are at risk, for example those that are pregnant, in atypical jobs or from ethnic minorities

As well as opportunity, national responses to the crisis may also present risks to women through the reduced emphasis or rolling back of equality policies and those likely to promote women's employment, for example childcare, enhanced flexible leaves, or protection for women on maternity leave. Governments have an important leadership role so an indication that gender equality is something that can be postponed risks the further opening up of gender equalities and conceding progress already made. There is also a risk that women's job loss will be used by lobbyists seeking to make the case for the 'expense' of employing women and as such their job loss in recession is a sign that employers find them too expensive to employ (Philpot 2009).

However, the stronger impact of this recession on women when compared to earlier downturns reflects their gains in participation in the labour market which are hard to deny and should therefore be a sign to policy makers to take the impact of women into account. Such an approach perhaps offers the opportunity to develop new models and more consistently gender mainstreamed approaches in the future that reflect the realities on the labour market. For example, the "smart investments" outlined in the Commission's European recovery plan (CEC 2008d) are aimed at developing skills for tomorrow's needs and the full utilisation of women's skills should be part of any such plan. Similarly, the focus on low carbon technologies in male-dominated automobiles and construction could be matched by investment in services for a dual earning society that should equally be regarded as part of the modernisation of Europe's infrastructure. Investment in social infrastructure can become a productive factor for Europe and transform economies in recovery. Encouraging a more equal division of caring responsibilities between women and men can be regarded as a counterpart to dual earning and part of the reduction in specialisation and thus risks associated with male breadwinner models. However, greater equality on the labour market in terms of pay, progression and working time are also requirements of sharing the risks associated job loss in recession.

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