

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

**POLICY DEPARTMENT** **C**  
CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS



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# GENDER ASPECTS OF THE ECONOMIC DOWNTURN AND FINANCIAL CRISIS

NOTE





**DIRECTORATE GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT C: CITIZENS' RIGHTS AND**  
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**GENDER EQUALITY**

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**FINANCIAL CRISIS**

**NOTE**

**Abstract**

Past economic crises affected male-dominated sectors more and so reduced gender imbalances. Aggregate data to end-2010 shows similar findings for 2007-2010. However, the current crisis is deeper and longer, while, budget issues which dominate after 2010 could alter the magnitude and even the direction of gender effects. Should complacency take hold, or, should policy be blind to gender implications, there could be a real risk of progress achieved since 2010 being rolled back, as gender stereotypes reassert themselves.

This document was requested by the European Parliament's Committee on Women's Rights and Gender Equality.

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## LIST OF ABBREVIATIONS

<b>ALMP</b>	Active Labour Market Policy
<b>CEC</b>	Commission of the European Communities
<b>CIG</b>	Wages Guarantee Fund (Cassa Integrazione Guadagni)
<b>EA</b>	Euro Area (17 countries)
<b>ECJ</b>	European Court of Justice
<b>EU</b>	European Union
<b>EU27</b>	European Union (27 countries)
<b>Eurostat</b>	European Statistics Bureau
<b>FIFO</b>	First In, First Out
<b>GDP</b>	Gross Domestic Product
<b>GPG</b>	Gender Pay Gap
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>LFS</b>	Labour Force Survey
<b>LIFO</b>	Last In, First Out
<b>MoU</b>	Memorandum of Understanding
<b>TUC</b>	Trades Union Congress
<b>UNIFEM</b>	United Nations Fund for Women
<b>VAT</b>	Value Added Tax



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## EXECUTIVE SUMMARY

**The need for a gendered approach:** Times of crisis are also times of rapid social change. Economic recessions can accelerate or hinder longer-term trends: they can roll back progress in gender equality, but they can also act as a catalyst for rethinking policies and priorities.

While all recent economic crises are known to have been gendered in their nature and effects, this crisis is different in severity, length and impact. This raises the possibility that gender effects observed in previous recessions may not carry over, necessitating an adoption of new political initiatives. This is reinforced by the nature of the current crisis. Indeed, it might be misleading to talk of a single crisis: The crisis began in 2008 as a 'credit crunch' spreading out from the financial services sector. By 2010, however, it had been transformed in Europe as a storm centred around public finance and sovereign debt issues necessitating retrenchment. The second crisis is still unfolding in mid-2011, while the delayed after-effects of the first crisis are still arriving. The gender impact of the two types of crises – in their nature, causes and time-frames, perhaps even direction – can be very different, even if difficult to disentangle at this early stage.

A number of features distinguish the gender situation facing the European Union today from previous crises:

- *First*, women are now in a position that renders them more vulnerable. They have more to lose, as they account for a much greater proportion of the labour market.
- *Second*, the early signs from this recession have shown that women are *already* experiencing negative outcomes in terms of employment and unemployment. Perhaps more importantly, the job implications of the public-finance driven second phase of the crisis – which are yet to be felt – may well prove less benign to women.
- *Third*, 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 in cuts of expenditure that is complementary or facilitates women's employment (such as family services).

**'The Grand Idea' – Attaining Gender Balance represents a major 'untapped resource' in the long term:** Gender balance is not simply one among many economic objectives. Attaining gender balance represents hope that long-term economic developments can proceed in a direction of more growth, together with more equality. Moreover, gender balance holds hope for convergence between member states and regions, while representing an area where there is scope for considerable 'European value added'.

Whereas it is true to say that previous recessions did not hurt gender balance, that is not a reason to be complacent. It is easy to think of scenaria implying that progress towards gender balance is neither automatic, nor assured. Given that reforms to date have not succeeded in eradicating the hard core of employment

stereotypes, it is conceivable that some of these stereotypes may reassert themselves in the context of the crisis.

It is important to admit – at this early stage – that the ‘jury is still out’. One can neither rule out the favourable nor the unfavourable scenario. The main policy recommendation must remain to be vigilant regarding the possibility and ‘direction of impact’ of gender effects, and to guard against complacent projections based on past successes. This is reinforced if one takes on board that:

- Gender effects are by their nature diverse and are unlikely to affect all countries, sectors, or parts of the population equally.
- The crisis is by no means over.
- Some of the effects of the crisis may not proceed smoothly or by predictable marginal amounts. Some of the eventualities may imply large discontinuities, in which past behaviour and past generalizations may be insufficient guides.

This note of caution can only be reinforced when we consider the kind of data we are constrained to use. Waiting for data to appear, may mean that policy makers react when it is already too late. The alternative is to supplement macroeconomic by analysis of particular cases. To this extent this report includes four in-depth case studies (UK, Poland, Italy and Greece), which provide a coherent ‘narrative’ that may be used to inform a wider analysis focused on wider aggregates and cover a wide range of EU experience.

**Women, the Recession and Gender Equality: what do we know?** Economic theorising based on past crises can offer three ways of linking the crisis with gender balance:

1. The “silver lining” effect. Because women’s jobs are relatively ‘protected’ (as they are concentrated in ‘insulated’ industries and occupations) they will face softer adverse unemployment effects.
2. The ‘marginality’ effect. Women’s weaker position as marginal employees makes them *more* vulnerable to job loss. They tend to be the first who lose their job and their re-employment chances are hampered both by prevailing social attitudes as well as seniority rules favouring men. LIFO: last in, first out.
3. The ‘strength in weakness’ effect. Women’s position as new hires combined with their lower pay status makes them *more* attractive to employers when the latter consider firing personnel. This is often called FIFO: first in, first out.

As regards employment participation, women can either increase their labour supply (to compensate for unemployed spouse and deteriorating family finances) – “the added worker effect” or they can become discouraged by the belief that no jobs are available- “discouraged worker effect.

Tracking the effects from any recession points to timing factors: The victims of unemployment during the first wave of the recession may fare better in

subsequent phases, while those who were initially 'insulated' may find themselves exposed. This might prove to be the case with women, who experience rising unemployment rates while at the same time they get adversely affected by cuts in public spending.

So, the effect of the recession on women goes well beyond the immediate and measurable effects in their labour market situation. Women are more likely to be affected in changes in standard of living, which create a greater burden of unpaid work.

**The 'pre-crisis' point of departure:** Female employment has been the main factor in the steady growth of employment in the EU since the turn of the millennium. Despite the recorded progress, however, the general picture remains ambivalent. A few graphs illustrate:

- A. More women are in paid work: Women's employment rates have markedly increased
- B. Nevertheless, women's employment rates vary widely across countries
- C. Employment rates are low for mothers of young children.
- D. The proportion of single mothers in paid employment is higher than that of partnered mothers
- E. *Still* many gender gaps prevail: Women work less than men,
- F. And women *earn* less than men.
- G. Finally, women are poorer than men

**What kind of policies must be examined for gender implications?** It is clear that gender should not be part of the stated purpose. It is useful to distinguish policies conceptually in the following fashion:

1. Policies whose primary purpose is not economic, but nevertheless have important repercussions on gender-sensitive subjects. (e.g. justice, free movement).
2. 'Automatic' changes in expenditure or taxation, which are the direct result of movements in output during the recession. These 'fiscal stabilisers', 'automatically' lead to injections of effective demand in the downswing. However, in a public finance they work in a destabilizing direction. In a search for expenditures to retrench, it is often gender-directed expenditures such as family benefits, which could prove to be the 'line of least resistance'.
3. Discretionary policy initiatives taken in response to the crisis. Counter-cyclical demand management could be an example aiming to *increase* effective demand. On the contrary, in the second phase of the crisis, public finance-induced cuts almost always *reduce* effective demand. Discretionary changes range from simple changes in parameters of programmes to major structural reforms.

It is of importance whether a policy is 'gender-aware' – i.e. its design is conscious of a gender impact, or whether this comes as a surprise. Finally policy analysis should not confine itself to looking at the public sector. For example, a great many policies could be interpreted as an attempt to shift responsibility away from the public sector towards either the private sector (at one extreme) or the family (at the other), with consequences for income distribution and the economics of the family.

### **Measuring the gender effects of the recession and economic turmoil: a statistical review**

**Output:** the recession, which started in 2008 has engulfed the world and has led to widespread loss of output. Key to its effects was the combination of its long duration, unusual depth and wide dispersion of its effects. Europe entered the recession with a slightly higher growth, experienced output loss larger than the US, and is recovering more slowly.

The length and depth of the crisis notwithstanding, it is true to say that the worst fears expressed in 2008 were not proved right. Averting a 1930s' style liquidity and banking crisis had the side effect of transferring a large volume of debt from the private to the public sector. Thus the 'eye of the storm' moved from financial effects to public finance. This was most direct in countries such as Iceland, the UK or Ireland, where the public issued guarantees. The crisis was indirectly responsible in tipping some already heavily indebted countries 'over the edge'. The resulting sovereign debt crisis has been unfolding since early 2010. In doing so, it has exposed deep pre-existing fault lines between member states, but also unresolved issues in the architecture of the Eurozone.

Two insights are key for this report:

- a) **Heterogeneity** – the crisis is affecting different countries in different ways - in duration, depth and exit point, but also as regards 'internal' crisis dynamics.
- b) **The destabilising role of public finance.** In a widening group of countries, the primary 'crisis driver' is not so much effective demand but public finance considerations. Indeed, in some ways it may be helpful to think of the situation since 2008 of being comprised of two crises, superimposed one on the other, or at the very least of two distinct (though linked) phases of a single crisis.

No country was unaffected by the crisis, while recovery (wherever it started) proved anaemic, fragile and intermittent. Those countries where the recovery is more halting are precisely those which have most to gain from an expansion of women's employment.

**Employment:** There exists virtually a one-to-one relationship between the course of total employment and the gender gap. Men's employment is more responsive than that of women, with the result that men's employment is hit more (or women's less) and gender gaps shrink.

Examining the beginning- and end-period levels of employment, it is obvious that, both in the aggregates, and in the five country cases, women's employment

holds up better than men's. The aggregate European picture on employment rates shows that women's employment is only a little worse in the beginning of 2011 than it was at the beginning of 2008.

**Unemployment** rose abruptly in the end of 2008 and remained at the new high level – with only small reductions after its peak in the beginning of 2010, while it increased again in the first quarter of 2011. This is reminiscent of a ratchet effect, with unemployment rising in jumps each winter but falling by a far smaller extent later. As for the gender impact of unemployment, it appears that in the duration of the crisis there was a turn-around in the EU, with men's unemployment exceeding that of women as a result of the large rise in unemployment in 2008/9. But, after that point, male and female unemployment essentially move together.

A key effect of the crisis is to increase both the absolute number of people who have been unemployed and the average **duration of unemployment**. If one compares the share of total unemployment accounted for those unemployed for more than a year that first drops in 2008 and 2009, as new entries into the unemployment pool and then rises to reach their pre-crisis proportion (around 40%). This mechanism presumes that long-term unemployment rises faster in the periods to 2010.

In terms of **activity rates**, there has been a definite interruption of the secular trend towards greater participation. Participation has reached a kind of plateau fluctuating in a narrow band and is essentially unchanged since 2008. The population is apparently still remaining in the labour market and hoping for a job. The recovery of 2009/10 does have a positive effect; however that is very muted. Turning to gender effects, the almost continuous fall in the gender gap reflects the fact that, so far, almost all discouraged workers during the crisis were men rather than women. In the country of our panel which is most adversely (Greece), and despite far greater unemployment there is clear evidence of an 'additional worker effect' as more women look for work.

In terms of **structural change**, the two sectors most affected at EU27 level were industry and construction. 2009 output for industry was 16% lower than 2007, while for construction by 8%. The slide continued in 2010 in construction (which marked further falls), while industry showed a recovery, which still left it though some 10% lower than 2007. In contrast, retail trade and transport were affected much less. Services –financial intermediation, public administration and household services merely showed deceleration of their rate of growth. Agriculture remained more or less unaffected.

**Sectoral changes** must play a large part in the story of gender effects of the crisis, given that different sectors are affected differently both across the EU and in particular countries. So, those areas in the economy that are more oriented towards male employment show greater falls but also pick up more after 2009, with the possible exception of construction. Services and public administration, where the bulk of female employment is to be found, only begin to be affected after 2009, possibly as a result of austerity or even due to delayed effects of factors affecting finance especially. Comparing employment and output change, there is the probability that there exist further 'stored up' employment falls. Equally, the impact of austerity is not yet visible in the employment data at the aggregate level – necessitating vigilance in the future.

Turning to the analysis **by age group**, we focus on groups entering and leaving the labour force. As for the **young** (15-24) there is clear evidence of drops in activity rate –presumably as young people are discouraged by high unemployment and stay on in full-time education. In the **older group** (50-65), activity rates are rising. This rise is slight for men and significant for women. Employment is increasing for women and remains constant for men –a possible indication of delayed retirement. Delays in retirement could either be due to the crisis itself or to the effects of structural measures for public pensions adopted earlier. For the bulk of the population of **prime age** (25-50) participation at the aggregate appears largely unchanged. However, for the case of women we may discern even a small rise in activity. Interestingly, unemployment *as a percent of the population*, in 2010 affects prime age men more than women (7.9% vs 7.3%), whereas as conventionally measured –as part of the labour force– women remain more at risk (M: 8.5%, W: 9.2%).

**Long term unemployment** (>1 year) affects the young of both genders more than other groups. Perhaps surprisingly, the aggregate data do not show a shift to part time employment, a conclusion also applying to temporary employment.

### **Policies: Gender dimension of the anti-crisis responses**

The economic crisis has placed at risk the progress towards the 60% employment target for women (Lisbon target). In the rush of new policies to address the crisis, many gender sensitive guidelines (Europe 2020) virtually disappeared out of sight. Nevertheless, the policy environment after the crisis increases the need for gender awareness for a number of reasons:

- The emphasis on public finance. Budget cuts could harm women disproportionately.
- The emphasis on productivity. Low productivity may be due to segregation rather than individual performance.
- The emphasis on high technology and green jobs, earmarks male dominated sectors.

Complacency regarding gender targeting could lead, at best, to a lack of urgency in pursuing gender targets; at worst, it may serve as a veil behind which older stereotypes may reassert themselves.

**'Automatic' Risks: Women's Greater Vulnerability.** 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.

The advances made in women's employment mean that more individual women are at risk from changes in government policy. A downturn could be used as an excuse to slow down progress on equality or even to rethink 'expensive' policies that help women on the labour market.

Risks of **encouraging women to leave** the labour market: men may be seen as the legitimate holders of jobs when they are in short supply. **Part-time work** for women has been a source of job growth in previous recessions but may present



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 we may see an expansion of involuntary flexible working. **'One and a half' earner households** may be more vulnerable as 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. **Services and social infrastructure** as investments for a dual earning society are critical for Europe.

**Policy-generated risks: The logic of budget retrenchment.** A severe borrowing constraint could put pressure on parts of taxation that can increase with a short lag, and on 'fungible' items of expenditure. The types of expenditure most at risk are those that can be contained without legislative or other time-consuming changes. Gender- oriented expenditure such as family benefits could well be in the firing line. This process can take place in a decentralised way (e.g. in local or regional governments); in the absence of gender budgeting, the cumulative effect harming gender balance may only be realised when it is too late.

In retrenchment there could be a trade-off between structural changes, on the one hand, and across the board austerity on the other. If structural reforms were already in place at the entry point of the crisis, then across the board austerity would be easier to avoid. The absence of reform (or its hurried pursuit during the crisis), increases the danger of those types of (gender blind) cuts. Though their impact can be assessed only post hoc, anecdotal evidence may point that it may be considerable.

**Budget Changes:** The change of Government in the **UK**, reversed policies and led to extensive budget cuts. **Poland**, on the other hand, persisted with fiscal incentives and public investment to support consumption, leading to some (selective) retrenchment. **Italy** opted for 'linear cuts' –i.e. 10% across the board for all budget items, while **Greece** from early 2010 battled with extreme budget constraints leading to the Rescue package and Memorandum of Understanding. As a result, and given the paucity of structural change, the recession is deepening, and unemployment is increasing.

**Structural Policies in the Labour Market:** In the four countries, in general men were more affected than women. However, idiosyncracies of countries should not be ignored: Differences in working time (UK), differential effectiveness of ALMPs (Poland), regional distribution (Italy) or insiders/outside (Greece). In Italy the institution of "cassa integrazione guadagni" (cig) could 'hide' or 'postpone' unemployment. In Greece, the public perception that unemployment is concentrated on 'male breadwinners' is not borne by the evidence – the real picture is more balanced.

**Policy Risks and Challenges:** The UK report highlights the issue of unpaid family work and the division of paid and unpaid work among women and men, the Polish report documents budgetary discipline between layers of Government. The Italian report looks at the youth dimension of employment issues, while the Greek report examines the issues raised by a 'reform Avalanche' necessitated as part of conditionality of the Memorandum of Understanding.

**General conclusions:** the statistical findings regarding gender gaps gleaned from data stretching up to Q1 2011 seem to conclude that the crisis –at least before it entered its second phase – impacted more on men than on women. As a result gender gaps are closing in favour of women. Men are more prone to exit the labour market (discouraged workers) than women (who, especially at older ages, *increase* their activity – added worker effect). The fears expressed by many of increases in part-time and temporary work impacting women more than men do not find backing – with the exception of particular countries.

However, it would be a mistake to conclude that we are out of the woods and to celebrate a move towards gender equality. There might be postponed effects that are yet to appear. As the crisis moves into its public finance phase, the negative effect on women will increase, as retrenchment hits public sectors and family benefits that aid women's activation are rolled back. The crisis has certainly stalled the rate of progress towards gender parity in employment. Reneging the actions thanks to which this progress was gained, might risk rolling progress back.

Given the strategic importance of gender parity for the EU, there are a number of risks that policy should consciously guard against:

1. Lower visibility of women's negative labour market experience may confuse policy priorities...
2. Gender equality may be mistaken as a fair weather policy priority. All the factors affecting women's employment in boom periods, will continue to act in recessionary times. In some cases, their negative effect will be amplified.
3. Those countries, which are at greater risk from backtracking in gender balance, are precisely those for whom gender balance promises the greatest long-term gains.
4. The absence of gender awareness, especially in the context of decentralised decision making may operate cumulatively to roll back progress. When warnings come, they might be too late.

The crisis can be a factor that can promote progress and help Europe realise its potential. Gender equality can be the catalyst for efficiency, equity and EU convergence. On the other hand, if stereotypes are allowed to reappear, we cannot rule out a repeat of the experience of the Great Depression, when many women were frozen out of employment. If gender is abandoned as a conscious policy objective, it is conceivable that we will realise that progress made over the last decade has been rolled back, when it would be too late to react.

Whether the crisis will be a catalyst for progress or an excuse for denying it, is up depends on policy makers' leadership. Long term progress should not be sacrificed to short-term expediency.

# 1. INTRODUCTION –SETTING THE SCENE

## 1.1. The Need for a Gendered Approach

Times of crisis are also times of rapid social change. The world emerging at the exit point of the crisis will be different from that at its point of entry. Economic recessions can accelerate or hinder the longer-term trends: they can roll back progress in gender equality, but they can also act as a catalyst for rethinking policies and priorities, so as to use the crisis as an opportunity to speed-up structural and societal change.

The aim of the study is to provide a gender analysis of the aspects of the economic downturn and the financial crisis at the European level. This involves some statistical analysis of macro and micro data, as well as presenting a brief gender-sensitive overview of the European crisis so far. The objective is to identify the policy areas of particular concern to European policy makers, as both crises and policies are gendered (although they may appear as gender-neutral). The unintended gender effects of policies can be flagged and possibly ameliorated or even prevented, should a gender audit have been taken seriously.

Recent financial and economic crises are known to have been gendered in their nature and effects. No category of recovery policy escapes this characterisation, no matter how 'technical' or far removed from the labour market it may be: reforming financial governance; supporting industrial sectors and companies; supporting investment; and supporting household purchasing power; or, indeed, supporting labour markets; (European Parliament, 2010). *This* crisis has often been described as being different to previous recessions in severity and impact, a feature presenting a number of challenges to European policy makers and labour markets. It is thus of some importance to see whether the gender effects observed in previous recessions carry over- in what areas and to what extent. More importantly, we should ponder whether we should be prepared for qualitatively different results which may require new political initiatives.

Isolating and reacting to gender effects is greatly complicated by the nature of the crisis at hand. Indeed, it might be misleading to talk of a *single* crisis: The crisis began in 2008 on the opposite side of the Atlantic as a 'credit crunch' spreading out from the financial services sector and affecting liquidity. By 2010, however, it had been transformed in Europe as a storm centred around public finance and sovereign debt issues focussed around the need to retrench in the context of extreme borrowing constraints. The **second** crisis is still unfolding in mid-2011. Unanswered questions remain referring to possible ways forward and the possibility of the problems spreading from the periphery to the core of Europe. The signs of a hesitant recovery of the first type of crisis began to appear in 2010, just as the second crisis began to unfold. Thus the delayed after-effects of the first crisis are arriving just as the early indications of the impact of the second type crisis are beginning to be visible. The gender impact of the two types of crises – in their nature, causes and time-frames, perhaps even direction – can be very different, even if difficult to disentangle at this early stage. Writing a report, in real time, while the crisis is still unfolding, implies a need for extra vigilance to spot early indications of effects that later may prove important – or even dominant.

Quite apart from the nature of the crisis, our analysis must take on board a number of features that distinguish the situation facing the European Union today as compared to previous crises:

*First, women are now in a position that renders them more vulnerable. Women, in other words may have more to lose:* One key difference about this recession is that the impact is likely to be more evenly shared among women and men. This is markedly different to what happened in the recessions of the early 1990s and early 1980s. Women now account for a much greater proportion of the labour market. Indeed, much of the employment gains recorded in the EU over the past decades are attributable to women's increased labour force participation. This gain in equality as compared to past recessions means that the dynamics of reaction are more complex. As an example, the growth of dual earning families means that many more households rely on *two* incomes to make ends meet. Hence, 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 also by the whole household.

*Second, the early signs from this recession have shown 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. While job losses and restructuring in male-dominated sectors have received much attention, sectors which are more gender mixed are no longer (as previously) more insulated from the effects of recession and, are beginning to suffer job losses as well. While there is no evidence to date of women's employment being impacted upon *disproportionately*, there are indications of parity of job loss – especially as the crisis proceeds. Perhaps more importantly, the job implications of the public-finance driven second phase of the crisis –which are yet to be felt- may well prove less benign to women.

*Third, 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.* Gender equality is at risk if the downturn triggers a slowdown on equality policies or even a reassessment of 'expensive' policies that were instrumental in allowing women to enter and remain in the labour market. Cutbacks in expenditure that is complementary to women's participation risk having important diseconomies – at the extreme running the danger of rolling back progress on women's participation. *A fortiori*, incentives such as long-leave schemes to encourage women to (re)adopt a traditional division of labour, or perhaps the temptation on the part of some employers to limit or cut policies that aid women may be seriously myopic: They set a short term benefit above the strategic long term target of increasing aggregate female labour participation.

It is important, therefore, to take stock of the differentiated impact of the crisis on men and women, starting from 2007 onwards. It is also necessary to examine the anti-crisis policy measures from a gender perspective. The latter acquires further urgency, especially considering budget cuts already implemented or planned in various European countries. Budget cuts are expected to have greater significance for women since women are already more likely to be employed in flexible jobs, be lower paid and/or work shorter hours, thus risking a negative impact on inequality.

To address these types of matter fully, an analysis must be informed by an interdisciplinary approach which does not ignore individual characteristics and behaviour, labour market segmentation and welfare state structure). The analysis focuses on three aspects:

First, employment patterns during the crisis as well as activity rates trends.

Second, unemployment patterns, including entry and exit from the labour market.

And third, trends by type of jobs, contracts and level of protection (insiders as well as outsiders, flexible working, part-timers, fixed-term working and also the informal/unrecorded activities). The latter categories are important as determinants of poverty/well being indicators, as well as leading to an unequal distribution of risk across society and societal groups.

## 1.2. The Grand Idea: Gender Balance and the Economic Future of Europe

Gender balance is not simply one among many economic objectives. Though obviously important for people's everyday lives, it *should* have an important place in the general strategic orientation of economic development for Europe as a whole. To orient discussion and 'not to lose the wood from the trees', it is thus important to not to lose sight of the general argument regarding the significance of gender-related objectives.

**'The Grand Idea' – Attaining Gender Balance represents a major 'untapped resource' in the long term.** Attaining gender balance represents a major source of hope that long-term economic developments can proceed in a direction of more growth, together with more equality – avoiding many trade-offs and hard choices. Furthermore, attaining greater gender balance holds hope for convergence between member states and regions, while representing an area where there is scope for considerable 'European value added'.

The fact that in a most contexts and across Europe, women systematically lag behind men in a number of dimensions is a waste of human talent and potential and a source of immediate hardship for millions of European citizens. *Correcting* this imbalance represents a major economic opportunity and source for economic growth in the long term. Catching-up implies a one-off gain while a new level is reached; potentially, (and depending on how parity is attained) it could also imply a *flow* of gains persisting in the long term. Meaningful progress towards the elimination of gaps and imbalances holds hope for the *simultaneous* decisive progress in a number of major policy directions –most of which are usually thought of as antithetical and subject to trade-offs:

1. **Growth and competitiveness:** equating labour participation implies a major inflow of productive potential. However, a smaller imbalance is likely to promote competitiveness and overall flexibility and responsiveness of the economy. Overcoming imbalances will imply important gains in the catching-up period, but is also likely to lead to increasing potential long-term growth. Cyclical behaviour of economies in the medium term is also likely to be potentially different.
2. **Equity and poverty:** that the best protection against poverty is a job is not just an empty slogan. Greater participation of women in the labour market will reduce the poverty of women, while it would make a significant dent to poverty of two-member households. In the longer term, a larger number of women who have secured their own right to a pension (rather than relying on derived pension rights through their husband) will reduce one of the main causes of poverty in old age. A larger number of women in the labour force – especially if the gender wage gap is also reduced – will definitely widen the tax base, even if the effect on the overall (vertical) of the distribution of income is uncertain.

- 3. Convergence within the EU:** the potential *gains* in female employment are unequally distributed, being concentrated in the South and (to a lesser extent) in the East. Thus maintaining the momentum towards gender balance is coterminous with a major step forward in convergence within the EU and towards correcting Eurozone competitiveness imbalance. This observation is reinforced if one considers the importance of women workers for the economics of small firms – which characterise the weaker economies.

Gender balance is an area where the European Union has a very high profile involvement. Indeed, the potential of spreading good practice and the leverage of European Union cohesion funds and inclusiveness initiatives increase the association of between the EU and gender equality. Thus the area of gender balance is one where EU value added is considerable, as is the potential for EU leverage to foster and realise long-term growth potential.

The 'Grand Idea' of the significance of Gender Balance and its centrality in European thinking is not something new. It explains the emphasis placed by EU institutions ranging from the Council, the Commission and the ECJ on gender equality as an objective. Moreover, it justifies its prominent inclusion in the Lisbon Strategy and the Europe 2020 Strategy.

The economic crisis, which has been raging since 2008 and –alas –is still by no means over, has important implications for this Grand project. The impact of structural change is not gender-neutral, while responses to the crisis could have very significant (if unappreciated) effects on gender balance. Awareness of the importance of gender effects can foster timely corrective action. For all these reasons, a gender-sensitive analysis of the impact of the crisis on the Grand project, which will arrive in good time to correct some features or motivate initiatives, is very important.

A period of economic crisis is always a period of economic distress and tremendous hardship to millions of people. Given women's multiple roles, this distress could weigh disproportionately on them –a fact which should not leave policymakers indifferent. However, a period of crisis can also serve as a handmaiden of economic and social change. The world emerging at the other end of the recession will be very different from the one at its beginnings –in ways that it is not always easy to predict. Previous crises, for instance, by impacting more heavily on heavy industry (predominantly male-dominated) played an important role in delivering a jobs landscape less heavily weighted against women. Similarly, one may hope that in the current situation, technological change (scale-neutral and -prima facie – more favourable to balance) might have a similarly beneficial impact. This may be combined with the effect of accelerating hitherto postponed reforms plus the effect of past reforms' momentum carrying matters forward. Finally, the cumulative effect of more than a decade's worth of emphasis at the European but also member-state level is unlikely not to play a role.

On the other hand, there are many reasons for *not* being complacent. The fact that there are more women workers means that women as a whole have more to lose than previously – even should the primary impact be gender-neutral. To add to this consideration, heavy – male-dominated- industry is now much reduced, while the sectors now exposed to globalization may well employ more women than men. Indeed, anecdotal evidence speaks of large effects on service sectors previously thought entirely immune to international competition. Consequently, it is easy to think of scenaria implying that progress towards gender balance is neither automatic, nor assured. It is true that since the previous



recession there has been a plethora of reforms aimed at gender balance. However, reforms have proceeded at a different pace in different countries. In some countries at least, the design of reforms has created new distinctions between classes of the population. For example, promoting of 'flexibility at the margin' promotes a new type of worker who was the last to be employed and is in danger to be the first to go in a recession. This type of LIFO (last in, first out) market is likely to be especially applicable to women, among vulnerable groups. When reforms to date have not eradicated the hard core of employment stereotypes, it is conceivable that some of these stereotypes may reassert themselves in the context of the crisis. Thus, backtracking is by no means unthinkable – in certain environments and for particular groups of women.

What is the most likely outcome of the impact of the crisis? It is important to admit – at this early stage – that the *'jury is still out'*. One can neither rule out the favourable nor the unfavourable scenario. Indeed, in different locations both could hold, or either. The question of gender balance by its very nature implies that in different countries or even regions different scenario may predominate. This justifies the main policy recommendation – vigilance regarding the possibility and 'direction of impact' of gender effects.

The policy conclusion of vigilance is reinforced by a number of other considerations that imply that this report cannot provide a definitive answer. Or, to put it another way, that there are times when posing a question is more important than receiving an answer. These factors are:

- Gender effects are by their nature diverse and are unlikely to affect all countries, sectors, or parts of the population equally. Thus, to identify areas of concern, one has to disaggregate effects by key groups and/or areas of concern. Yet, most of the data that could help us answer this question are available with some considerable lag. Sectoral or distributional effects have to be inferred from data that are often too aggregated (or even provisional) for a definitive answer.
- The crisis is by no means over. Though the world economy and large parts of Europe are already showing signs of recovery, this recovery is vulnerable to a number of developments – most notable of which is the unfolding Eurozone sovereign debt crisis. In Europe we are already seeing the emergence of a new phase of the crisis led by public finance considerations; in summer 2011 the way forward is by no means obvious.
- Some of the effects of the crisis may not proceed smoothly or by predictable marginal amounts. Some of the eventualities may imply large discontinuities, in which past behaviour and past generalizations (based as they were on smaller and less persistent negative influences) may be insufficient guides. Many previously unthinkable eventualities are now – alas – firmly on the radar screen and cannot simply be wished away. In such a situation of heavy 'tail risk', risk management may counsel to think the unthinkable. In particular, are the welfare states that owe their origin to the Great Depression of the 30s able to cope with social disruption of equivalent magnitude? Will modern welfare states deliver in their function of social safety nets once the kind of problems they are meant to deal with become more general in nature? Or will more of the social safety net function need to be filled by the family – that is to say by women?

This kind of problems, by their nature cannot be expected to show up in the kind of statistical data available in a report such as this. However, it is important that policy

makers should be aware of these issues and guard against complacent projections based on past successes.

### 1.3. Implications for the Analysis

If the policy interest must stay focused on long-term goals of strategic significance, this has important implications for a 'reading' of the current situation.

*First*, the experience of past recessions can be no more than a starting point for the analysis. The current crisis is already longer and deeper than episodes of the last generation. *Second*, and perhaps more importantly, the kind of mechanisms driving the macroeconomic developments are *qualitatively* different, while, *third*, the crisis mechanisms have not played themselves out yet. This is true in the literal sense, as many of the gender-specific effects even of past recessions appeared after a significant time lag, caused by cumulative changes; we may guess at a presence of lagged effects 'hidden' in aggregate data. More importantly though, is the third consideration: this crisis may yet develop in directions that can be forecast only with great difficulty; previously unthought-of scenarios are now being talked of and are colouring expectations. Already, as a direct consequence of the crisis, a number of European countries are experiencing extreme public finance challenges. This, in itself, implies that an aggregate analysis is misleading: It is in the nature of problems caused by imbalances that there exist (regional or national) differentiations of response – to a deficit there corresponds a surplus. It is the challenges faced by those countries faced with public finance problems, which will be the drivers of future developments in the macro fields. And it is these last developments that have the greatest potential for gender effects.

It is thus important not to merely examine a static picture, but also to speculate on the dynamics and the logic of the situation: given where we are, in which direction are we being propelled by the logic of the challenges faced? The emphasis on public finance in the second phase of the crisis could imply that gender effects may acquire a new dimension: as public expenditures which act as complements to women's labour participation are affected, women could find difficulty in combining family and work, a fact which may place at risk the gains of the last decade. We must keep in mind, therefore, that static findings have the potential of being overturned.

This note of caution can only be reinforced when we consider the kind of data we are constrained to use. National accounts data and broad Labour magnitudes estimates are available for the first quarter of 2011. However, there exists a well-known trade-off between speed of data delivery and disaggregation. If (as in the case of gender) we are propelled to examine sub-groups of the population thought especially at risk, or particular sectors of production, we are in most cases limited to using data from 2008, or even earlier – i.e. for a period well before the onset of the crisis. In order to see the kind of effects we would be interested in, they must be large enough to affect aggregates for the whole economy; similarly they must not be counterbalanced by *other flows* going the other way.

Waiting for data to appear, may mean for policy makers that they react when it is already too late. The alternative is to make careful use of what (macroeconomic) data *is* available; but to supplement it by analysis of particular cases and of national case studies. Frequently trends can be spotted in an individual country before similar effects spread wider. To this extent this report includes four in-depth case studies, which provide a coherent 'narrative' that may be used to inform a wider analysis focused on wider aggregates. To this extent the first step in the analysis is the presentation and commentary of broad trends for the



EU27 total, as well as the same data for five separate countries chosen to represent a wide range of EU country level experiences. Thus the flavour of country level divergence and differentiation can be conveyed without swamping the reader with 27 separate cases. The four cases the countries already selected as case studies (UK, Poland, Italy and Greece) themselves cover a wide range of experience –within and outside the Eurozone, Eu15 and Eu27, the time structure of the crisis and the urgency of public finance issues in 2011. They can thus be thought to capture most of the effects shaping the crisis across the EU. In order to round the picture to represent those Eurozone country on the way to recovery, a fifth country was added, the Netherlands<sup>1</sup>.

The report sets itself the task to produce a tour d’ horizon of the general trends in order to orient policy, keeping, at the same time, a clear strategic vision. This macro picture will serve as the background in order to speculate about the kind of micro effects which are driving current and future developments and whose presence can frequently only be inferred. In the same way, the more detailed story has been kept out in order to assess the aggregate picture.

The report is structured as follows: A literature review examines conceptual issues. The statistical review provides an overview of macro trends in output and employment for the EU27 and for five countries. The policy review examines conceptual issues in providing a coherent gender-informed account of policy priorities and impacts. Relevant material is extracted from the four countries to illustrate in a concrete way the general points raised (the complete text of the case studies is available in a stand-alone appendix). Finally, the statistical appendix presents tables covering all EU27 countries.

## **2. BACKGROUND AND LITERATURE REVIEW**

### **2.1. Women, the Recession and Gender Equality: a review of the literature**

Financial and economic crises are gendered in their nature and effects. The most obvious effect is an increasing unemployment rate, but other labour force performance indicators usually suffer too during economic downturns, namely the participation rate (affected by discouragement) as well as the employment rate (affected primarily by effective demand). Adverse labour market conditions incur substantial human costs that persist well after the crisis is over. Layoffs are associated not just with immediate loss of earnings, but also with *future* loss of earnings; these losses are higher if the layoffs occur during a recession. Studies of individuals for the United States show that even 15–20 years after a job loss in a recession, the earnings loss amounts, on average, to 20 per cent. The adverse effects on lifetime earnings are most pronounced for unemployment spells experienced in youth, especially upon college graduation. Layoffs are also associated with a higher risk of heart attacks and other stress related illnesses in the short term. In the long term, the mortality rate of laid-off workers is higher than that of comparable workers who kept their jobs, and the effect persist even after 20 years after the job loss (ILO/IMF, 2011).

Job losses (for those who had a job) and entry-barriers to employment (for those who don’t) are not evenly spread: they tend to be biased against the weaker labour market participants and (recent or aspiring) entrants. Do women generally fit in the vulnerable category of labour market participants? What exactly determines the different effects of the recession on women and on men? Which way do the greatest disadvantages evolve?

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<sup>1</sup> It is difficult to capture the range of experience of transition countries – from the severe problems of Latvia to

## The impact of an economic crisis on women's employment: three possible mechanisms

1. **The “silver lining” effect.** Starting from gender occupational segmentation in the labour market, it predicts that because women's jobs are relatively ‘protected’ (because they are concentrated in ‘insulated’ industries and occupations, such as non-tradables or the public sector) they will face softer adverse unemployment effects.
2. **Marginality effect.** Women's weaker position as marginal employees and/or new hires (weaker attachment, shorter experience) makes them *more* vulnerable to job loss. They tend to be the first who lose their job and their re-employment chances are hampered both by prevailing social attitudes (stereotypes) as well as seniority rules favouring men. This effect is also called LIFO: last in, first out.
3. **Strength in weakness.** Women's position as new hires combined with their lower pay (and poorer conditions of work) status makes them more attractive to employers when the latter consider firing personnel, or replacing men that had been laid off. This is often called FIFO: first in, first out.

It should be noted the three effects can coexist and can affect different parts of the population.

In economic theory terms, the adverse economic conditions generated by the recession can have two opposing effects on women's participation in the labour market, as a response to recessions. They can be either *increase* their labour supply (to compensate for unemployed spouse and deteriorating family finances) or they can become discouraged by the belief that no jobs are available. The former effect is called “**the added worker effect**”, while the latter is the “**discouraged worker effect**”. Both trends can coexist, albeit in different segments of the labour market.

Finally, in the context of public finance crises, we must be aware of more complex effects operating through changes in the *relative* personal cost of labour participation – e.g. by altering the relative financial and non-economic costs of labour participation. Some changes in taxation (e.g. treatment of second earner income), or cuts in complementary public expenditure could have this effect.

If an economic downturn can work both ways as far as gender is concerned, it might be useful to take an historical approach and ask how previous recessions affected men and women differently.

### **Women in earlier recessions: can the past act as an adequate guide for the future?**

What can we learn from previous recessions? Will jobs loss patterns be of a LIFO (last in, first out), or a FIFO (first in, first out) nature? Job losses (and gains) for women in comparison to men depend on how well female-dominated occupations and industries fare in downturns compared to male jobs. For the previous recessions a number of studies had documented that women in France (Bouillaguet-Bernard and Gauvin 1988), Italy (Bettio 1988), the UK (Rubery 1988), or the USA (Humphries 1988; William 1985; Goodman et. Al 1993) have been relatively sheltered from job losses. This was due to the fact that they were mainly concentrated in service occupations or in public sector jobs. Segregation has diminished in the meantime but is still an important mechanism that drives comparative job losses and gains (Bettio and Verashchagina 2009). Furthermore, evidence from the US suggests that the impact of the six earlier recessions has been progressively greater for women: their employment rate suffered increasingly in each subsequent recession (Mishel et al., 2003, covering 6 episodes, namely May 1969-August 1971, October 1973-May 1975, May 1979-December 1982, June 1990-June 1992, October 2000- June 2002 and March 2007-February 2009). Will this crisis follow the trend? If so, the overall effects may be spread more evenly between men and women.

Losing one's job is only part of the challenge: the length of time needed to return to employment is of equal importance. It is well documented that in previous recessions women who lost their job have had greater difficulties to return to employment as documented by longer out-of-work periods (Sofer, 2005).

Clearly, the mirror of history cannot answer today's questions. There are good reasons to believe that this time it will be different. The crisis is deeper, women's position and their attachment to the labour market have reached unprecedented levels (more on the section: the starting point), retrenchment of public finance is playing a larger role.

In what follows, first we are going to summarise the evidence on the *initial* impact of the economic recession, and then present the risks to women that need to be taken into account when formulating policy responses to the crisis.

The initial effects of the recession on women and men have been documented as:

1. ***The starting point (entry in recession) is different from previous downturns:*** women are more integrated in the labour market (Table 1), they have stronger attachment to their work and their income is a more central part of family budgets. As a result, persisting inequalities in the labour market (such as wage gaps, job segregation and dual labour markets) have a greater impact on household finances, making the case for equality clearer.

**Table 1: Women's Share in Employment during Past & Present Recessions**

Women's Share (%) of Employment during Past and Present Recessions							
Country	1971	1982	1992	2007	2010		
					Total	Nationals	Foreign
Belgium	32	36	40	43	45	46	42
Denmark	41	45	46	47	48	48	53
Finland	45	47	48	48	49	49	45
France	36	40	44	47	48	48	41
Greece	n.a	31	35	39	40	41	38
Hungary	42	48	49	45	47	46	50
Ireland	27 <sup>1</sup>	30	33	42	47	47	44
Italy	28	32 <sup>7</sup>	35	39	41	41	42
Luxembourg	26 <sup>4</sup>	32 <sup>2</sup>	35	43	44	43	44
Netherlands	28 <sup>3</sup>	33 <sup>6</sup>	39	45	46	46	46
Norway	36 <sup>4</sup>	41	46	47	48	48	45
Poland	n.a	48	46	45	45	45	43
Romania	n.a	44	47	46	44	44	n.a
Spain	26	28	33	41	44	44	48
Portugal	40	40	43	46	47	47	50
Sweden	40	46	49	47	48	48	44
United Kingdom	38 <sup>5</sup>	41	45	47	47	47	44

**Note:** 1. 1973; 2. 1991; 3. 1977; 4. 1972; 5. 1975; 6. 1983; 7. 1989

**Source:** Figures reported for 1971-2007 are based on Smith (2009: 4; Table 1). For 2010 own calculations based on Eurostat (2011) LFS.

- Greater integration into the labour market might mean that the adverse *impact of this recession is going to be more evenly spread between women and men*. Therefore, 'greater equality in the impact of the current crisis' is possible (although it leaves little room for celebration). "This is a rather dramatic change since, thanks to women's greater share of employment, they have been hit in the first wave of the crisis – albeit to a lesser extent than men – and will be hit again as public spending is cut – (as there is) evidence of the cuts already impacting upon women's employment and planned spending cuts likely to have more significant effects" (Villa and Smith, 2009: 34).

3. The impact of any recession is filtered through **concrete patterns of sex segregation in jobs**: In previous recessions gender occupational segregation has to some extent 'protected' women, as they were primarily concentrated in services -where jobs continued to grow, in spite of the recession (Rubery et al., 1999, Goodman et al., 1993, Humphries, 1988). On the basis of the evidence from early effects, it is possible to expect a continuation of the previous trends in the initial phase (with more visible job losses in male-dominated sectors). However, there is anecdotal evidence that after the initial jobs shedding in the sectors that were hit first from the crisis, there is going to be extensive rationalisation of jobs in female-dominated sectors, such as the public sector, education, care, healthcare etc, where time-lags of response are longer and more political.
4. One particular concern in an economic downturn is that weaker members of the labour market suffer disproportionately (ILO 2009). Among these weaker groups are women but also **immigrant men and women**. The negative trends in employment across EU labour markets are mirrored and amplified for non-nationals. Apart from facing adverse job opportunities and higher risk of being fired, they also lack the financial preconditions to support themselves during times of hardship (Lyberaki 2011, Villa and Smith, 2010:37).
5. The crisis has also had different impacts across men and women at **different stages of the life-course**. The initial falls in youth employment rates for men have been more pronounced than for women. However, the subsequent trends document that the unemployment rate for young women rose faster than that for men (CEC 2009:5). At the other end of the age spectrum, declines in older age employment (mixed picture) and higher risk when it comes to re-employment (clear trend) create strains for realizing the objective of active ageing.
6. In the beginning of the crisis the share of **part-time employment** rose by half a percentage point, mainly for men. Nevertheless female rates remain higher in all Member States and far higher in almost all. While a more even balance of part-time working could be welcomed as sign of the 'defeminisation' of this form of work, it is also important to remember that many of the new male part-timers will be compensated for their shorter working hours through partial unemployment schemes. A risk is looming of a new gender division among part-timers being *created* by policy: A class of part-timers is emerging who are working part-time while retaining protection and the benefits of full-time work. Compared to those (women) who "chosen" part-time work to reconcile work and family life and are hence not compensated a new category of privilege is emerging (Rubery 1998).
7. Unlike the trends in part-time work, the patterns for **fixed term and temporary agency work** tend to show a rapid decline at the onset of an economic downturn. As the economy slows down, temporary agency employees are the first to be laid off and fixed-term contracts are not renewed or initiated. The gender divisions within temporary work, although very clear, have attracted little policy attention so far.
8. In qualitative terms, the gendered impact of the recession may reflect **different trajectories and dynamics for women and men**. The differences in the types of jobs that women and men do will necessarily influence the types of problems men and women will confront as a result of the economic downturn. The fact that women are concentrated in part-time work, lower paid jobs, jobs with shorter tenure and smaller firms will affect not only their labour market outcomes, but also the degree of their

**visibility** to politicians trying to address the hardships caused by the crisis. Hence, there is a risk that the downturn might be used as a reason to slowdown progress on equality policies or even to rethink 'expensive' policies that help women on the labour market (Villa and Smith, 2008, Rake, 2009).

9. **Entrepreneurship and business creation** is also largely gendered. As 2008 data reveal, men are more than two and half times more likely to be employers and 40% more likely to be self employed (Villa and Smith, 2010: 38). Meanwhile women have a much higher chance of being unpaid family workers. In view of the persisting gender segregation of employment opportunities and the gendered division of family and care responsibilities, there are risks of creating new lines of segmentation and disadvantage, as well as shifting new risks onto women (and men) becoming new 'entrepreneurs' (EC, 2010; Villa and Smith, 2010: 47).
10. **Inequalities in paid and unpaid work** persisted along gender lines. The data on pay gap show that the gender pay gap persisted (up till 2008, at least) whereas progress in promoting a fairer distribution of unpaid hours of work do not suggest any real progress. This area calls for greater emphasis in data collection and statistical reporting. Whether pay gaps became wider or simply stable is a question that remains largely unresolved. As the constraints facing women in employment include time management and difficult decisions between paid work and unpaid/care provision, the issues related to the reconciliation acquire prime importance. It remains the case that although parenthood still tends to boost men's employment rates, it has the opposite effect for women in nearly all Member States (Eurostat 2009).
11. Taking a more **global view**, evidence from the developing world indicates that men and women respond differently to economic shocks: while women tend to sell and pawn productive small assets to smooth consumption, men tend to hoard potentially valuable resources (Antonopoulos and Floro, 2005). Furthermore, as men become unemployed, women tend to expand their labour supply in both paid and unpaid work, even under adverse working and pay conditions (Antonopoulos, 2009).

<p><b>Ten Stylized facts and findings from previous gender-sensitive analysis of the economic downturn in Europe</b></p>
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| <ol style="list-style-type: none"> <li>1. The nature and timing of the various effects of the economic recession are gendered. Only by taking a gender sensitive approach to the whole cycle of the crisis its full repercussion come to the fore. The differential timing of the crisis on women and men suggests that the effects are not over for women.</li> <li>2. Men were more likely to be hit by the first wave of the crisis, but also women experienced negative consequences, unlike what happened in previous downturns.</li> <li>3. As the crisis progresses, the impact upon men softens and women's employment is affected as the adverse economic conditions spread to more areas of the economy.</li> <li>4. Moreover, women are affected by the cuts in public spending that follow the recession and the increased public spending on crisis-ridden sectors. This is the result of segregated employment opportunities, with women tending to be over-represented in the public sector and men in the private sector.</li> </ol> |
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5. This may have significant long-term consequences for gender equality in the EU: while male employment is picking up, women's employment may suffer longer-term losses: both as employees but also as users of public services.
6. So, the effect of the recession on women goes well beyond the immediate and measurable effects in their labour market situation. Women are more likely to be affected in changes in standard of living, which create a greater burden of unpaid work.
7. The economic prospects for the European Union economies are more promising than what they were one or two years ago, but they remain difficult. In view of the ongoing turmoil in the banking sector (mainly Ireland, Spain and Portugal) as well as Greece's sovereign debt crisis, the outlook remains uncertain and the labour market prospects rather bleak.
8. Fragile economic prospects reflect the transition from recession to a situation where uncertainty coexists with pockets of growth and a trend favouring public sector cuts (rebalancing of public sector deficits).
9. Stability in unemployment rates rests on divergent trends by gender (stable for men, increasing for women).
10. The general trends in employment rates disguise a diversity of particular strategies: In some household, women may be encouraged to enter work as a response to the loss of job of the breadwinner or declining incomes (added worker effect). Difficult economic conditions may also produce the opposite reactions: they may lead women and men without jobs to cease looking for employment believing no jobs are available (discouraged worker effect).

As a result, and taking stock of the above evidence, **policies** to tackle the recession need to be aware of a number of **traps and risks pertaining primarily to women**:

- a. The risk of **implicitly encouraging women to leave the labour market**, in order to make space for 'real workers' (i.e. men). This would reassert traditional/parochial assumptions concerning gender roles (Smith, 2009, Villa and Smith, 2010, on pension reform Lyberaki and Tinios, 2011).
- b. The risks involved with **part-time work**: although part-time work for women has been a source of job growth and income enhancement in previous recessions, part-time work has its own problems (in terms of pay and career prospects). Furthermore, during an economic downturn, it is very likely that involuntary part-time is going to increase. The structure of incentives (provided by employment and social policy) may simultaneously discourage both men and women from seeking part-time employment, albeit for different reasons (Threfall, 2000: 323)
- c. The risks attached to **atypical jobs** mean that 'peripheral' employees are more likely to be excluded from unemployment benefits because of intermittent careers and insufficient contributions (Grimshaw et al, 1999, Rubery et al, 1999, Cazes and Nesporova, 2004, Seguino, 2009, Dye, 2009, TUC, 2009).
- d. **'Outsiders'**, i.e. those outside the formal labour market (and the formal protection system) are confronted with higher risks during a recession. Although the 'informal' or 'grey' economy often acts as a buffer during economic downturns as well as a



source of income-generating opportunities (Paci, 2002), it is also a source of disadvantage and insecurity both in 'fair weather conditions' as well as in times of economic decline. The outsiders are often beyond the reach of labour market and social cohesion policies, as their visibility is low. Migrants and women tend to be over-represented in this category –especially in informal care provision (Bettio, 1988, Ungerson and Yeandle, 2003, UNIFEM, 2006, Lyberaki, 2011).

- e. The **self-employed** and small entrepreneurs are also faced with specific risks during the recession: credit crunch and tax enforcement may add strain to small businesses and the self-employed. In view of the fact that women are under-represented among established entrepreneurs (who are more visible to politicians), they are more prone to the hazards caused by the economic recession (Villa and Smith, 2008, Smith, 2009).
- f. **Migrant workers** are over-represented in the informal sector, while their formal sector involvement tends to be in high-unemployment risk jobs (like construction). Their job loss may go unrecorded, while official statistics tend to capture only a part of the broader picture regarding their real situation. All the same, unemployment rates are often higher for migrants, especially for women (Vie Feminine, 2008). This causes some migrants to return to their countries of origin, while others attempt to wait out the recession where they are. There are indications that due to the deterioration of economic conditions there has been a sharp decline in immigrant labour (Travis, 2009). On top of the deteriorating economic opportunities, migrants face some additional risks due to perceptions that they displace domestic workers (especially when the pool of available jobs shrinks) (Seguino, 2009, Sturcke, 2009, Rosenberg, 2003).
- g. And last, but by no means, least, comes the issue of **budget cuts** as a response to fiscal imbalances: Budget cuts can extend the impact of the recession, while their impact may have disproportionate negative effects on women. Both as employees of the public sector and as users of social services, women are more sensitive than men to budget cuts as the impact of falling tax receipts unfolds (Smith, 2009, Paci, 2002, CEC 2008).

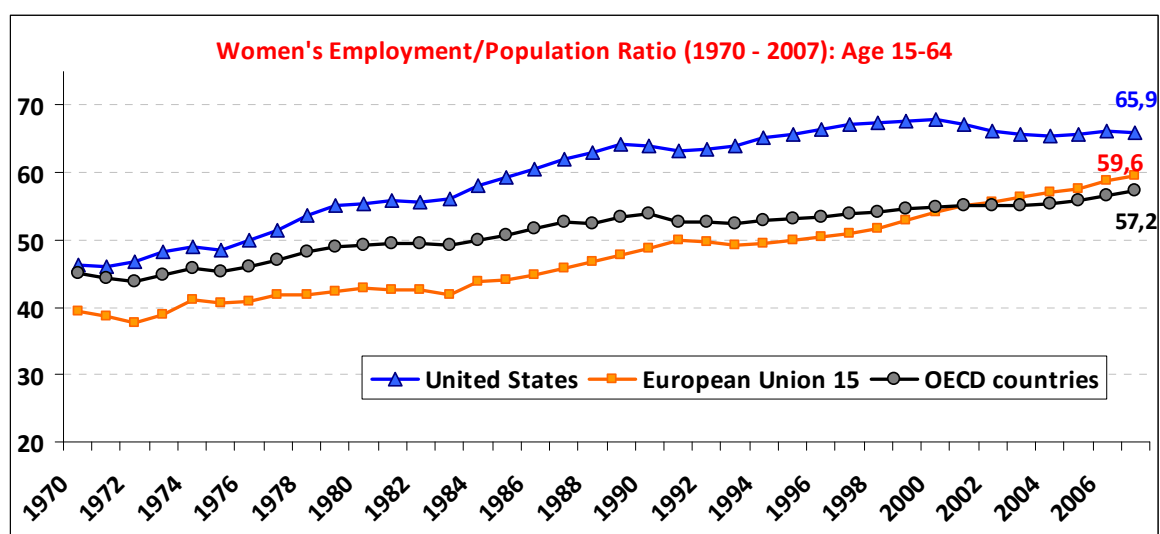
## 2.2. The point of departure (Equality Gaps -mostly diminishing) but still a long way to go

Gender gaps in Employment have been diminishing "on the road to Lisbon". In fact, female employment has been the main factor in the steady growth of employment in the EU since the turn of the millennium. Despite the recorded progress, however, the general picture remains ambivalent. A few stylised facts (reflected in graphs) testify to this interpretation.



### A. More women are in paid work: Women's employment rates have markedly increased

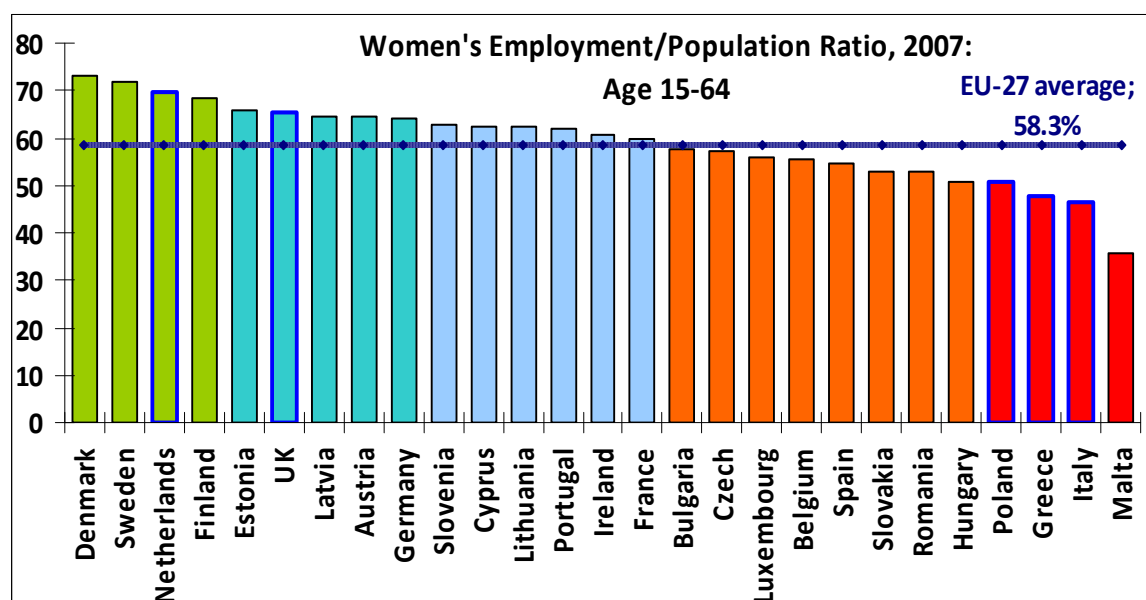
Figure 1: Women's Employment/Population Ratio (1970-2007)



Source: OECD Dataset LFS by age and sex

### B. Nevertheless, women's employment rates vary widely across countries

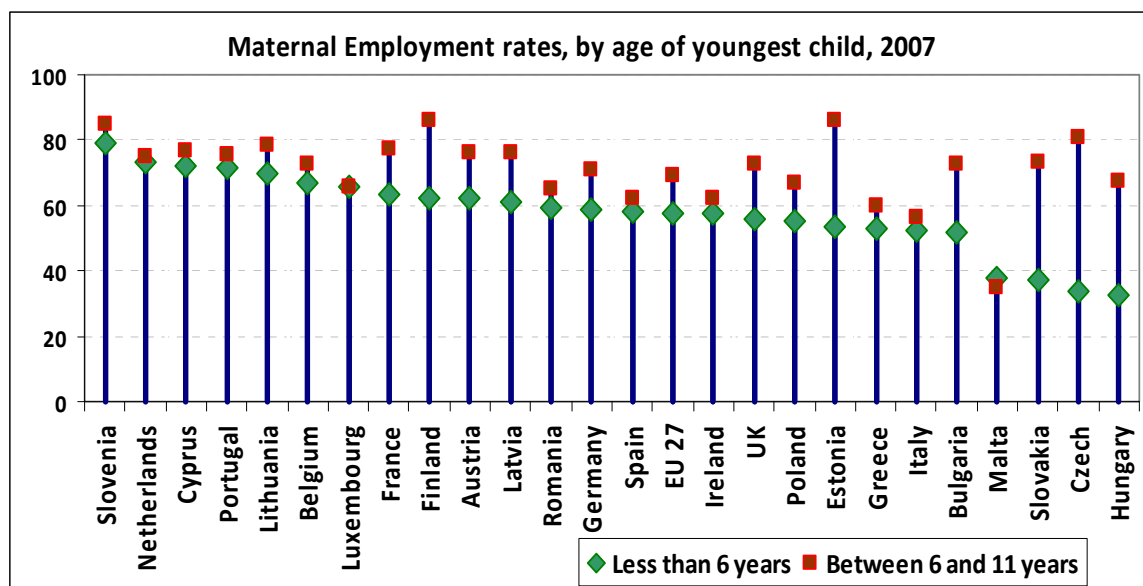
Figure 2: Women's Employment/Population, 2007



Source: Eurostat LFS by age and sex

**C. Employment rates are low for mothers of young children:** Maternal employment rates tend to be lower than for women as a whole. Moreover, mothers are more likely to be out of work when their children are very young.

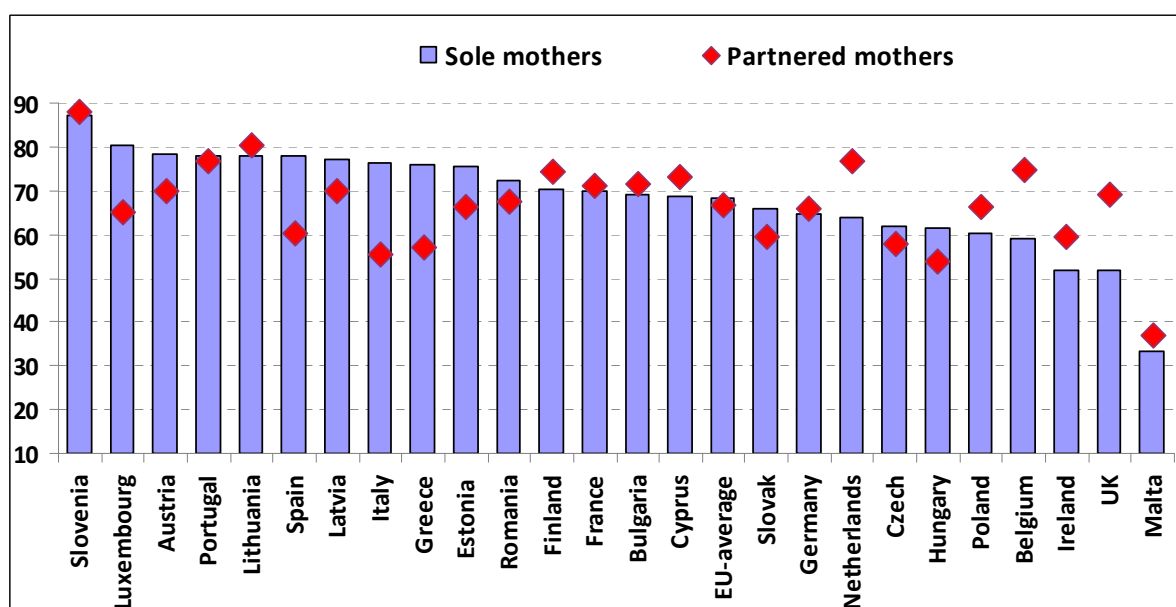
**Figure 3: Maternal Employment rates by age of youngest child, 2007**



Source: Eurostat, LFS

**D. The proportion of single mothers in paid employment is higher than that of partnered mothers in most countries, particularly in Greece, Italy and Spain**

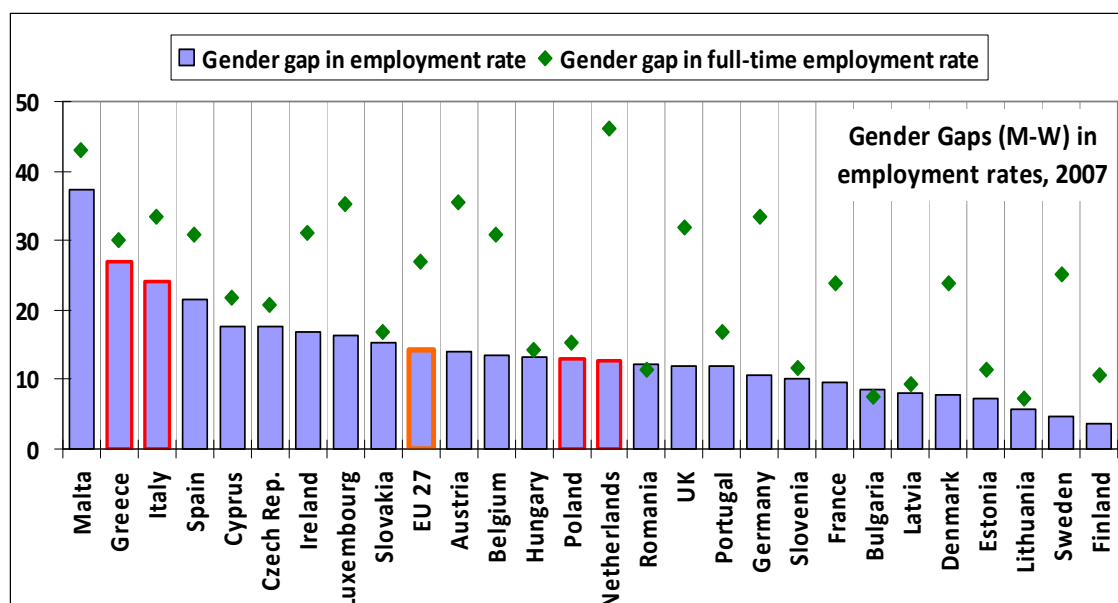
**Figure 4: Maternal Employment rates by partnership status, 2007**



Source: OECD, Family dataset

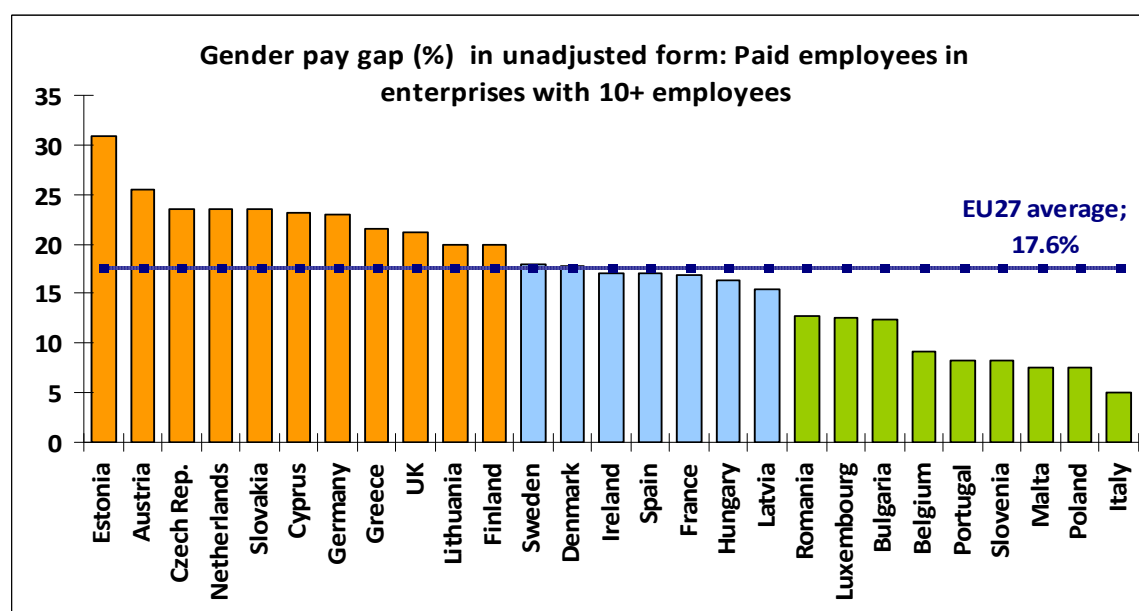
### E. Still many gender gaps prevail: Women *work* less than men

Figure 5: Gender gap in employment rates, 2007 (Eurostat, LFS)



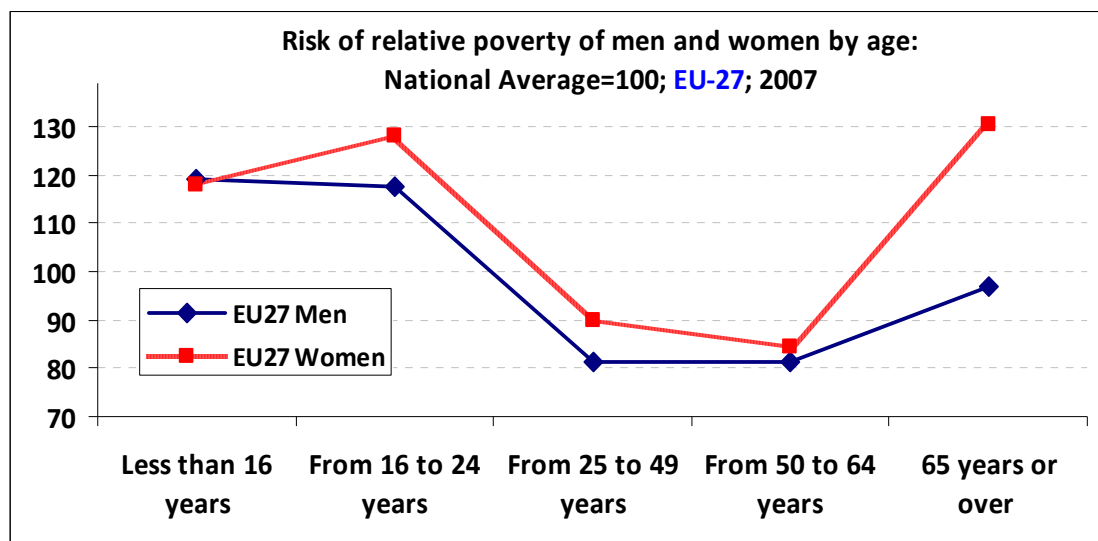
### F. And women *earn* less than men (Eurostat, LFS)

Figure 6: Gender pay gap in unadjusted form<sup>2</sup>, 2007



## G. Finally, Women are poorer than men<sup>3</sup>

Figure 7: Risk of relative poverty of men and women by age



Source: Eurostat based on EU-SILC.

Note: National Poverty rate of the entire population=100

### 2.3. Gender-Analysis of Policy Implications

What kind of policies must be examined for their gender implications? It is clear that gender should not necessarily be part of the stated purpose of a particular measure or even be consciously considered as a possible side-effect. Spreading the net wide in this way, it would be useful to distinguish policies conceptually in the following fashion:

1. Policies whose primary purpose is not economic, and are unrelated to the economic crisis, but nevertheless have important repercussions on gender-sensitive subjects. Such policies are frequently found in the field of justice, immigration and human rights. For instance developments in 2011 in North Africa and the EU policy reaction to them will have important repercussions as will, closer to home, the effective implementation of free movement in the EU.
2. **'Automatic' changes** in expenditure or taxation, which are the direct result of movements in output during the recession. Tax receipts of certain taxes are likely to fall (depending on income elasticities), while certain expenditures – such as unemployment benefits – are directly increased by the crisis. Those effects are frequently thought and referred to as 'fiscal stabilisers', in the sense that they 'automatically' lead to injections of effective demand in the downswing and through a recession.

<sup>2</sup> Note: the unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The population consists of all paid employees in enterprises with 10+ employees.

<sup>3</sup> Poverty data are constrained to assume that husbands and wives have equal shares of the family income. The gender gap in poverty statistics thus relies exclusively on women living alone – widows, divorced women, single mothers – which makes the finding of a gender gap all the more remarkable.

If a crisis is one of public finance, such as the problems faced by countries involved in the sovereign debt crisis, these automatic effects would worsen the basic problem and work in a *destabilizing* direction. In the presence of a binding borrowing constraint, this type of 'automatic shortfall' could thus necessitate the adoption of further contractionary measures. In a search for expenditures to retrench, it is often gender-directed expenditures such as family benefits, which could prove to be the 'line of least resistance'.

In cases of acute borrowing constraints (such as those currently faced by GR, PT and IE), policy essentially becomes 'lexicographic' –in the sense that an immediate solution to a public finance issue (through increases in taxes or restraint in expenditure) is unavoidable before any other policy priority. It is in this context that certain types of expenditure are possibly at more risk – of being 'crowded out' than others. It is possible that in the context of the crisis (and aided perhaps by an impression that the crisis is kinder towards women) gender-based policies may find themselves more frequently in the firing line as candidates for rapid retrenchment.

3. **Discretionary policy initiatives** taken in response to the crisis. Counter-cyclical demand management could be an example aiming to *increase* effective demand. On the contrary, in the second phase of the crisis, public finance-induced cuts almost always *reduce* effective demand. Policy initiatives could take three forms, in ascending order of magnitude of change:
  - a. **Alterations in budget allocation** or other administrative changes not requiring special legislative changes.
  - b. **Changes in the parameters of existing programmes**, without altering their basic structure – e.g. altering tax rates, eligibility requirements of certain programmes etc.
  - c. **Structural reforms**, affecting the logic of a programme or altering the structure of basic incentives. Structural reforms are met in the fields of pensions, labour protection, health care etc. A crucial component of structural reforms is the transitional periods and the ambit of application; a frequent result thus is the creation of a division between 'affected' and not-affected parts of the population. This distinction in cases may be more important in the medium term than the reform itself.

A further important distinction has to do– independently to whether the policy has a gender effect or not - with whether the policy is 'gender-aware' – i.e. its design is conscious of a gender impact, or whether this comes as a surprise. Gender audit of *all* policies is the ideal, though very few countries actually implement such an idea.

Policy analysis should not confine itself to looking at direct effects on the public sector. It should widen its scope to examine 'what happens *to other* domains when (public) policies change'. For example, a great many policies could be interpreted as an attempt to shift responsibility away from the public sector and public provision towards *either* the for-profit private sector (at one extreme) *or* the family (at the other). In this respect, one should be aware of the implications of this shifting of responsibility and the effects that it might have, both in terms of the impact of income distribution but also on the economics of the family.

Finally, due to their especial significance to gender equality, the gender situation as a result of the crisis should be examined 'horizontally' in three key areas, in which public,

occupational and private provision coexist: Pensions and incomes at old age; Long term care; and family policy and child care. The country reports make reference to these issues in their specific contexts.

### 3. STATISTICAL REVIEW

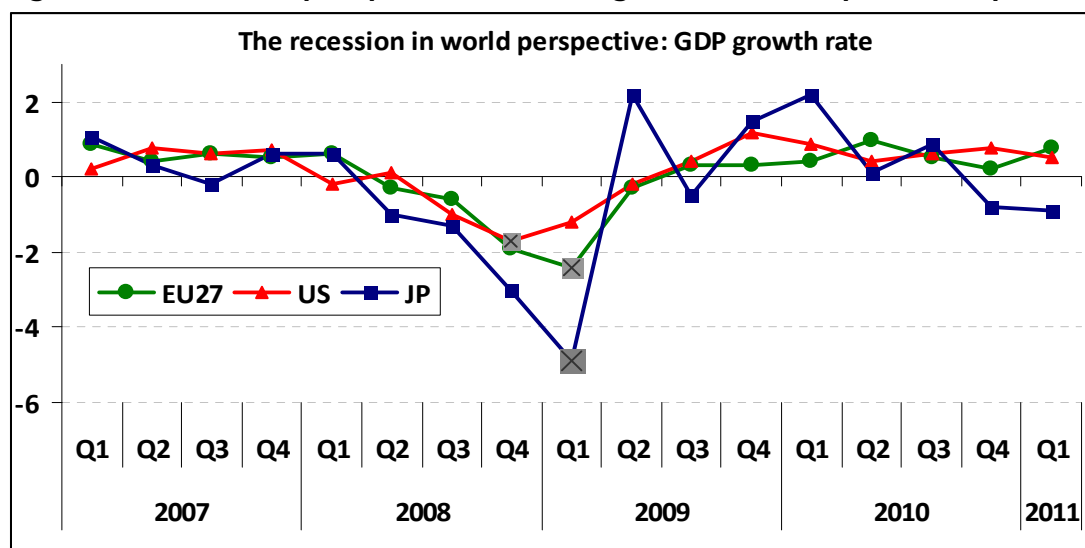
#### 3.1. The Course of the Recession Trends in Output

**The recession in world perspective – the broad outlines:** the recession, which started in 2008 has engulfed the world and has led to widespread loss of output and concomitant effects on employment. Key to the magnitude of its effects was the combination of its long duration, its unusual depth and the wide dispersion of its effects.

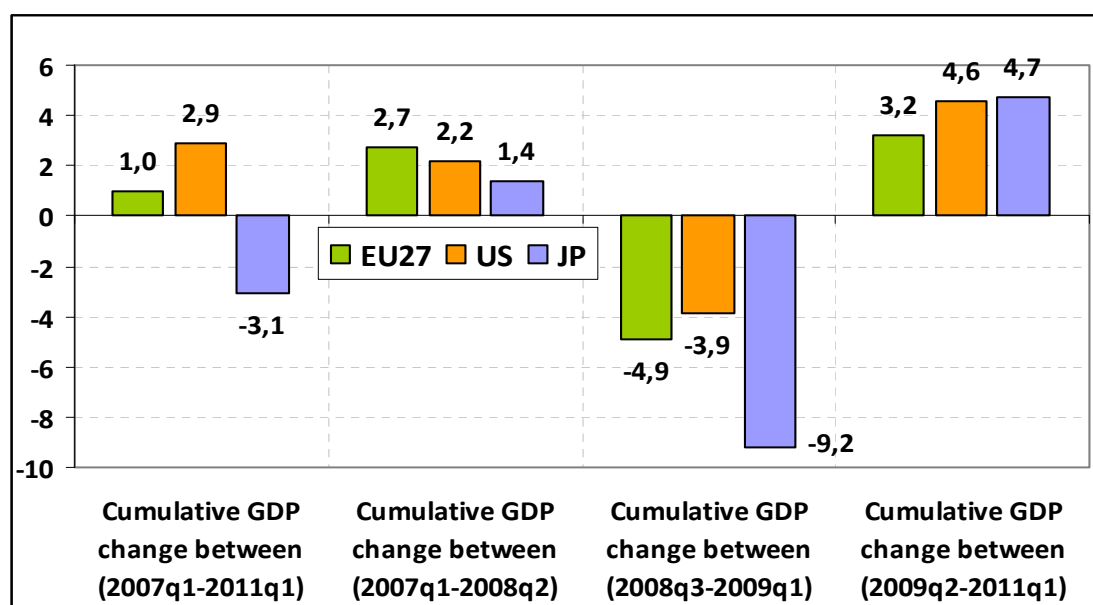
Table 2 and Figure 8 show the quarter-by-quarter real change in output for the EU, the Eurozone, the US and Japan. The recession was by no means a European phenomenon, but was felt by all industrial nations. Though growth rates were lower in 2007 than previously, they took a turn for the worse by the second quarter of 2008 (the Bear Stearns near collapse), a fall which reached its nadir towards the end of 2008, after the demise of Lehman Brothers. A halting recovery got under way by the summer of 2009.

**Table 2: The recession in world perspective: quarterly GDP *real* rate of change**

GDP Rate	2007				2008				2009				2010				2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EU27	0,9	0,4	0,6	0,5	0,6	0,3	0,6	1,9	2,4	0,3	0,3	0,3	0,4	1,0	0,5	0,2	0,8
EA	0,8	0,4	0,6	0,4	0,7	0,5	0,6	1,8	2,5	0,2	0,4	0,2	0,4	1,0	0,4	0,3	0,8
US	0,2	0,8	0,6	0,7	0,2	0,1	1,0	1,7	1,2	0,2	0,4	1,2	0,9	0,4	0,6	0,8	0,5
JP	1,1	0,3	0,2	0,6	0,6	1,0	1,3	3,0	4,9	2,2	0,5	1,5	2,2	0,1	0,9	0,8	-0,9

**Figure 8: The world perspective: % change in GDP over previous quarters**

As is evident from Figure 9, Europe was affected more than the US, experiencing a deeper trough in 2009 and a weaker recovery (though the provisional data for the first quarter of 2011 show a slight catching up). To put matters into perspective, though, Japan is proving far more prone to volatility. As regards the length of the recession, output change was negative for five quarters in the EU and the US (Q2 2008- Q2 2009). As Figure 9 shows, Europe entered the recession with a slightly higher growth (2007Q1- 2008Q2), experienced output loss larger than the US, and is recovering more slowly.

**Figure 9: The recession in world perspective: synopsis of GDP growth rate trends**

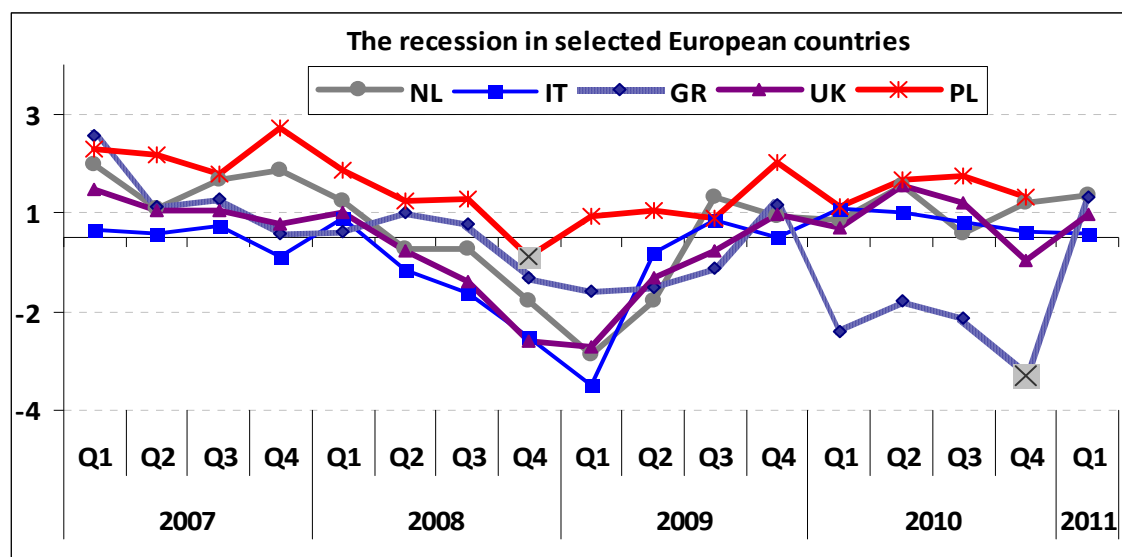
As the recent experience of Japan illustrates, the recession is by no means over. A number of negative developments could upset the hitherto hesitant recovery. At the world level, the high prices of energy combined with Middle East developments are already taking a toll, while the experience of the March 2011 earthquake in Japan and the consequent events in Fukushima are a reminder of the dangers that a faltering recovery still holds.

However, it is true to say that the worst fears expressed at the outset of the crisis in 2008 were *not* proved right. In particular, the fears that the credit crunch could lead to a 1930s' style liquidity and banking crisis were proved unfounded – largely through the large-scale intervention of monetary authorities. This intervention (in the US, the UK and elsewhere) had the immediate effect of avoiding a banking/liquidity crisis. Its side effect, however, was to transfer a large volume of debt from the private to the public sector. Thus the 'eye of the storm' moved from effects on the financial sector over to the field of public finance and fiscal policy. This was most direct in countries such as Iceland, the UK or Ireland, where the public issued guarantees in order to neutralize the effect of the credit crunch. The crisis was indirectly responsible in tipping some *already* heavily indebted countries 'over the edge': Greece (high debt combined with reform delays) and Portugal (low growth).

The resulting sovereign debt crisis has been unfolding since early 2010. In doing so, it has exposed deep pre-existing fault lines between some member states, but also unresolved issues in the architecture of the Eurozone. The 'afterwash' of the Eurozone sovereign debt crisis, certainly in those countries immediately affected, but also indirectly throughout the EU, has the potential of acting as a trigger to overturn – and perhaps even negate – the signs of recovery.

This brief overview serves to highlight two insights that are key for the rest of this report. The first has to do with **heterogeneity** – the crisis is affecting different countries in different ways. This is true in terms of duration, depth and exit point, but it is also true as regards the kind of 'internal' crisis dynamics. Crisis mechanisms are different in different countries.

**Figure 10: The recession in selected European countries**



The second insight is that, in a widening group of countries, the primary 'crisis driver' is *not* so much effective demand but **public finance**. Thus, certain features usually thought of as 'automatic stabilisers' – such as social protection expenditures – act in this crisis in a *destabilizing* direction. Equally, as governments struggle to service their debt, the *composition* of public expenditure will increasingly become an issue. Increasing need for, say, unemployment benefits may add to effective demand, but worsen sustainability considerations. Indeed, in some ways it may be helpful to think of the situation since 2008



of being comprised of *two* crises, superimposed one on the other, or at the very least of two distinct (though linked) *phases* of a single crisis.

The heterogeneity of crisis experience can be appreciated by considering the detailed progress of GDP change in 5 countries (Figure 10).

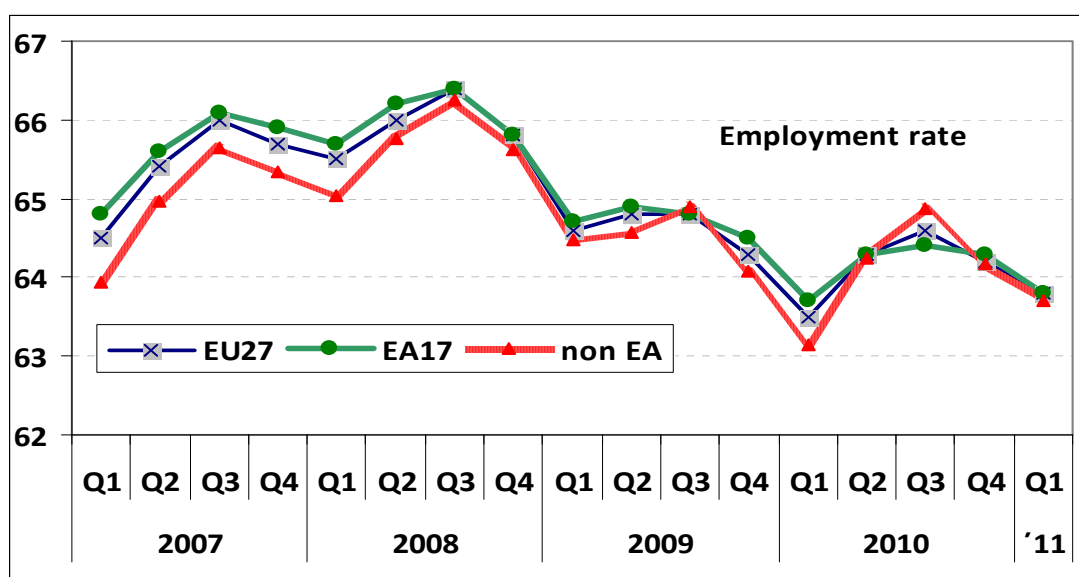
No country is unaffected by the crisis. Even the most successful of the countries considered, Poland, could not avoid a dip into the red –for a single quarter 2008Q4. At the other extreme, Greece enters into the ‘red zone’ in Q4 2008 and essentially stays there for 8 quarters –until 2011 q1<sup>4</sup>. As the experience of the Netherlands and the UK shows, a deep trough in the winter of 2008/9 is followed by anemic positive developments in late 2009 and 2010. Italy, on the other hand enters first and has the deepest trough, but returns to the black –just– after mid-2009.

**A tentative –and sobering - conclusion that would follow is that those countries where the recovery is more halting or which appear most at risk of being engulfed in further problems in a future twist of the crisis are *precisely* those which have most to gain from an expansion of women’s employment in the medium to long term.** The motivation leading to this report is that gender balance may suffer through being tacitly ignored or simply being ‘an innocent bystander’ or a kind of ‘collateral damage’ of crisis mechanisms. **The observation above means that the possibility of permanent gender damage is greatest where that damage could have the greatest cost to long-term social and economic goals.**

### 3.2. Overall Trends in Employment

Overall employment, as is natural, follows the path of output. Falls begin during the course of 2008. Most of the adjustment takes place between 2008 and 2009, while, apart from seasonal changes, the level of employment remains roughly what it was in 2009. In particular, the recovery after 2009 appears to have very little effect on the volume of employment –a possible example of ‘jobless growth’ (Figure 11).

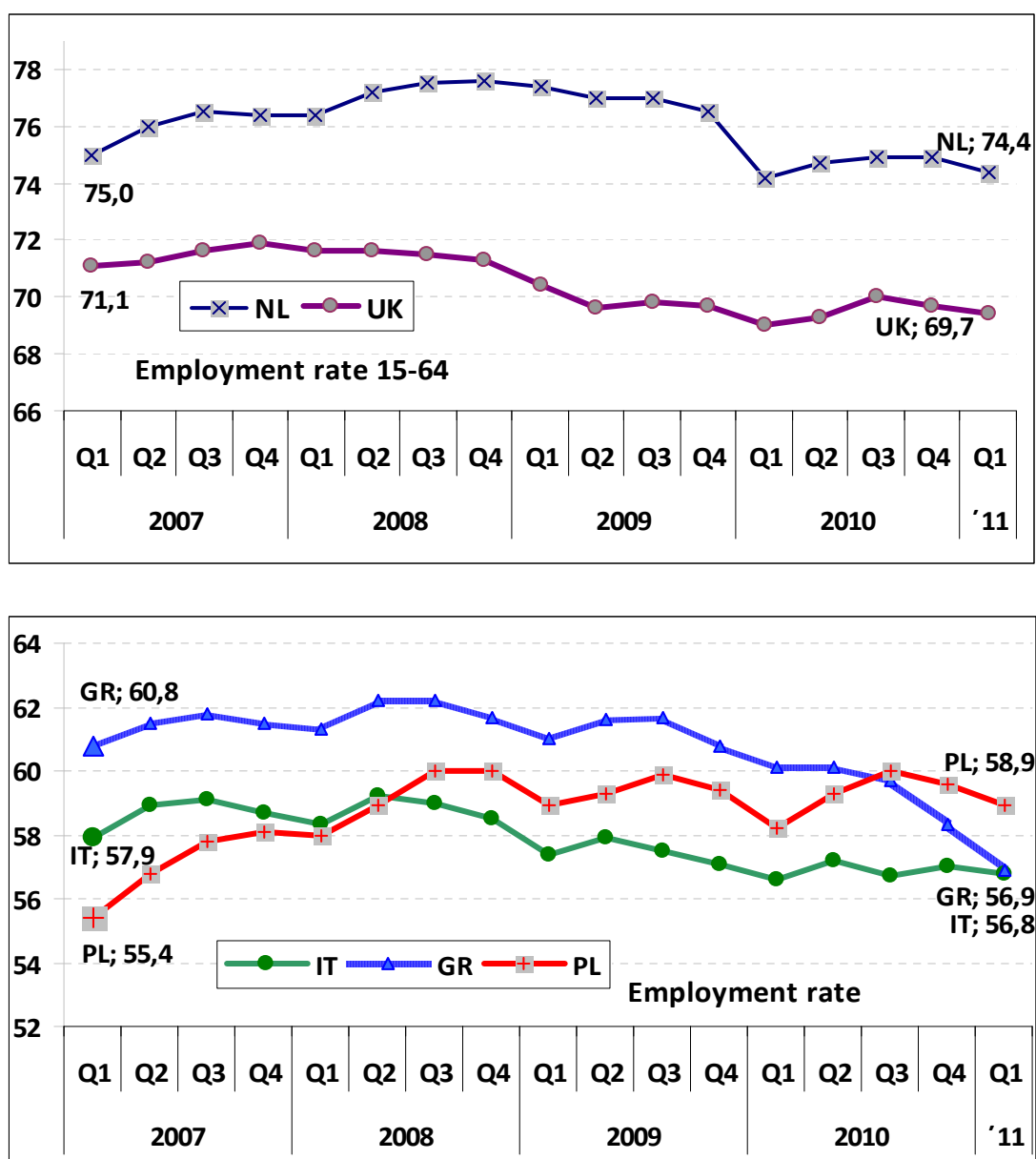
**Figure 11: Employment rate in EU27, EA17 & Non EA, persons 15-64**



<sup>4</sup> Early indications from Greece are that growth was once more in the red in Q2.

The overall picture hides considerable variation, as is evident from looking at the panel of five member states. Thus the Netherlands, for example did not experience falls in employment until 2010. Changes were more marked and abrupt in the case of Italy and Greece; in the latter case we see the impact of the sovereign debt crisis kicking in with a fall in employment in late 2009 (when the recovery was underway) in other countries and continuous precipitous decline *even* in 2011 Q1 (when GDP did not fall). Poland appears to weather the recession better, by ending the period in 2010 considerably higher than when it started (Figure 12a-b).

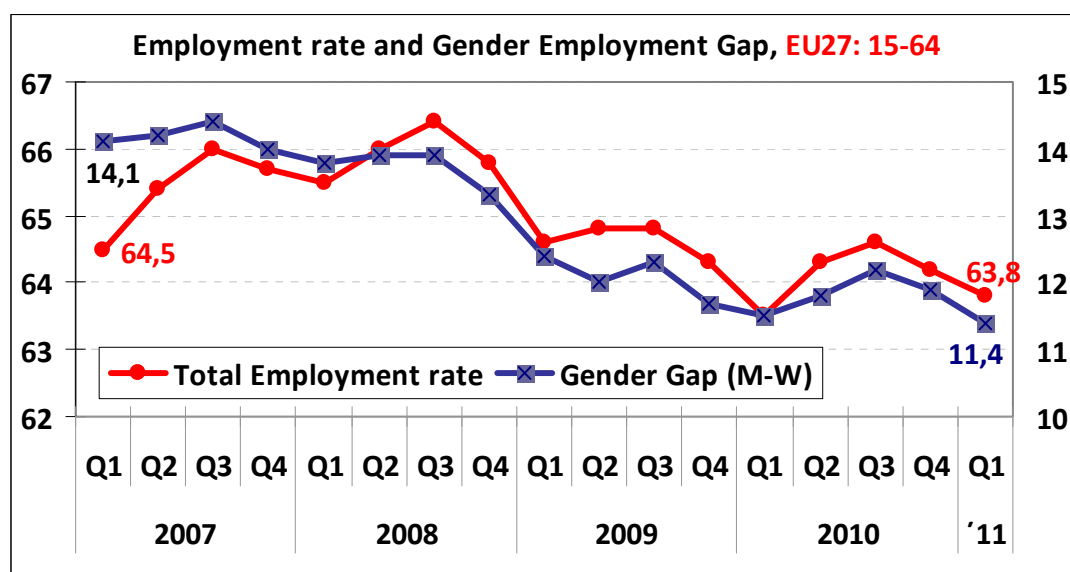
**Figure 12a-b: Overall employment trends in 5 member states**



Is there a differential impact as between men and women? Does this effect differ according to stage of the cycle, or according to the *level* of female participation before the crisis? To examine this question, we juxtapose overall employment growth with the gender gap in employment –the *difference* that is between the participation of men and women (Figure 13).

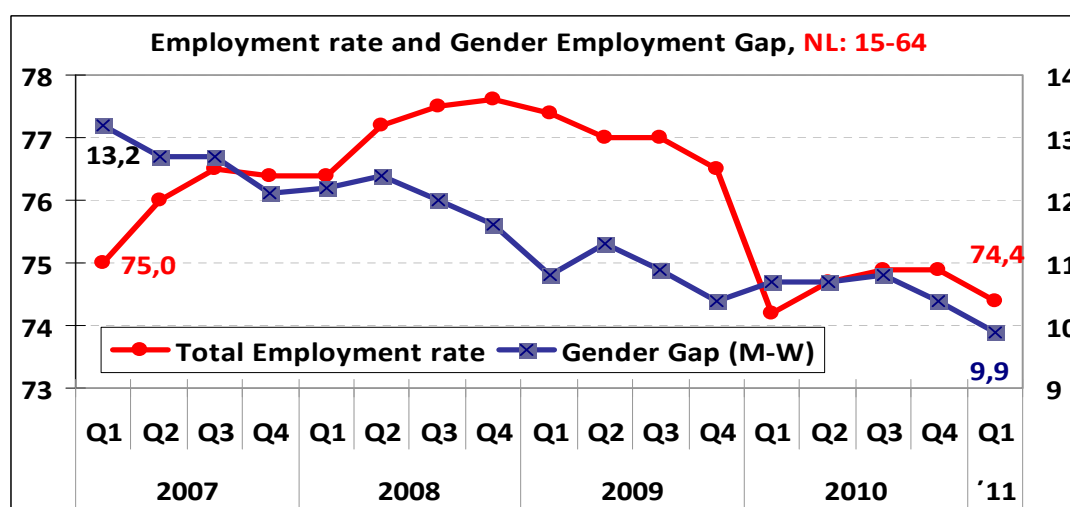
When looking at the EU as a whole, we see that there exists virtually a one-to-one relationship between the course of total employment and the gender gap. The measure of the gender gap appears sensitive to the magnitude and timing of the total employment rate. This would imply that men's employment is more responsive than that of women, with the result that men's employment is hit more (or women's *less*). Indeed, at the level of EU27, 3million 589 thousands jobs held by men were lost between q4 2007 and 2010, whilst for women the total jobs lost were 291 thousand. **Thus, for every job lost by a woman in the EU there were 12.3 jobs lost by men.** Moreover, the effect appears more or less contemporaneous, with no apparent lagged effects working over time.

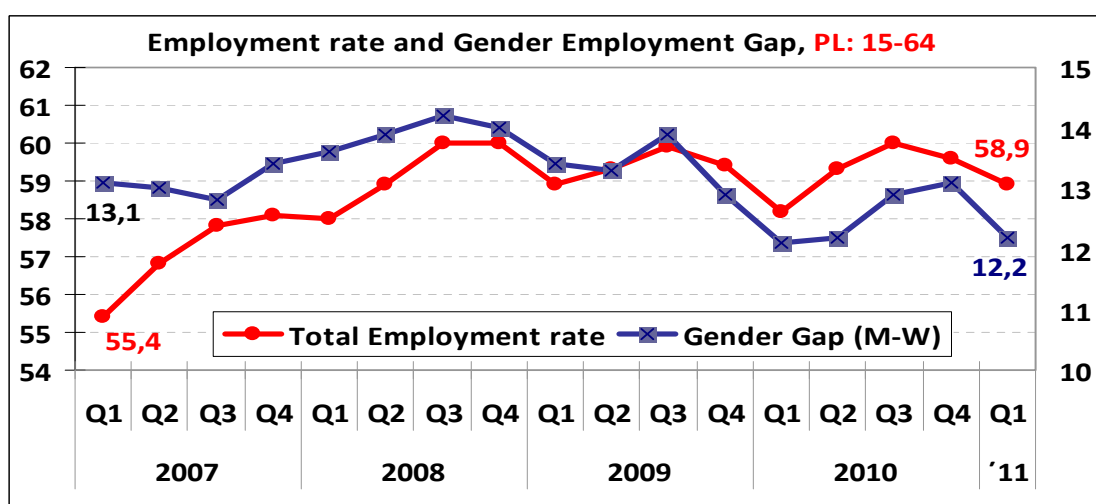
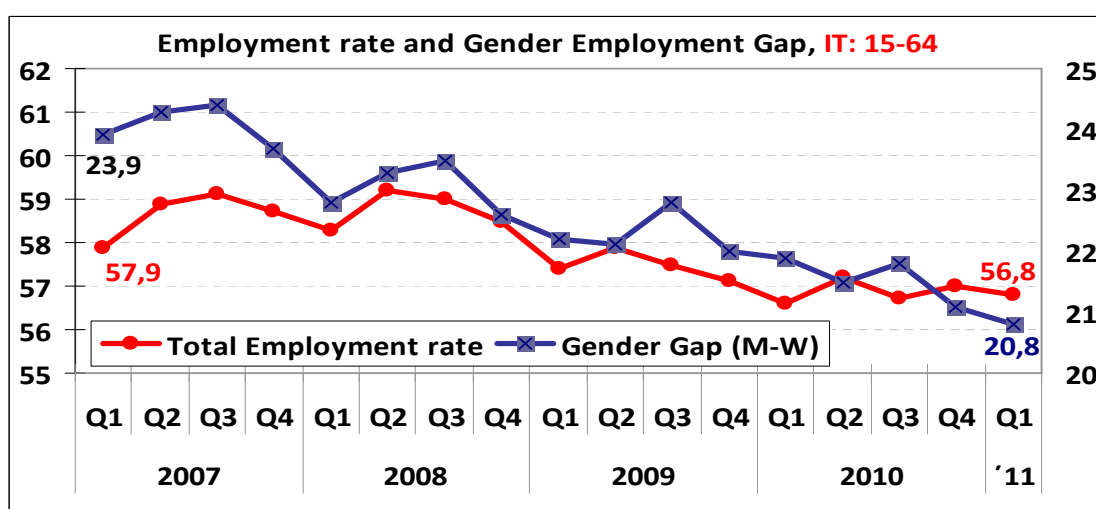
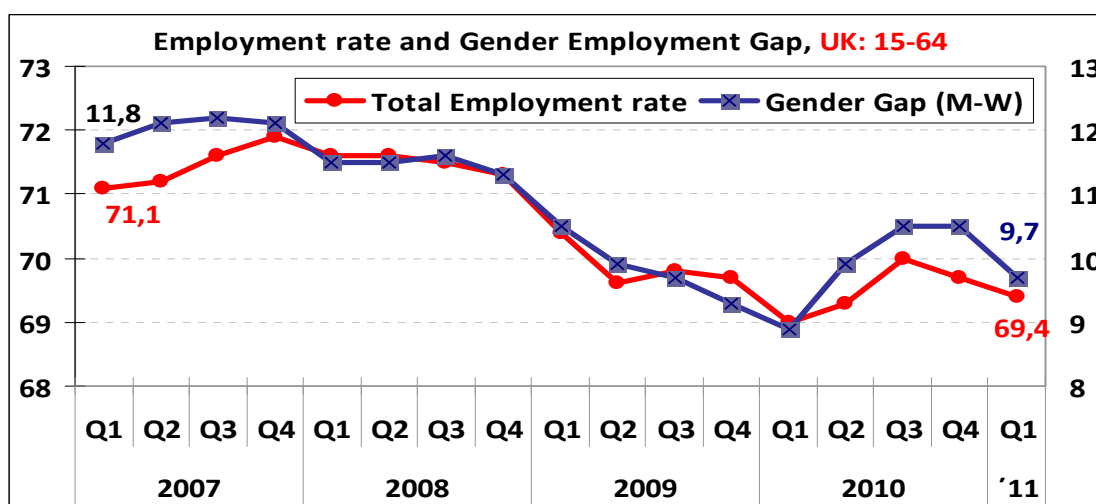
Figure 13: Employment rate and gender employment

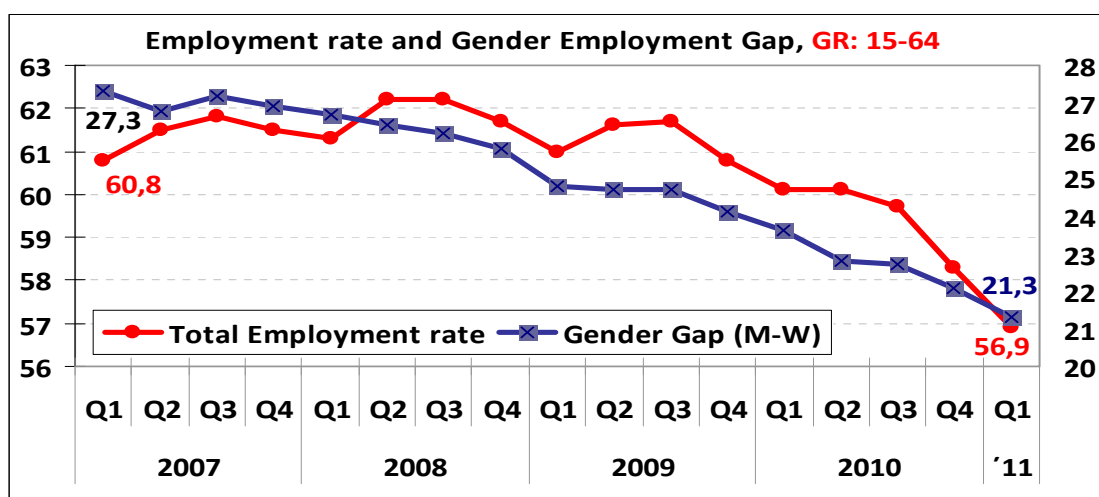


Does this relationship carry over to individual countries? We see in all cases a downward movement of gender gaps (Figure 14a-e). In those cases where gender gaps appear to rise, that happens in periods of rising employment (e.g. PL, UK post 2009). This is consistent with the crisis affecting men's employment more closely than that for women.

Figure 14a-e: Employment rate & gender employment gap in selected countries







This overall picture is confirmed by looking at the employment figures in detail in Table 3. The table focuses on comparisons of the fourth quarter: 2007 Q4 (before the demise of Bear Stearns) is clearly before the crisis, while comparisons are facilitated by a smaller variability of seasonal factors as well as the availability of GDP information

**Table 3: Employment rate & Gender Employment Gap in selected EU countries, comparing Q4 performance**

Employment	2007Q4 rate (%)		Gender Gap in employment rate (M-F)				2010q4 rate (%)	
	Men	Women	07Q4	08Q4	09Q4	10q4	Men	Women
EU27	72,7	58,7	14,0	13,3	11,7	11,9	70,2	58,3
EA17	73,4	58,3	15,1	14,0	12,4	12,5	70,5	58,1
Non EA	71,4	59,4	12,0	11,9	10,5	11,0	69,7	58,7
NL	82,4	70,3	12,1	11,6	10,4	10,4	80,1	69,7
IT	70,6	46,9	23,7	22,6	22,0	21,1	67,6	46,5
GR	74,9	48,0	26,9	25,8	24,1	22,1	69,3	47,2
UK	78,0	65,9	12,1	11,3	9,3	10,5	74,9	64,4
PL	64,9	51,5	13,4	14,0	12,9	13,1	66,2	53,1

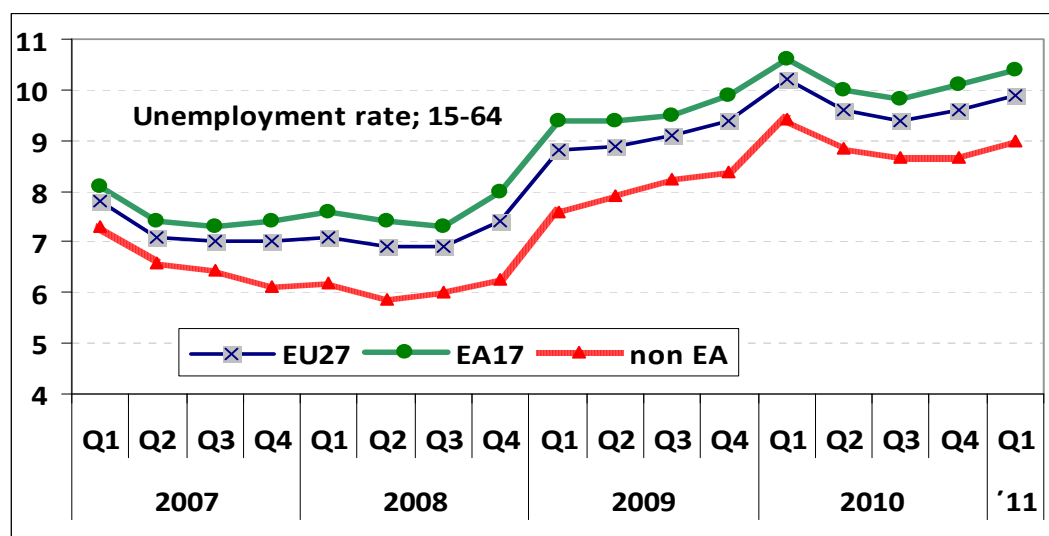
Examining the beginning- and end-period *levels* of employment, it is obvious that, both in the aggregates, and in the five indicative cases, women's employment holds up much better than men's. Though upward trends were halted, *in aggregate* women's employment is only a little worse in the beginning of 2011 than it was at the beginning of 2008. The

shrinking of the gender gap is due to falls in employment by men. In the two cases (UK and GR) where there is some loss of employment by women this is far smaller than men's.

### 3.3. Trends in Unemployment

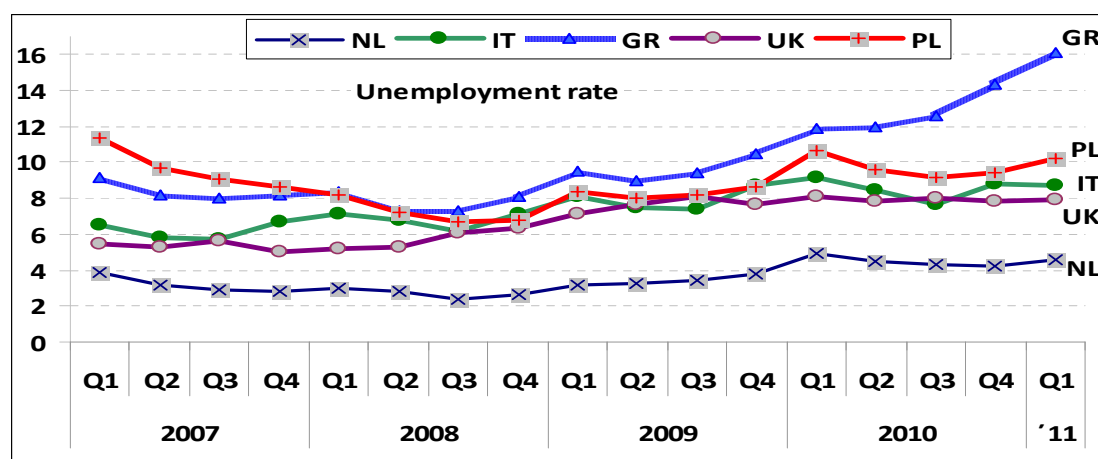
Unemployment is driven by output change, possibly with some lags. If there are no movements in and out of the labour market, unemployment is coterminous to employment. Thus we should not be surprised to see the time patterns of the rate of unemployment to track closely the previous aggregate charts.

Figure 15: Unemployment in broad regions



Indeed, unemployment rises abruptly in the end of 2008 and remains at the new high level – with only small reductions after its peak in Q1 2010 (Figure 15). From a trough of 7% in 2008, it reached a peak of 10% in Q1 2010 – an increase of almost 50%. The falls after the peak are much less than one percentage point, possibly preparing while the Q1 2011 data show there remains a rising trend. The impression given is close to a ratchet effect, with unemployment rising in jumps each winter but falling to a far smaller extent later. The halting recovery apparent in the GDP data does not appear to carry over to employment. The overall picture is corroborated by country developments (Figure 16).

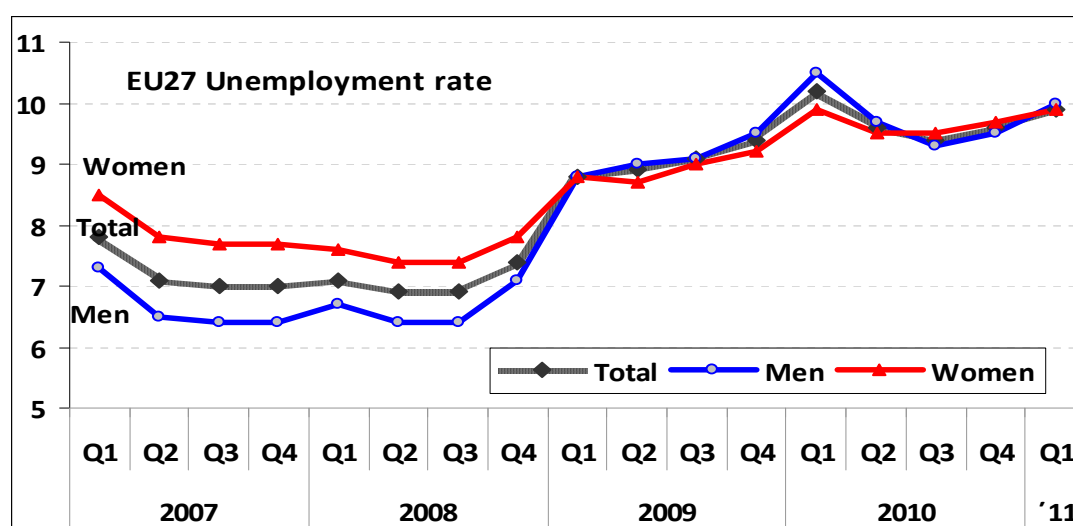
Figure 16: Country developments in the rate of unemployment



The country picture confirms the overall impression of unemployment subject to a ratchet effect, as well as highlighting the existing difference in the levels of unemployment by country. Unemployment in most countries reaches a peak in 2009, but does not stop there. Greece serves a caution that the crisis is still unfolding there: the rise in 2008/9 due to the credit crunch is compounded by the recessionary 'twist' caused by public finance retrenchment, which appears to *accelerate* in 2011. In an analogous fashion, Italy appears unable to capitalize the rise in output by reductions in unemployment in 2010. This can act as a reminder that Europe is by no means 'out of the woods': only in Poland is there a drop of unemployment after that peaked in early 2010.

What of the gender impact of unemployment? Figure 17 shows that in the duration of the crisis there was a remarkable turn-around in the EU, with men's unemployment exceeding that of women as a result of the large rise in unemployment in 2008/9. After that point, male and female unemployment essentially move together. In terms of the percentage increase in unemployment, therefore, the crisis appears to have a differentially onerous impact on men.

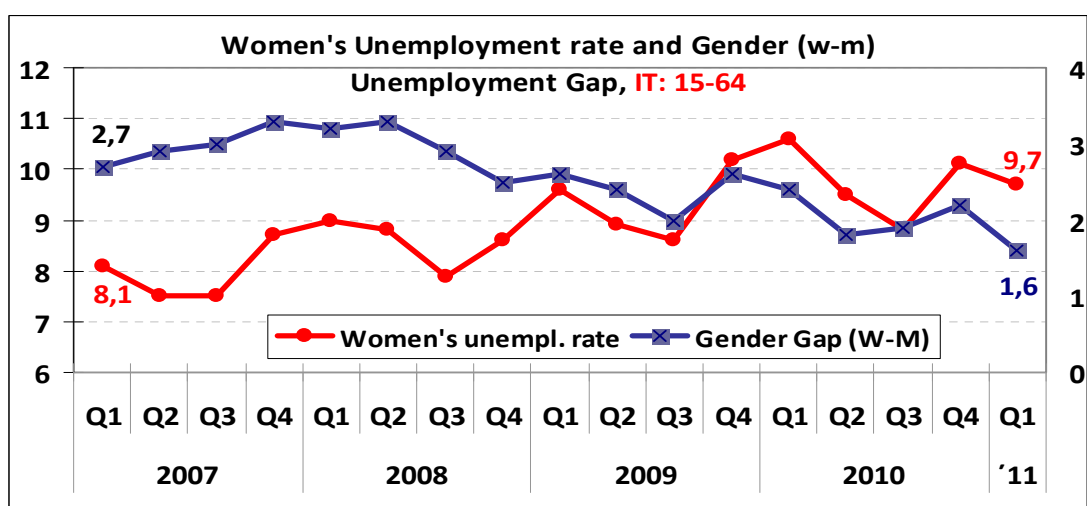
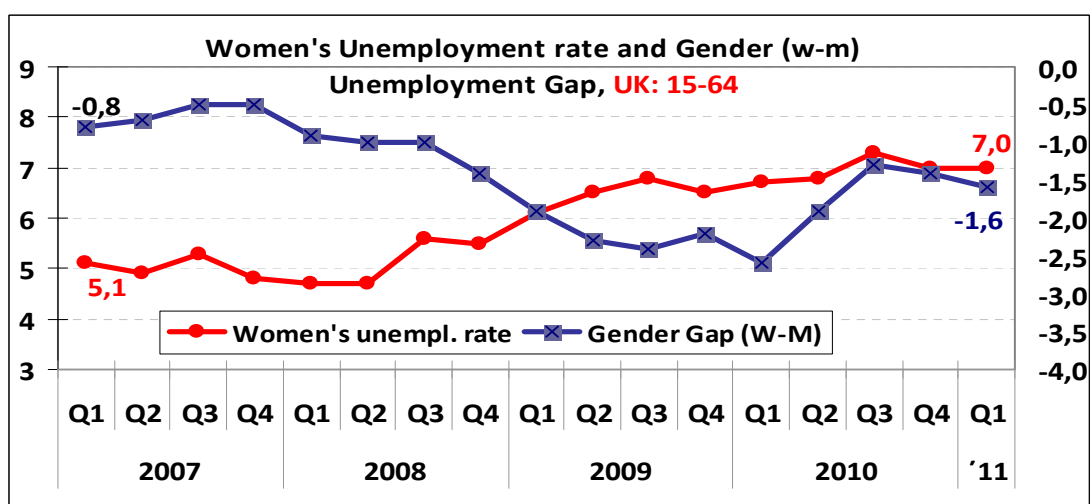
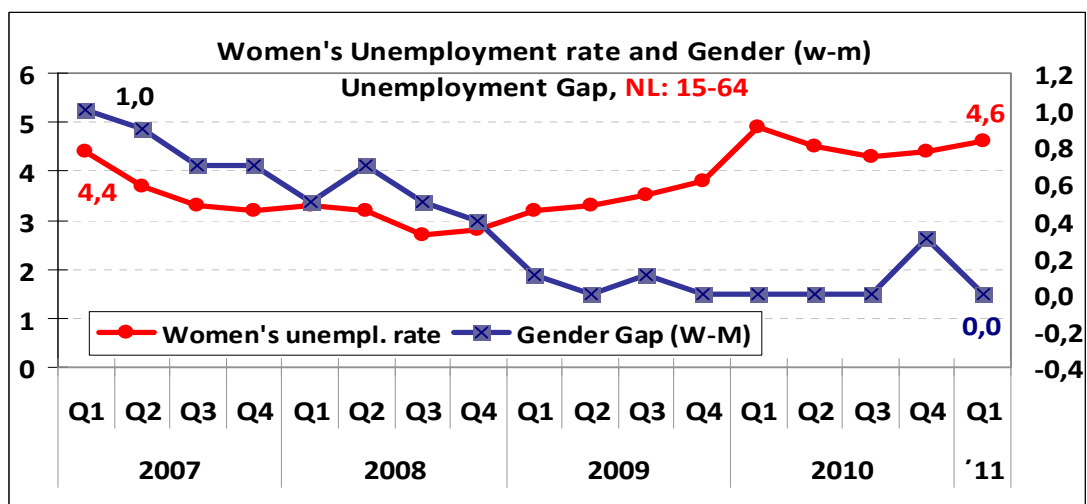
**Figure 17: Unemployment rate in EU27, total and by gender**



The differential impact of the crisis on men and women is confirmed by looking at Figure 18a-e, which looks at female unemployment and the gender gap in unemployment, i.e. the difference between male and female unemployment. In all cases women suffer a heavy rise in unemployment as a result of the crisis. However, unemployment during the crisis appears to hit men differentially. In almost all cases (notable exception being the UK) unemployment for women was greater than for men in 2007, and thus the gender gap is negative. The gender gap in all cases becomes lowest in the trough of the recession, and rises again slightly as a result of the rise in output – in a clearly pro-cyclical movement. In all cases, though, gender gaps at the outset of the crisis were higher than those in end 2010<sup>5</sup>. It remains to be seen whether this will be a permanent legacy or an example of delayed reaction?

<sup>5</sup> It should be noted that Ireland is a major exception to that. Gender gaps rose from 1,1 to 7,6, possibly reflecting the early retrenchment measures taken in late 2009.

Figure 18a-e: Women's unemployment rate and gender gap in unemployment





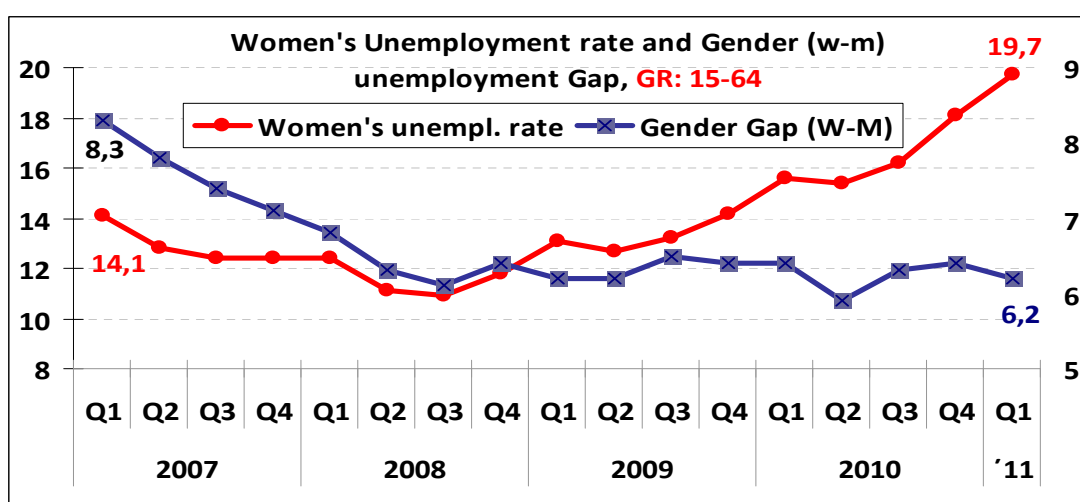
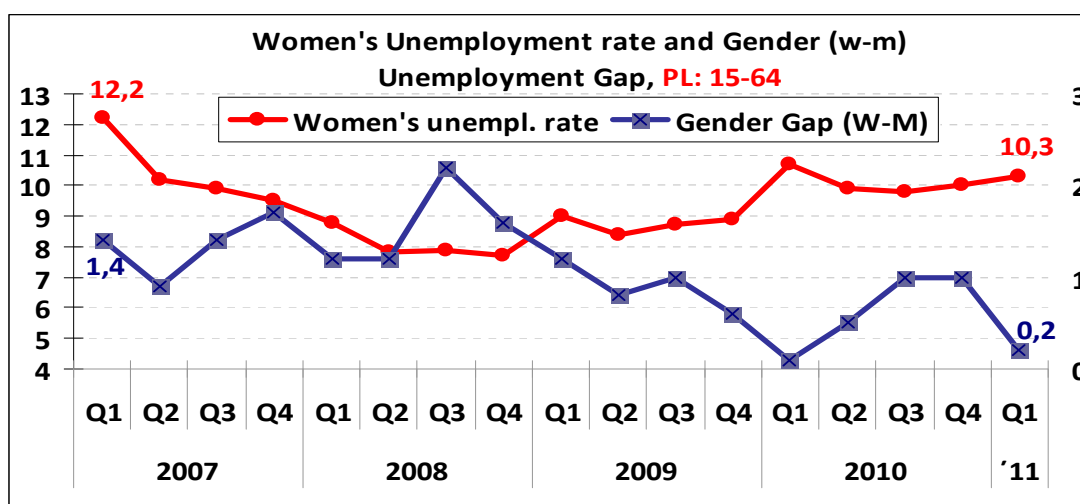


Table 4 looks at the same data in some greater detail, concentrating on Q4. In the EU as a whole the absolute change in the unemployment rate is greater for men by 50% - male unemployment rises by 3 percentage points while that of women by 2. To facilitate comparisons, the last column reports by what percentage the rise in absolute unemployment is larger for men than for women.

**Table 4: Unemployment and gender gaps 2007-2010**

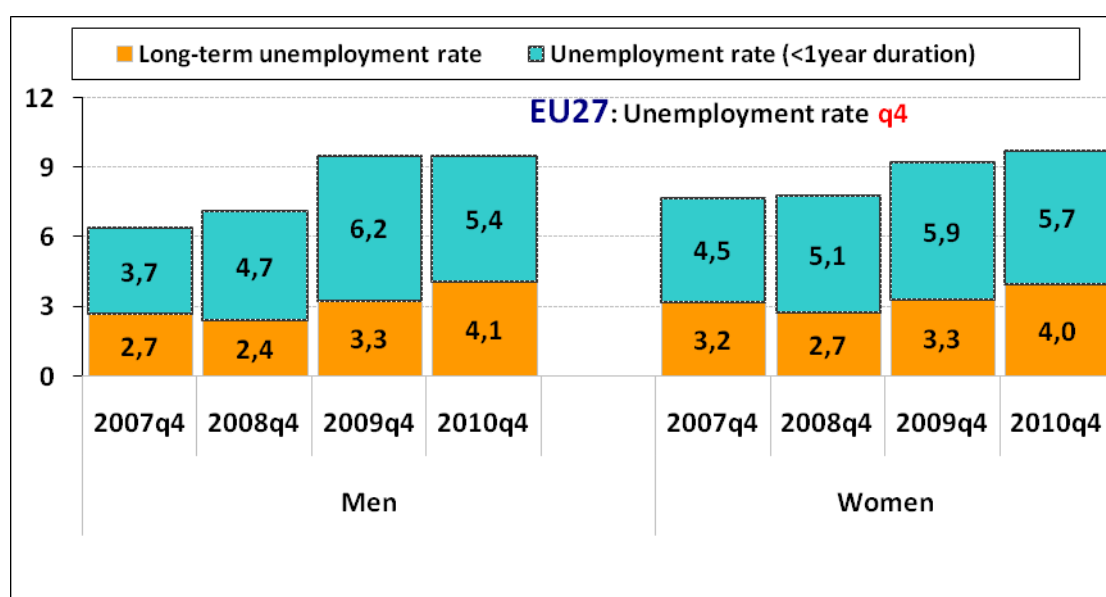
Unem- ployment rate	2007Q4 rate (%)		Gender Gap in unemploy- ment rate (w- m)		2010q4 rate (%)		Absolute change '07- 10 (percentage points)		
	Men	Women	07Q4	10q4	Men	Women	Men	Women	Odds ratio
<b>EU27</b>	6,4	7,7	1,3	0,2	9,5	9,7	3,1	2,0	1,55
<b>EA17</b>	6,5	8,5	2,0	0,7	9,8	10,4	3,2	2,0	1,65
<b>Non EA</b>	6,0	6,2	0,2	-0,5	8,9	8,4	2,9	2,2	1,31
NL	2,5	3,2	0,7	0,3	4,1	4,4	1,6	1,2	1,33
IT	5,4	8,7	3,3	2,2	7,9	10,1	2,5	1,4	1,79
GR	5,3	12,4	7,1	6,4	11,7	18,1	6,4	5,7	1,12
UK	5,3	4,8	-0,5	-1,4	8,4	7,0	3,1	2,2	1,41
PL	7,8	9,5	1,7	1,0	9,0	10,0	1,2	0,5	2,40

In the member states examined, the extent of differential deterioration for men is greater for Poland (2,4 times) and least for Greece – where the point increase for men (6.4 points) is only marginally larger than that for women (5,7). Given that these figures are added to initial unemployment figures in 2007, which are generally lower for men than for women, the *proportional* deterioration for men would appear still higher.

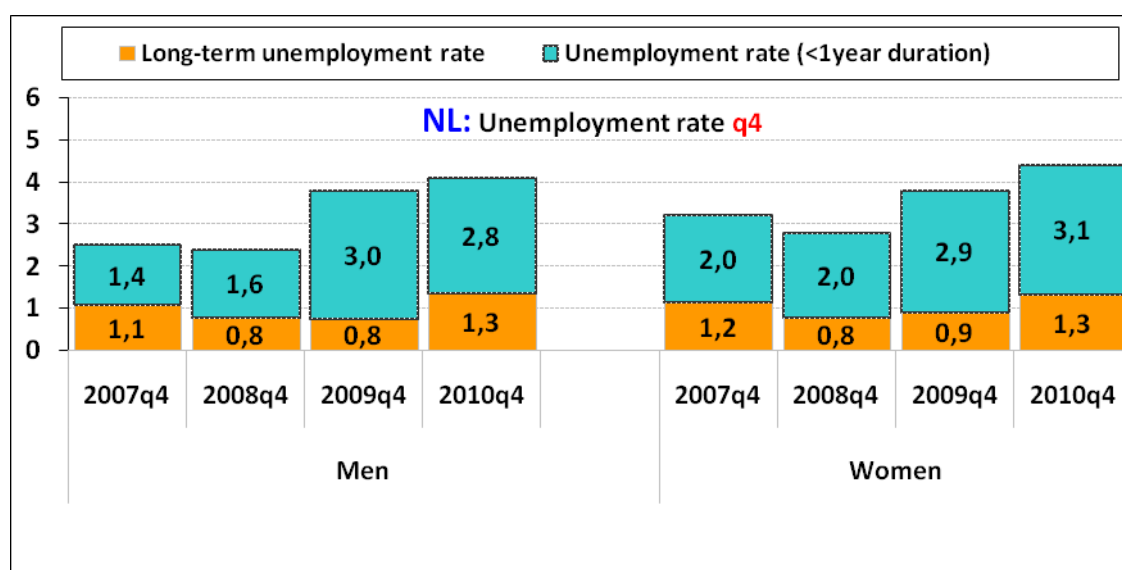
### 3.4. Long Term Unemployment

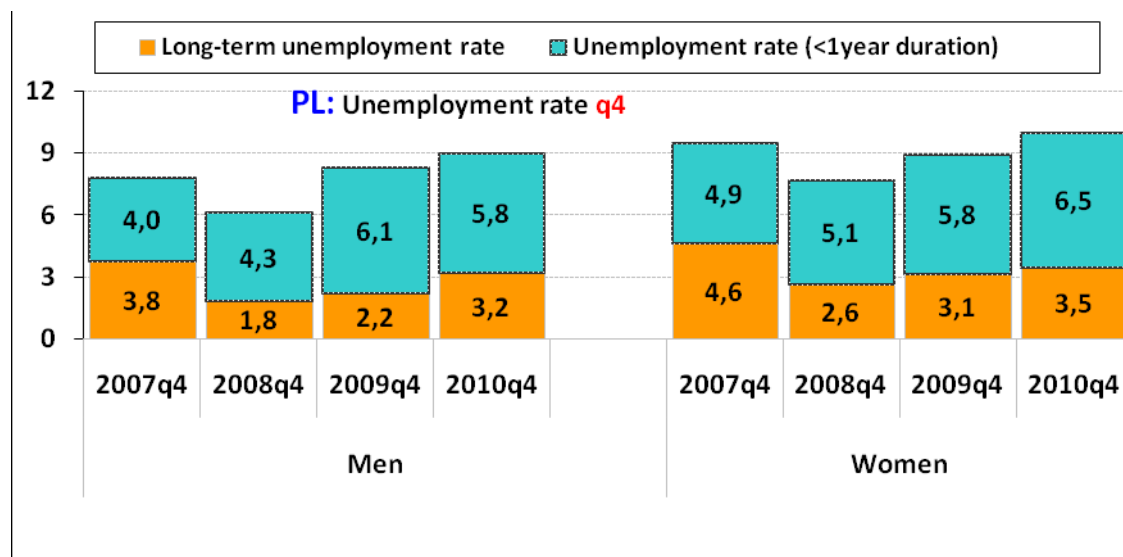
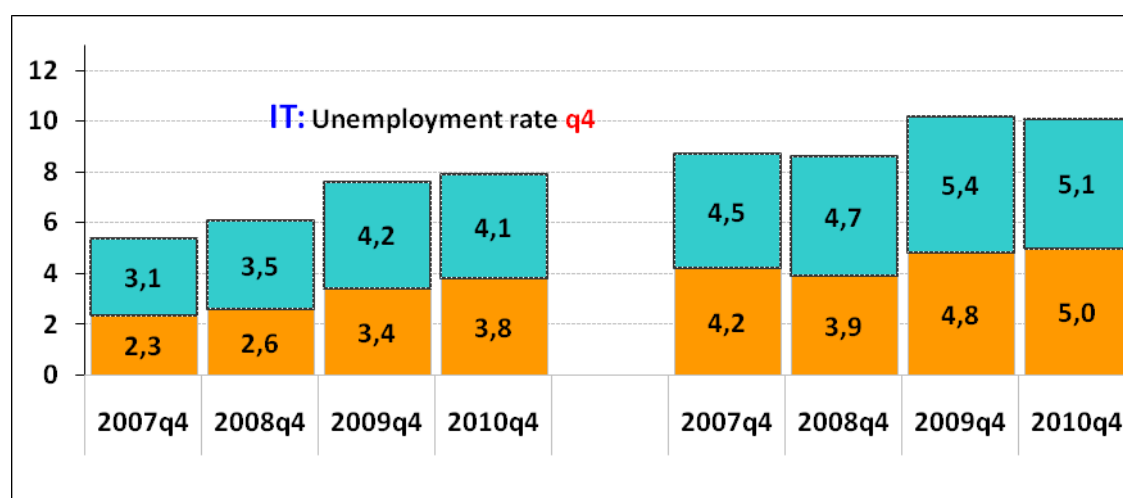
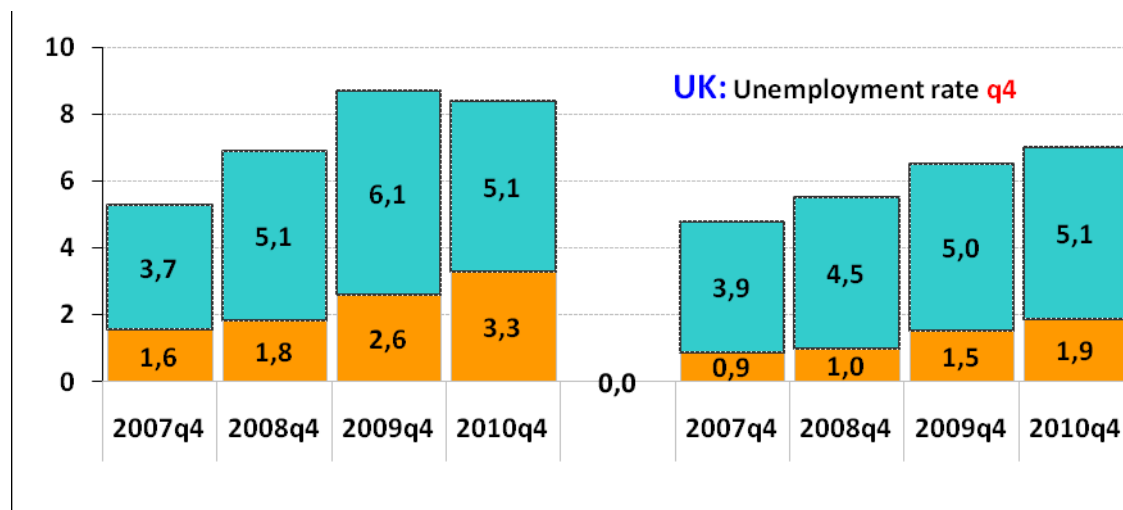
Unemployment is like a lake – a body of water (stock of unemployment) into which feed flows of people starting to look for work (whether because they are entering the labour market or because they have lost or left another job); people who find jobs or who give up looking, flow out. In this movement, it is important to ask *how long* people tend to stay unemployed. The simplest way to look at that is to disaggregate the unemployed into those who have been unemployed for less than one year and those that have been looking for more than one year. This distinction is important for reasons both of economic efficiency (those staying for long out of work may lose skills – they may be subject to a process akin to capital depreciation) and for social protection (in many social protection system the long term unemployed shift from unemployment insurance – replenishing a percentage of their earnings – to unemployment assistance – i.e. smaller amounts, given as part of social safety nets frequently only after a means test. Figure 19 examines the composition of unemployment by gender and duration in EU27.

Figure 19 shows that, apart from the ratchet effect on unemployment noted earlier, a key effect of the crisis is to increase *both* the absolute number of people who have been unemployed *and* the average duration of unemployment. If one compares the share of total unemployment accounted for those unemployed for more than a year that first drops in 2008 and 2009, as new entries into the unemployment pool and then rises to reach their pre-crisis proportion (around 40%). This mechanism presumes that long-term unemployment rises *faster* in the periods to 2010. What happens afterwards could either be stabilisation around the plateau of the stable pre-crisis proportion, or, alternatively, for a momentum to carry the proportion of longer unemployment to higher figures later. An idea may be gleaned by looking at the panel of member states (Figure 20a-e).

**Figure 19: Unemployment and long term unemployment EU27**

Examining the panel of member states, the conclusion emerges immediately that the main driver of differences is growth performance. In Poland, where growth persisted through the period, long-term unemployment is lower in 2010 than it was in 2007. Interestingly, the difference between men and women is also shrinking. In the Netherlands, despite the step increase in unemployment, turnover ensures that long-term unemployment rate does not rise. The UK in the context of greater increase in unemployment, long-term unemployment also doubles and increases its share, affecting though men disproportionately. In Italy and Greece, where long-term unemployment afflicted women more than men at the outset of crisis, the share of long-term unemployed is showing signs of increasing still – it exhibits faster growth. In Italy this has meant a higher share for the long-term unemployed. In Greece the macroeconomic deterioration in 2010 means that any picture ending in 2010 is incomplete.

**Figure 20 a-e: Unemployment and long term unemployment in selected member states**





Apart from the obvious explanation of growth and effective demand as drivers of these developments, important determinants may be labour market institutions and reforms in the direction of greater flexibility. More flexibility in broad terms implies greater turnover in the labour market, which should imply a shorter duration of spells of unemployment. Our panel is consistent with this picture: Those countries with a lower *share* of long term unemployed (NL and UK) show lower *levels* of long-term unemployment, as well as a more favourable balance towards women.

### 3.5. Completing the Employment Picture: Activity Rates

We have examined employment and unemployment. Apart from those variables, a protracted crisis could impact entries and exits into the labour market. For example, a young person could delay entry in the labour market by staying on in higher education, an unemployed person may decide to stop looking for a job, an older person who has vested pension rights could decide to apply for a pension, a person with a preexisting health condition may decide to apply for a disability pension, etc. Many of these 'discouraged worker' exits are related to the duration of the crisis, as well as on features of the unemployment benefit system either discontinuing or shifting entitlements towards social assistance after the passage of time. They can thus be expected to grow over time as the crisis unfolds. Of especial relevance to women, however, is a different kind of exit: Many women may find – *as a result of crisis-induced retrenchment* – that combining work and family responsibilities is becoming more onerous. Thus they might decide to drop out of the labour force in order to look after children, care for disabled family members etc.

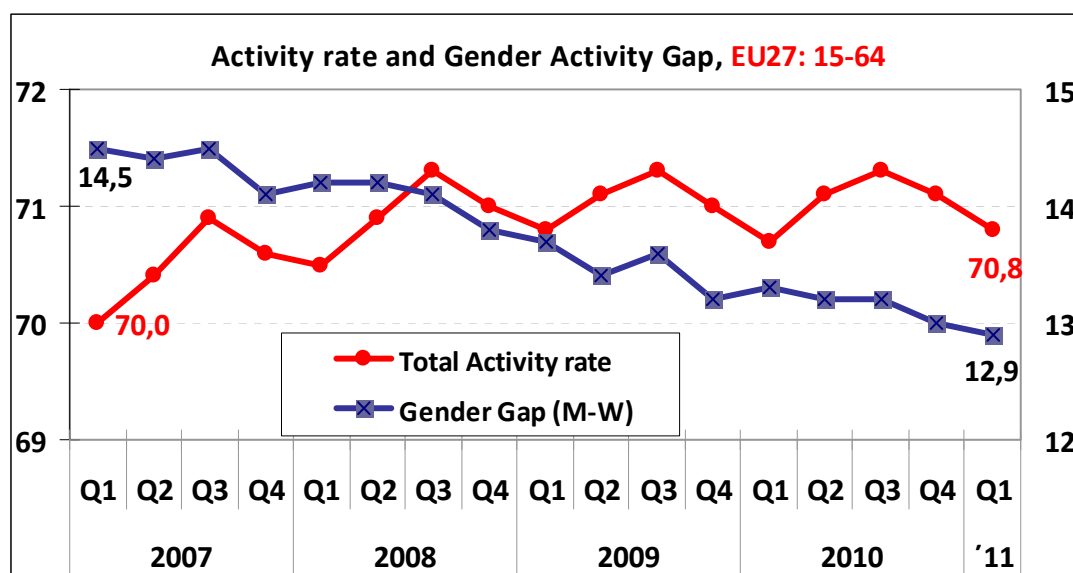
These effects are especially relevant for specific groups of the population and necessitate looking at disaggregated data. Nevertheless, at this stage of the argument, it is important to fix the relative quantitative importance of the effects in aggregate magnitudes, before delving into the matter in greater detail.

Figure 21 examines the overall activity rate in the EU27 through the crisis –i.e. what part of the *population* which is of working age is either employed or unemployed –i.e. is economically active in the sense of participating in the labour market<sup>6</sup>. What we see is a

<sup>6</sup> A technical point that may cause some confusion is that activity rates, as measured as part of the *population*, including, that is, its inactive part, rather than those *economically active*, which is the case for the unemployment rate. Thus conventional activity rates and unemployment rates have different magnitudes in the denominator and cannot be compared directly.

definite interruption of the secular trend towards greater participation. Participation has reached a kind of plateau fluctuating in a narrow band and is essentially unchanged since 2008. The population is apparently still remaining in the labour market and hoping for a job. The recovery of 2009/10 does have a positive effect; however that is very muted. Turning to gender effects, the almost continuous fall in the gender gap reflects the fact that, **so far, almost all discouraged workers during the crisis were men rather than women** (2.2 points fall for men, while merely 0.1 points for women).

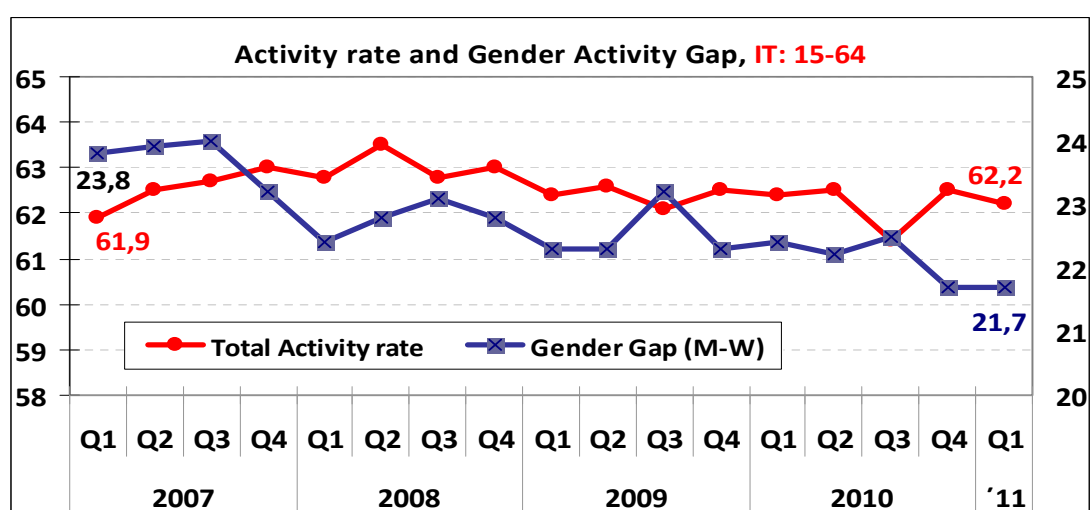
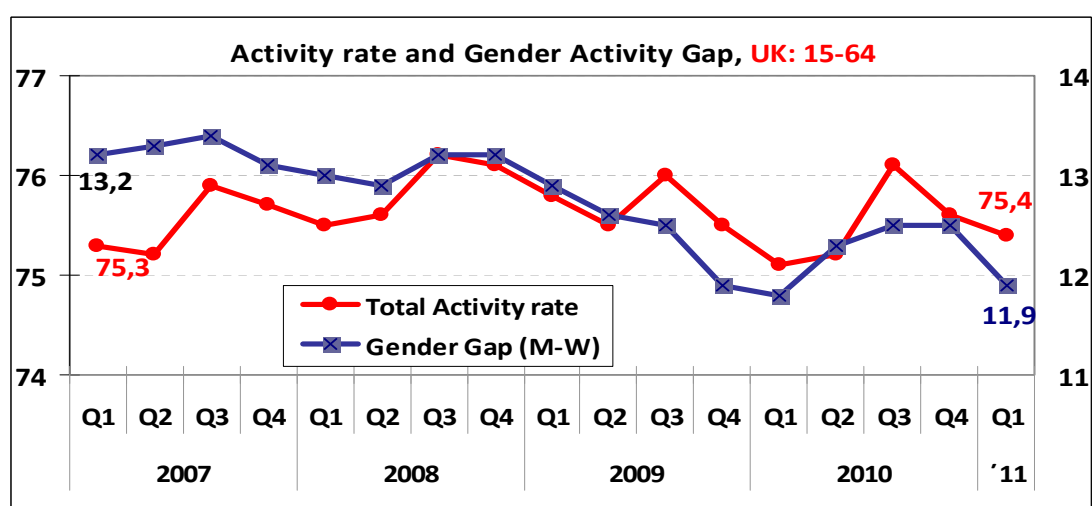
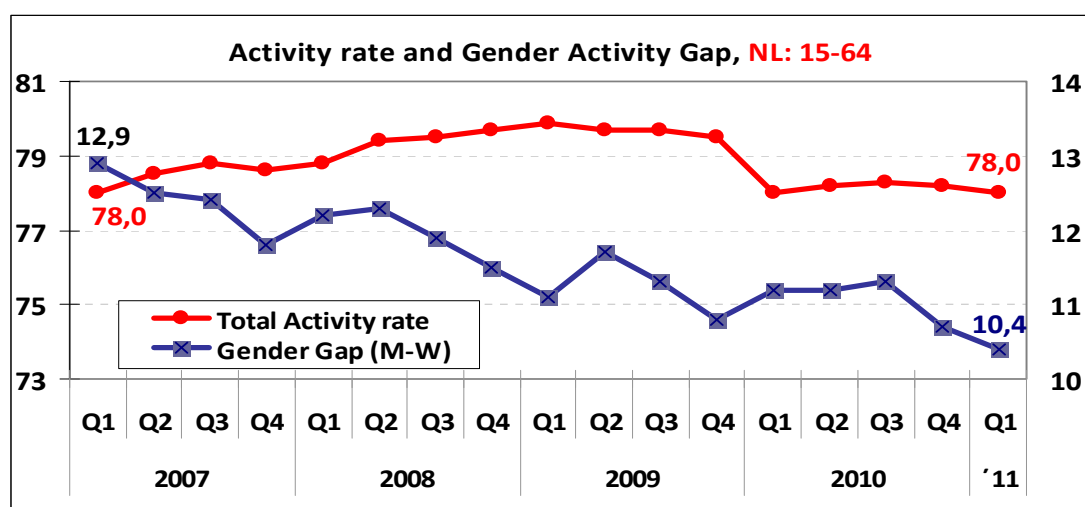
Figure 21: Activity rate and gender activity gap EU 27

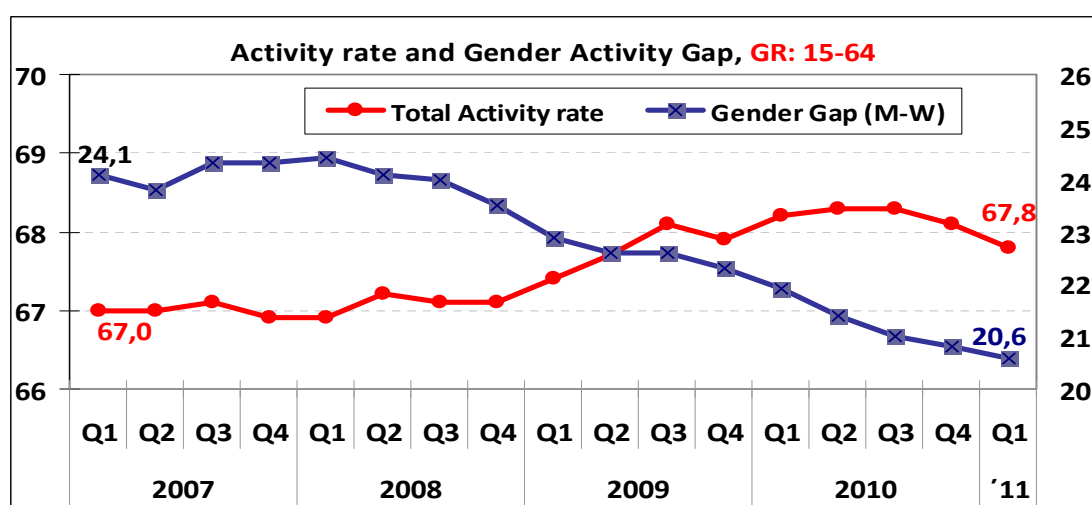
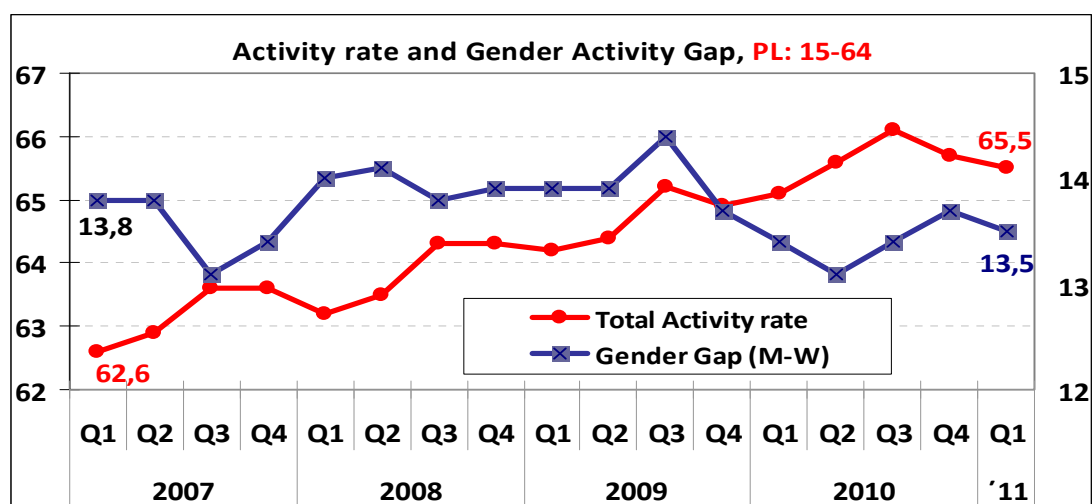


Turning to the experience of member states, we see that at the height of the crisis the general behaviour is closely correlated with the overall picture with activity fluctuating around a narrow band (Figures 22a-e). Momentum of past rises is maintained in Poland, and curiously, in Greece. A possible explanation of the Greek rise in activity rates could possibly be that the crisis -by pressing incomes-, creates the need for additional resources to make ends meet (what is called an 'income effect' in labour supply analysis, or else an 'added worker effect'); this necessity outweighs any possible *discouraged* worker effect, while it is probably too early for austerity to have had an effect<sup>7</sup>. In all five cases the cumulative effect is for **a fall in gender activity gaps, due to activity rate effects being concentrated on men rather than women**.

<sup>7</sup> The effect through *public* family services would be weak in Greece, as those are of mainly oriented towards workers of the public sector. Austerity in Greece could operate through effects on the supply side of the market for care services – e.g. through lower supply of immigrants or taxation effects, Lyberaki 2011.

Figure 22a-e: Activity rate and gender activity gap





Turning to the cumulative effects these changes have had on the composition of activity rates for men and women, Figure 23 shows that the crisis to date has not changed the overall picture for the EU as a whole. **Female participation has continued growing albeit at a far reduced rate; the increased unemployment rate being added to a generally stable employment picture. Activity rates for men have remained stable, as the unemployed continue looking for work.**

In the country of our panel which is most adversely affected by employment trends (Greece -Figure 24), and despite far greater unemployment (especially among women), at this aggregate level there is clear evidence of an additional worker effect' as *more* women look for work, *despite* the fall in employment. If there is some discouragement, this has begun to affect men after 2009, they start exiting the labour market. In contrast, in Poland (Figure 25), activity rates for both sexes continue rising, despite a stalling in employment growth.



Figure 23: Composition of activity rate for men and for women – EU27

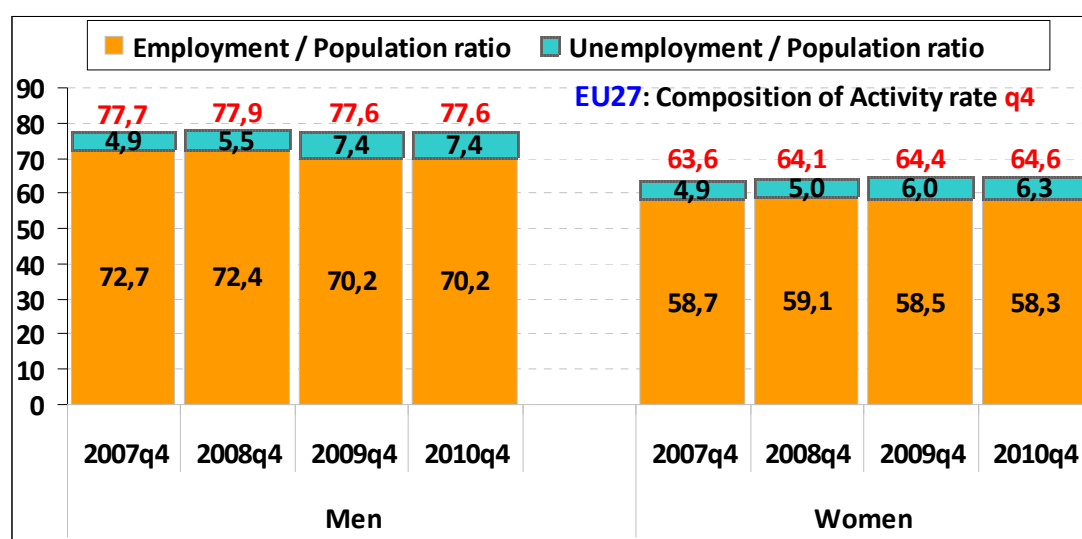
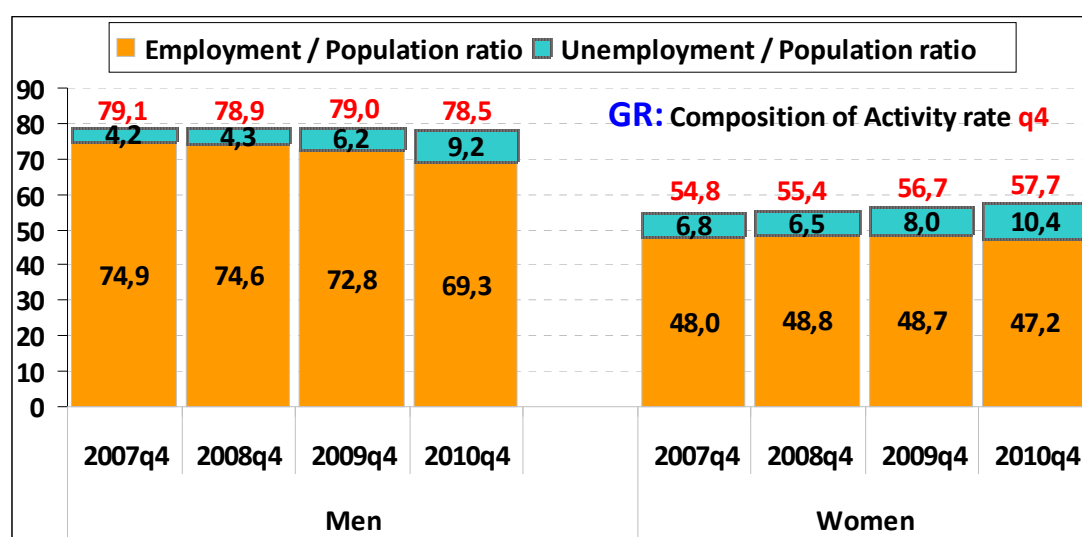
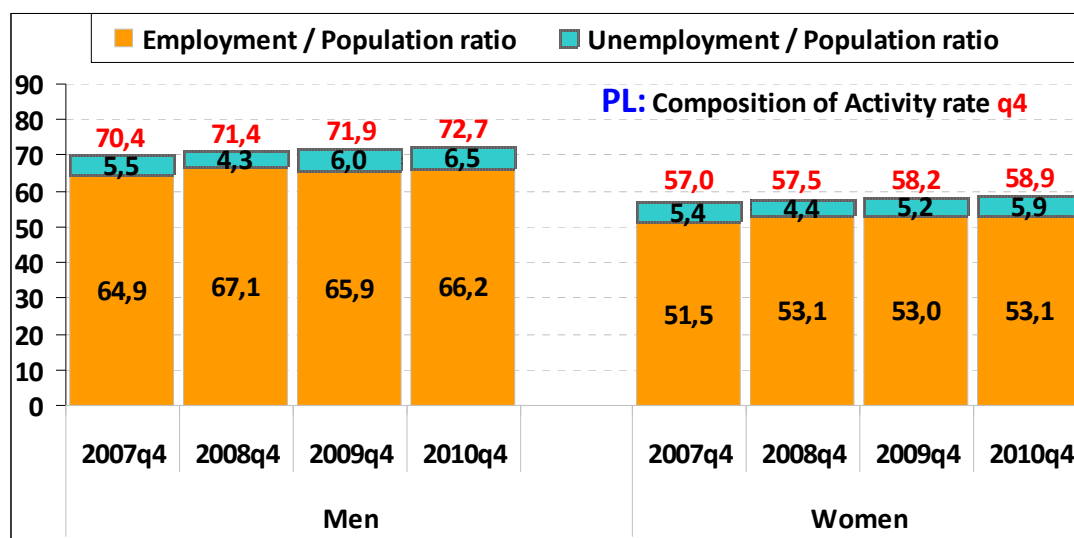


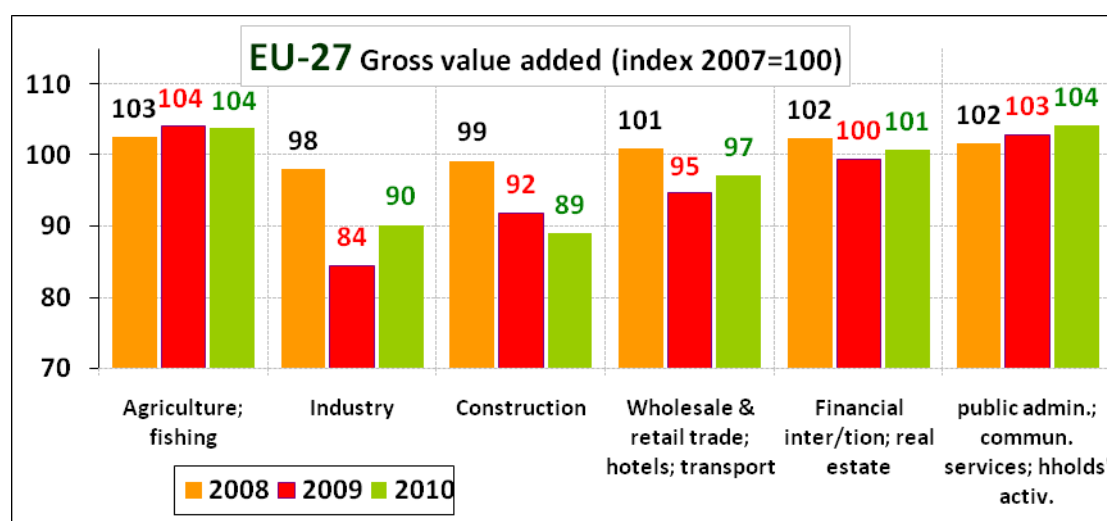
Figure 24: Composition of activity rate for men and women –Greece



**Figure 25: Composition of activity rate for men and women –Poland**

### 3.6. Sectoral Changes in Output – Structural Change

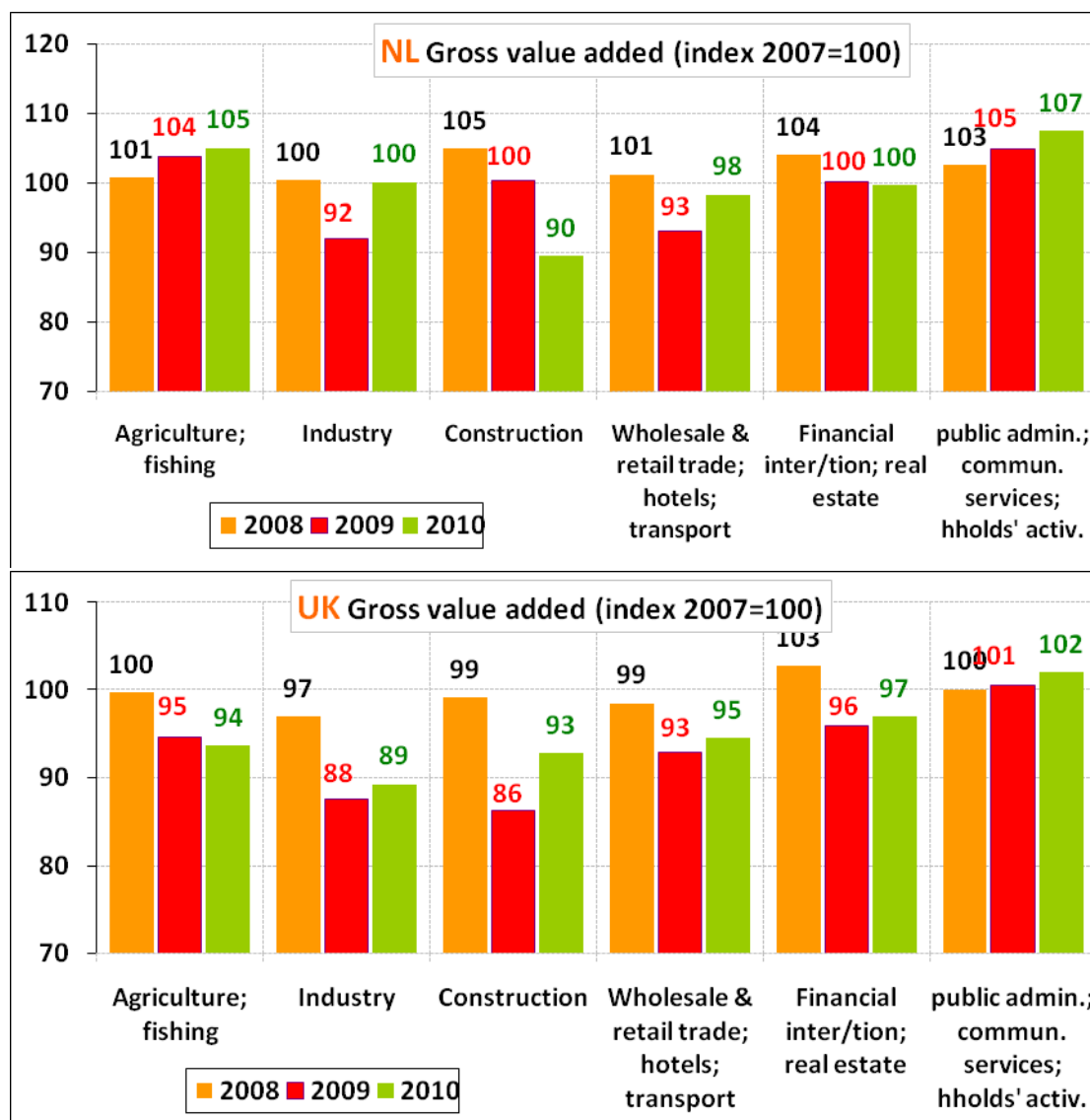
A key driver of structural change in a recession is the changing trend in output between sectors, which often leads changes in employment. Different sectors are affected by demand changes to a different extent and at different stages of the economic cycle. At the same time, apart from cyclical changes, recessions are times when long-term changes take place: declining sectors will be affected more in the downswing and rising sectors will grow faster in the recovery. Thus, the narrative of the crisis now turns to sectoral changes in output. Figure 26 charts the progress of broad national accounts aggregates for EU27 in index form (2007=100)

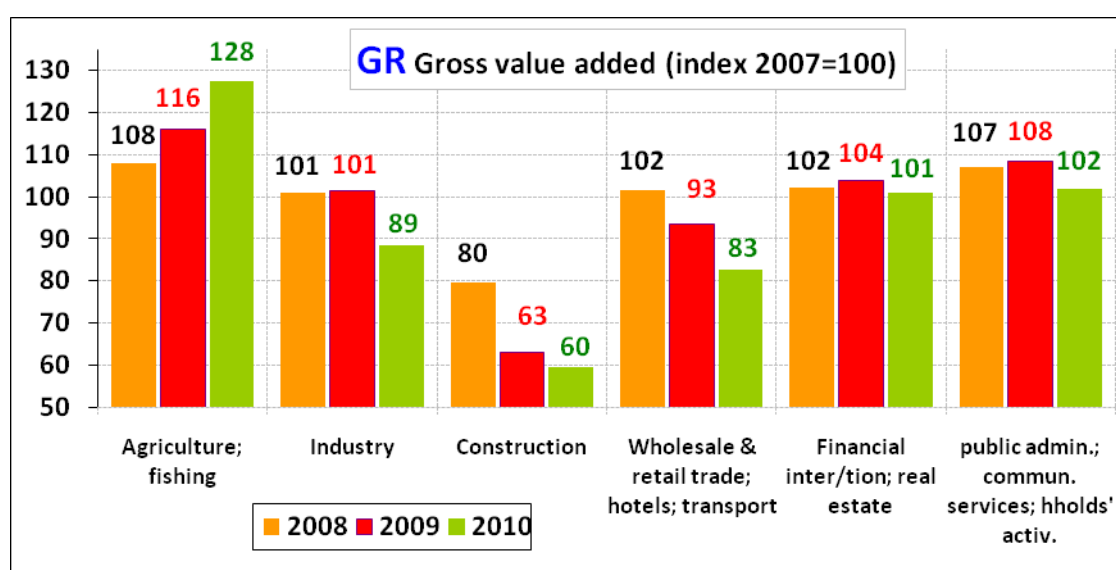
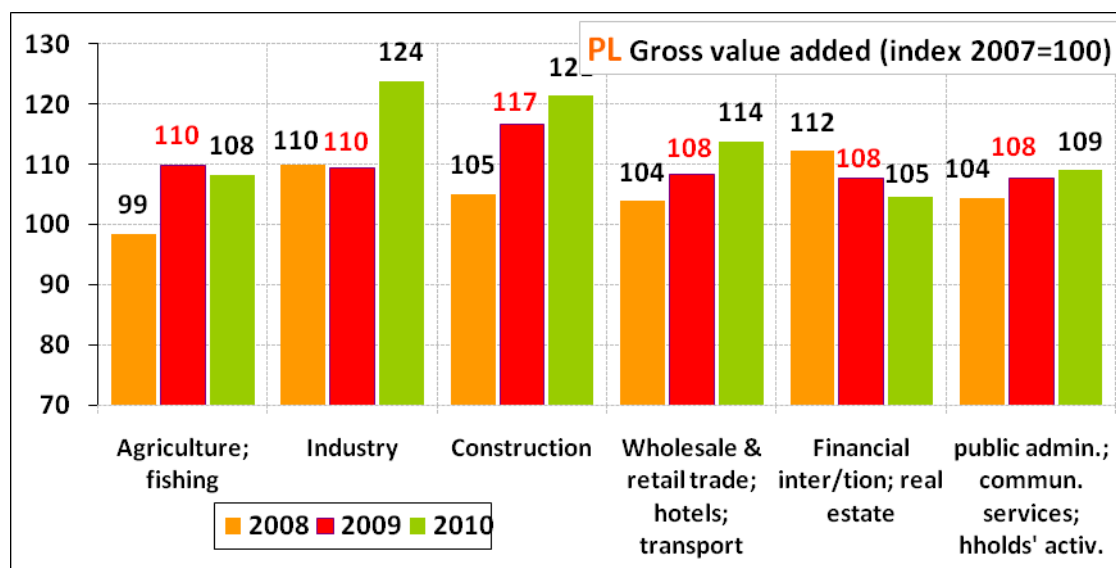
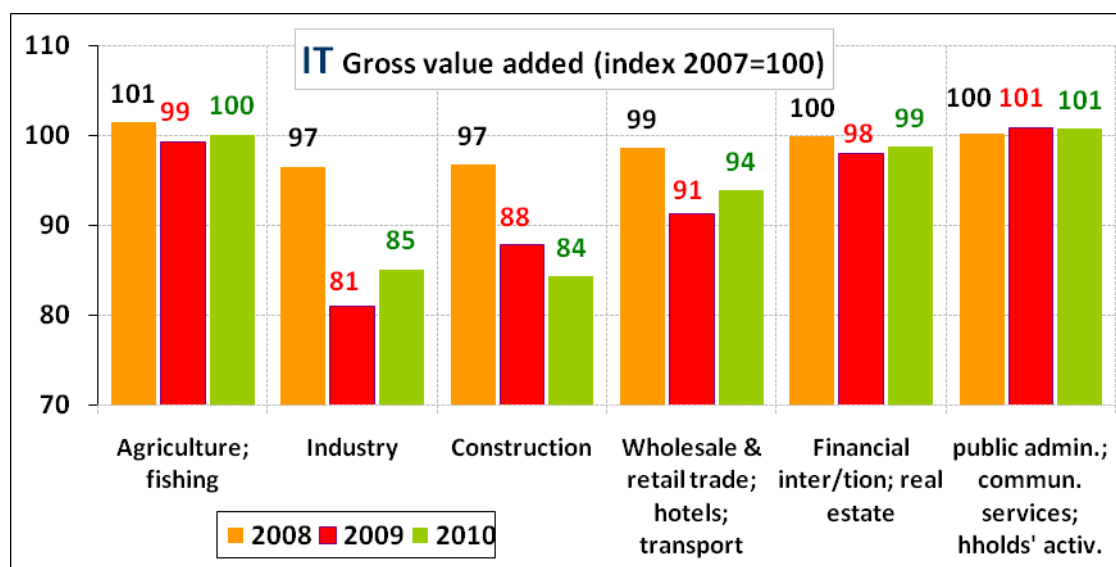
**Figure 26: Gross value added by sector (2007=100) EU27**

The two sectors most affected at EU27 level were industry and construction. 2009 output for industry was 16% lower than 2007, while for construction by 8%. The slide continued in 2010 in construction (which marked further falls), while industry showed a recovery,

which still left it though some 10% lower than 2007. In contrast, retail trade and transport were affected much less. Services –financial intermediation, public administration and household services merely showed deceleration of their rate of growth. Agriculture remained more or less unaffected.

**Figure 27a-e: Value added by sector (2007=100) selected countries**





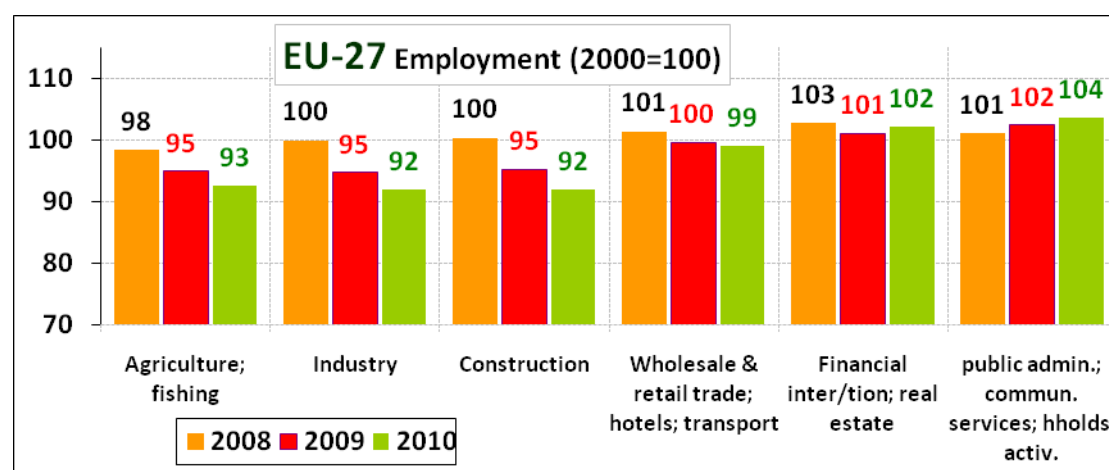
This overall picture is confirmed for the five member states (Figure 27a-e). The two polar cases are Poland, where there is strong growth in industry and in construction (and only a

slight drop in financial intermediation). Greece on the other hand shows accelerating decline in all sectors (except for agriculture). Construction for instance has collapsed by 40% compared to 2007; wholesale and retail trade is also affected (17% lower), while interestingly industry appears to be holding up relatively well. Services are quite resilient, there being falls only after 2009. The UK falls in 2009 and picks up between 2009 and 2010 across all sectors. The performance of NL, e.g. as compared to Italy, serves as a reminder that movements in the Eurozone (especially in industry) are diverse.

Those areas in the economy that are more oriented towards male employment show greater falls but also pick up more after 2009, with the possible exception of construction. Services and public administration, where the bulk of female employment is to be found, only begin to be affected *after* 2009, possibly as a result of austerity or even due to delayed effects of factors affecting finance especially.

The general sectoral image is reproduced once employment is considered (Figure 28). Those sectors most affected are industry and construction, while agriculture continues its secular decline. In contrast, finance and the hybrid sector of 'public administration and household activities' are marking slight *increases* in numbers employed.

**Figure 28: Changes in overall employment (2007=100)**



A key variable of interest is the extent and speed with which the change of employment responds to the change of output. To examine this we use the simple expedient of comparing the change in employment with the change of output (Table 5).

In general employment is adjusting less than output (implying falls in labour productivity, or evidence of labour hoarding in the recession). Thus the ratio  $L/y$  is mostly positive and less than one. In the EU27 output as a whole is lower by 1.8% and employment by 1.4% - the ratio of the change being 0.7 - i.e. employment is reflecting 70% of the output change. This ratio is lower the greater the output drop - most notably so in Italy and Greece. It should be noted that as annual data are used the full impact of the recovery that built up in 2010 is not apparent. In Poland and the Netherlands we have productivity *gains* as output is growing faster than employment.

**Table 5: Comparing output and employment change 2007-2010, Eu27 and selected MS (% change 2007-2010)**

	Agr; fishing	Ind.	Constructi on	trade; hotels &; transport	Financial; real estate	public services; h-hs	All
<b>EU27</b>							
Output	4,0	- 8,7	-9,8	-2,4	0,5	3,8	<b>-1,8</b>
Employment	-7,5	- 8,1	-8,1	-1,0	2,1	3,6	<b>-1,4</b>
(L/Y)	-1,9	0,9	0,8	0,4	3,9	0,9	<b>0,7</b>
<b>Greece</b>							
Output	35,1	- 10, 5	-27,6	-9,9	0,8	1,5	<b>-5,0</b>
Employment	3,1	- 7,5	-15,5	-2,8	-2,0	1,0	<b>-2,6</b>
(L/Y)	0,1	0,7	0,6	0,3	-2,6	0,7	<b>0,5</b>
<b>Italy</b>							
Output	0,1	- 14, 6	-13,4	-5,6	-1,2	0,6	<b>-5,4</b>
Employment	-3,0	- 8,7	-2,3	-2,3	0,5	1,7	<b>-2,1</b>
(L/Y)	-23,6	0,6	0,2	0,4	-0,5	2,6	<b>0,4</b>
<b>Netherlands</b>							
Output	4,7	0,1	-10,4	-1,4	-0,4	6,6	<b>0,6</b>
Employment	-2,9	- 4,5	-2,3	-1,2	-5,6	6,5	<b>-0,2</b>
(L/Y)	-0,6	- 55, 1	0,2	0,9	16,0	1,0	<b>-0,3</b>
<b>Poland</b>							
Output	7,5	16, 2	19,3	10,7	3,3	7,8	<b>10, 6</b>
Employment	-7,9	- 3,4	19,4	7,1	15,7	9,5	<b>4,5</b>
(L/Y)	-1,0	- 0,2	1,0	0,7	4,8	1,2	<b>0,4</b>
<b>UK<sup>1</sup></b>							
Output	-8,4	- 11, 0	-5,1	-4,4	-1,9	1,3	<b>-3,5</b>
Employment	24,1	- 11, 0	-9,7	-5,0	-1,7	3,6	<b>-2,1</b>
(L/Y)	-2,9	1,0	1,9	1,1	0,9	2,8	<b>0,6</b>

Notes: Relative (L/Y)= [(%) change in employment / (%) change in output].

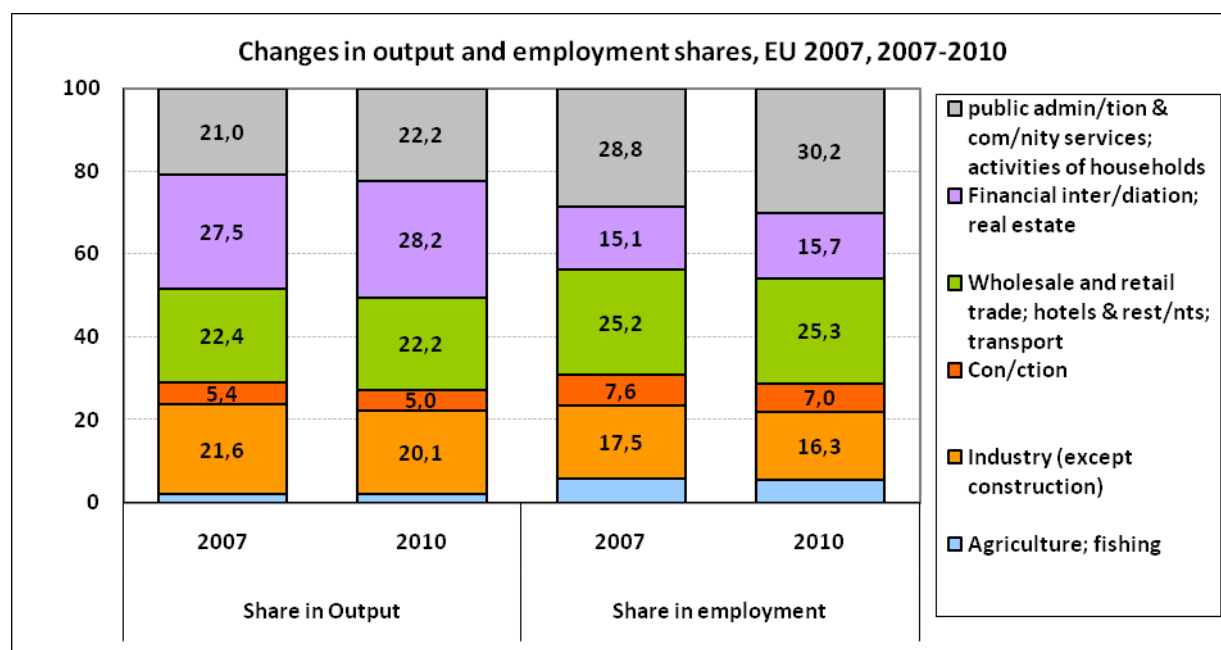
Turning to the separate sectors, one must remember that, in order to use recent data, one is constrained with having to use broad aggregates<sup>8</sup>. Thus, while industry is distinguished from construction, wholesale and retail trade is reported together with hotels and restaurants as well as transport. Possibly the most heterogeneous category is the last one, which is essentially a residual, including Government and Community services and the economic activities of households. This last aggregation includes in one category many activities of especial interest to women both in their capacity as producers (employees of the public sector as well as providers of paid care to households) and consumers (social protection benefits, personal services to households); these categories respond to different categories of impulses possibly in opposing directions and could act as practical substitutes for each other.

However it may be, examining the sectoral effects for EU27, employment is responding quickest in industry and (especially) in construction. In Government and household services the change in employment matches that of output, whereas in financial services there is an actual *increase* in employment. Thus there is a transfer of employment from industry and construction to services – whether financial and real estate or government and personal. These changes in the composition of output are leading to greater changes to the composition of employment (Figure 29), increasing the share of services and reducing the share of industry. The picture (limited to the use of annual data) does not include any indication of a retrenchment as a result of public finance.

Turning to individual countries, we see these broad effects in operation. Employment in the residual and hybrid category of public and household services is growing in absolute numbers (Table 5), which implies that its *share* in a generally falling total is rising. (One would think this is primarily due to a rise in household services, rather than public employment, though disaggregated data are). In the UK employment has increased by 9.5%, in Poland by 8.3% and in the Netherlands by 6.5%. Even in Greece employment for 2010 is still 1% higher than in 2007 and in Italy 1,7%. Looking at industry, construction is shedding labour everywhere except Poland, while industry is showing the most quantitatively significant reductions (given its large weight) –most notably in the UK and Italy – presumably reflecting competitiveness effects.

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<sup>8</sup> To use greater detail one would have to be resigned to examining periods before the crisis – i.e. data up to 2008.

**Figure 29: Change in the composition of employment 2007-2010, EU27**

Thus sectoral changes must play a large part in the story of gender effects of the crisis, given that different sectors are affected differently both across the EU and in particular countries. A number of more detailed questions would need to be addressed once more detailed data be available:

- The gender balance between sectors. Has the gender composition of employment moved together in different countries?
- Change within sectors – Is the gender pattern of sub-activities within the broad aggregates changing?
- Does labour protection legislation affect the different speed of response and the cyclical behaviour of each sector?
- The gender composition of labour flows in and out of specific sectors.
- Are there indications of a change in sectoral behaviour in the second (public finance) phase of the crisis, e.g. through retrenchment in the public sector, or is most of the adjustment still borne by the private sector?
- Is there evidence of what were identified as effects of the crisis persisting *after* the recession? i.e. are the observed changes *cyclical* or do they herald more permanent medium or long-term changes?

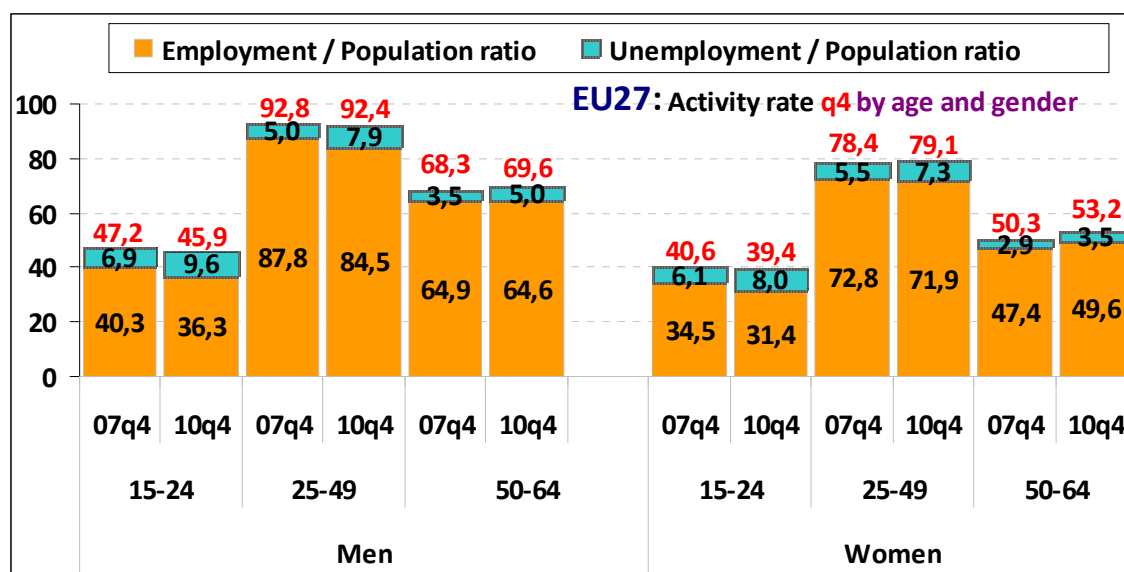
### 3.7. Analysis by Age Group

The labour market is not an undifferentiated whole. In particular, one must pay especial attention at the issues that arise at the entry and exit points of the labour market. We thus turn to look at the labour market situation of the population by age group. We distinguish people leaving school and entering the labour market (age 15-24), individuals at prime working age (age 25-49) and finally those close to the exit of the labour market (age 50-64) (Figure 30). We compare the 4<sup>th</sup> quarter of 2007 (clearly before the crisis) with the



same quarter of 2010 (the recovery). The figure contrasts for men and women employment and unemployment and their total – participation rates<sup>9</sup>.

**Figure 30: Labour market behaviour by broad age group & gender, 2007-2010**



As regards the **young**, there is clear evidence of drops in activity rate – presumably as young people stay on in full-time education. Employment drops for men by 4 points and women by 3, but unemployment rises by less – translating to a drop of more than one point in activity rates. It should be remembered that should unemployment be mentioned (as it is conventionally) as a proportion of those in the labour market, that rose for men from 14.7% to 20,8% and for women from 15,1 to 20,3% - providing ample justification for discouragement.

In contrast, as regards the **older** group, activity rates are rising. This rise is slight for men (1 point) and significant for women (3 points). This group appears less affected by unemployment than the young, while their behaviour is affected by exits towards retirement. However unemployment affects men more than women. Curiously, employment is *increasing* for women (by 2pp) and remains constant for men – a possible indication of delayed retirement. Delays in retirement could either be due to the crisis itself (creating pressure on incomes or reducing the size of defined contribution pensions<sup>10</sup>) or to the effects of structural measures for public pensions adopted (in some countries) earlier.

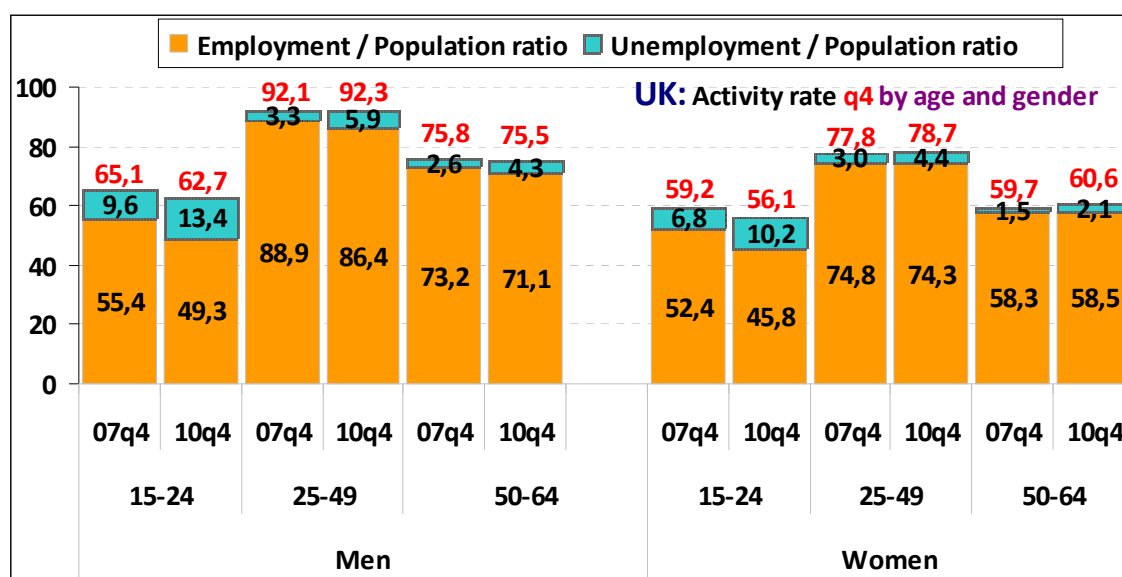
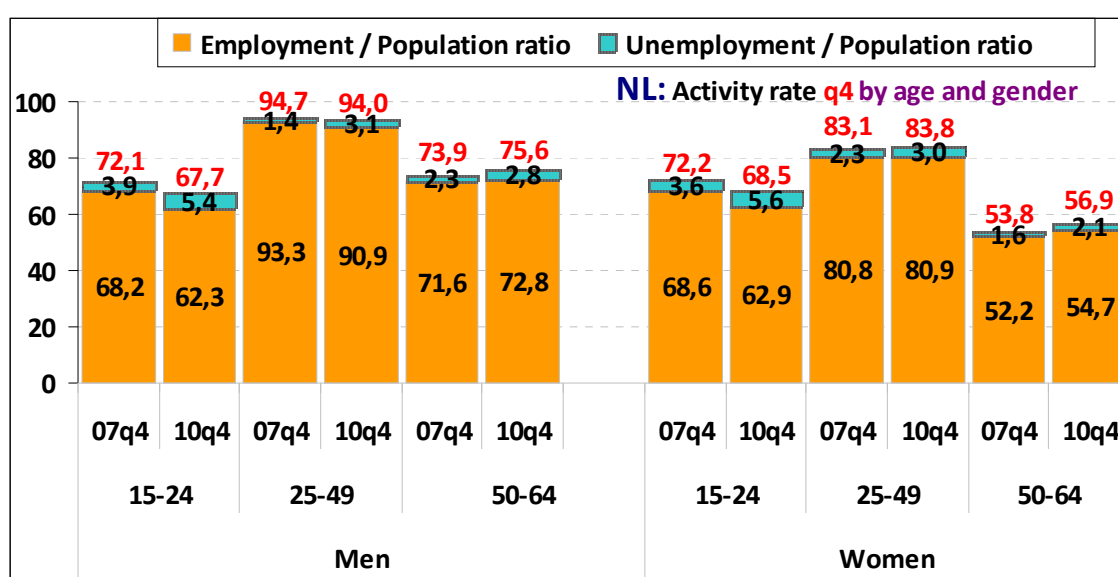
The bulk of the labour force comprises individuals of prime age. Participation at the aggregate level appears largely unchanged – with those losing their jobs continuing to seek work. However, for the case of women we may discern even a small rise in activity rates by less than one percentage point, as more women look for jobs. Interestingly, unemployment *as a percent of the population*, in 2010 affects men more than women (7.9% vs 7,3%), whereas as conventionally measured – as part of the labour force – women appear more at risk (M: 8.5%, W: 9.2%).

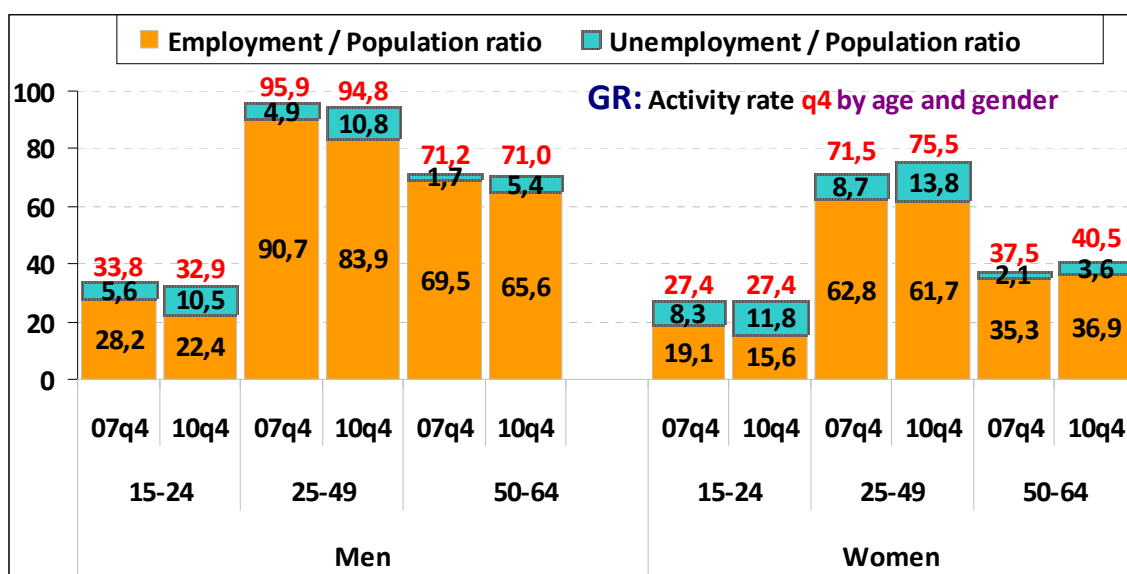
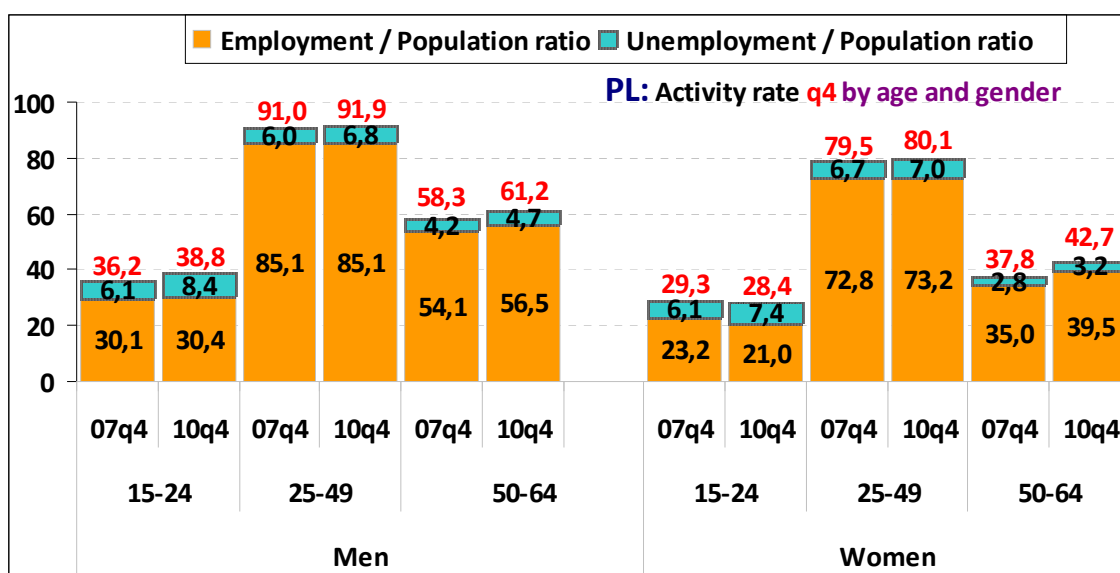
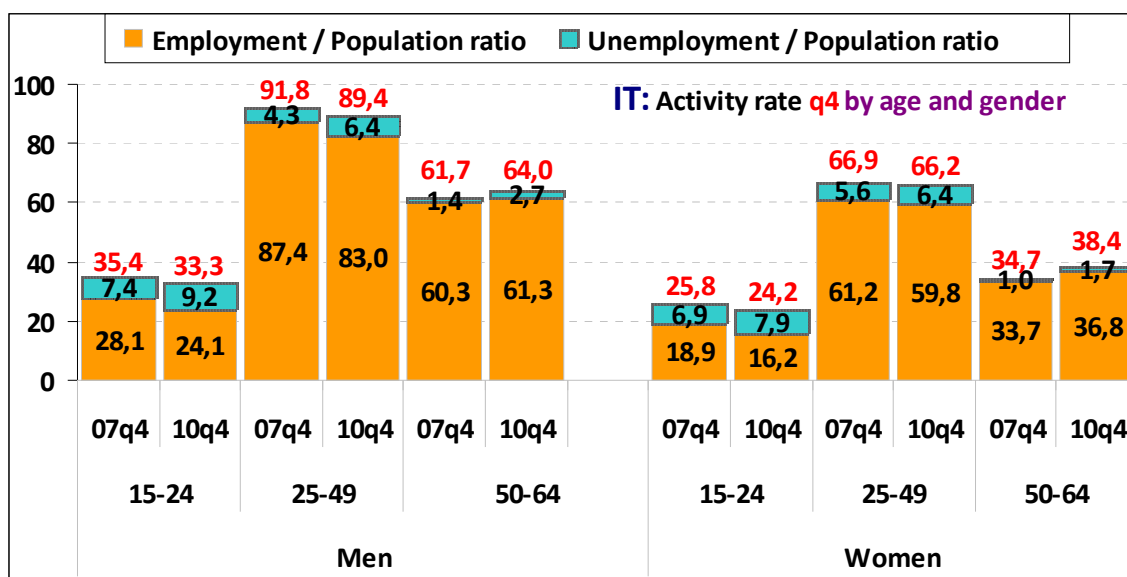
<sup>9</sup> A note of clarification: As noted earlier, activity rates are calculated as % of the population of people of the relevant age. For the purposes of this analysis unemployment is expressed as part of the population – which yields lower figures than in the previous analysis, especially for women.

<sup>10</sup> Defined contribution (DC) pensions – which tend to be occupational – are derived as an annuity exhausting an accumulated capital sum. Falls in asset values as a result of the crisis depress the latter and can lead to lower pension levels. In contrast Defined Benefit (DB) – largely public – pensions pay out a percentage of the final salary, so are relatively immune to asset values.

Turning to our five examples, we see that the general features remarked on characterise all cases (Figure 31a-e). Unemployment increases are everywhere worse for the **young group** entering the labour market, much more so in Greece and Italy. In both of these (and especially in Greece) we see labour force participation falling slightly, though more for men than for women. Falls in participation are far more marked in NL and UK, where the activity starting point was almost twice as high. As regards **the older group**, employment is generally increasing, for women more than for men. This is marked in Poland, in the Netherlands and in Italy. *Falls* in employment are encountered among men in Greece (exiting into pensions?) and to a lesser extent in the UK. Thus the gender effect in the older group appears to differ by country, presumably reflecting the different institutional frameworks (for pensions and unemployment).

**Figure 31a-e: Labour market behaviour by broad age group & gender, 2007-2010, selected countries**

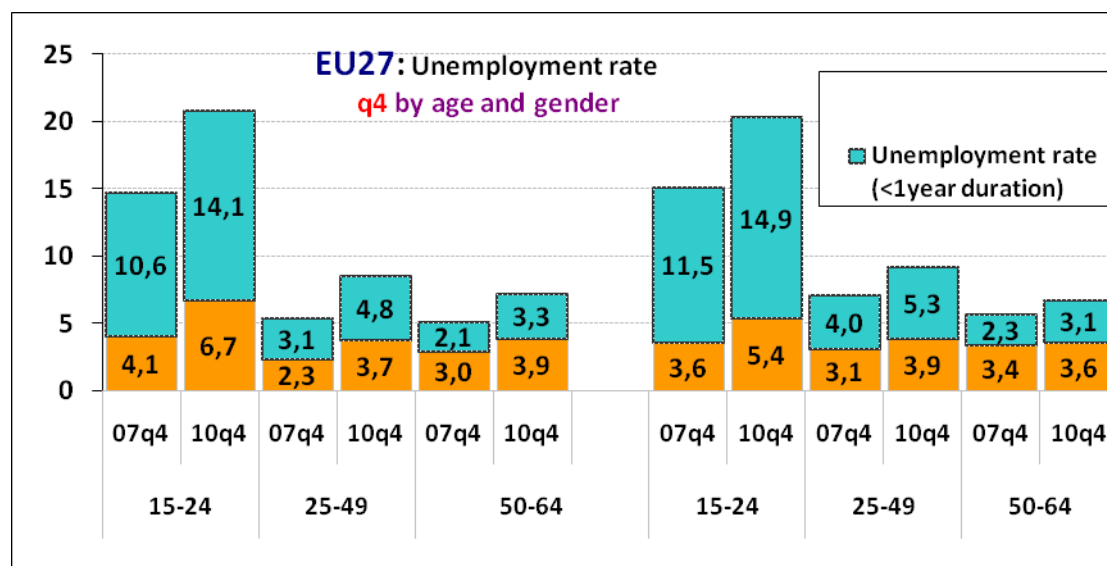




As regards individuals of **prime working age** the observations noted in other aspects of employment are confirmed (relative to gender effects and the relative impact of unemployment). The general pattern is for a rise in activity rates for women and constancy or even a slight fall for men. Poland, where employment growth remained is, predictably, an exception to this rule. Thus, in this phase of the crisis, the 'added worker effect' seems to predominate for women, whereas the 'discouraged worker effect' applies more to men – though not as decisively.

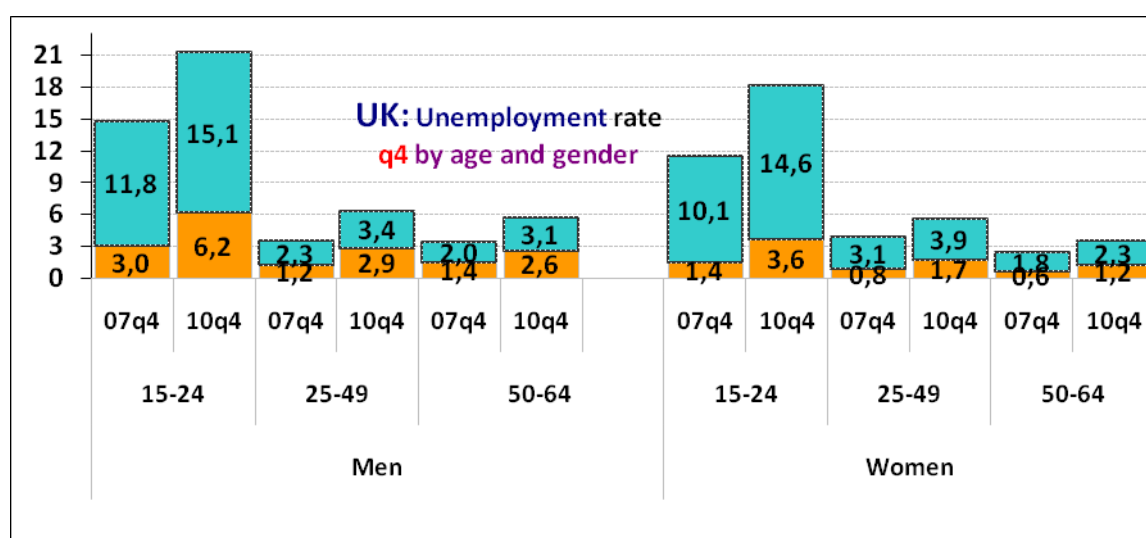
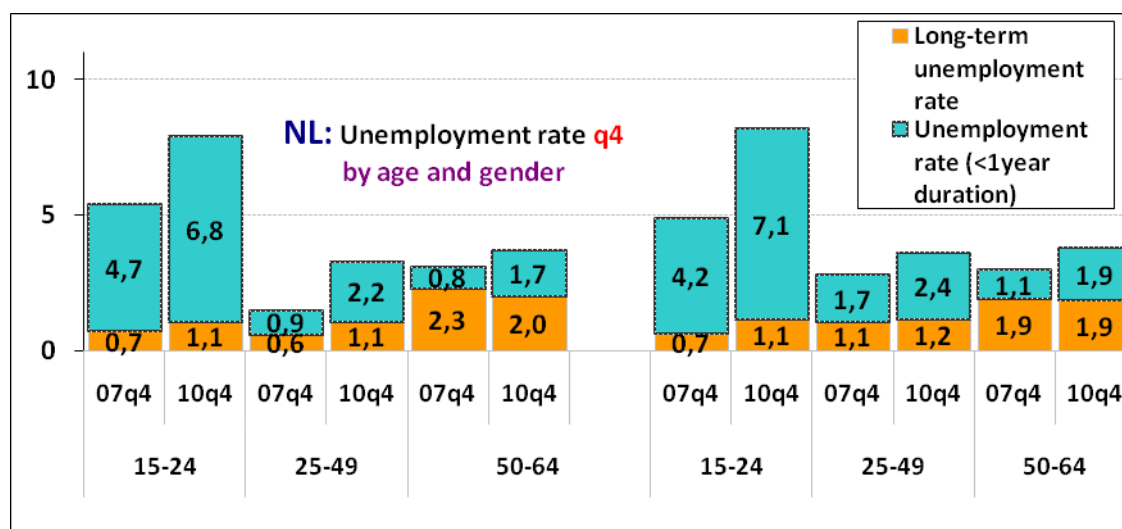
One of the prime reasons for discouragement is to remain unemployed for a long time – i.e. the prevalence of long-term unemployment. The different age groups are differentially liable to suffer from longer-term unemployment. Figure 32 shows that long-term unemployment as structural feature affects younger individuals. However, long-term unemployment afflicts all, though there is a discernible tendency for its growth to be greater for labour market entrants. The corresponding drop in the proportion of individuals close to retirement age might have to do with people preferring to retire rather than face unemployment of long duration. In any case explanations should be sought in the relative ease of entry and exit from the labour market.

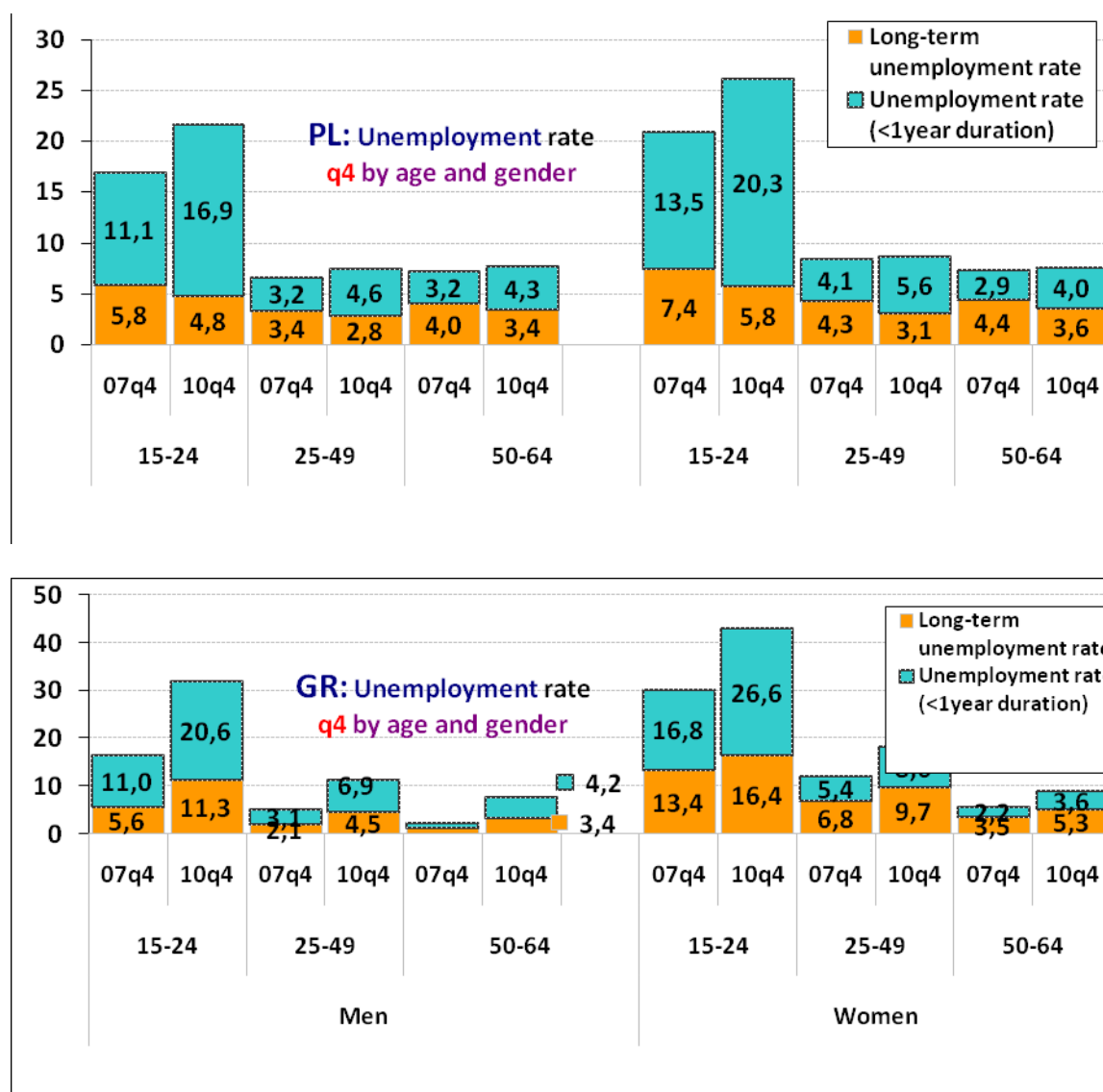
**Figure 32: Unemployment by duration by age group and gender, EU27**



The different pictures emerging from the panel of member states give an idea of the kind of mechanisms at work (Figure 33a-e):

Figure 33a-e: Unemployment by duration by age group and gender, selected member states





When examining long-term unemployment, a suggestion was made that conditions of entry and exit could account both for its prevalence and its characteristics. The pattern emerging from looking at the five member states is in accordance with this presupposition. In the Netherlands long term unemployment is very low among the young and, though it grows, it remains a lower proportion of total unemployment. In the UK, in contrast, though the initial position is of low prevalence among the young, their long-term rate doubles between 2007 and 2010. Faster growth among labour entrants is also the picture characterising Greece and Italy; the gender features of this is to close, though not to eliminate the gap between men and women entrants. In Poland, in contrast, the presence of growth implies a fall in long-term rates among the young, even as youth unemployment as a whole is growing.

At the other extreme of the age range, those close to retirement are subject to roughly similar long-term unemployment risk, compared to prime working age, in the UK and NL. In contrast, in Greece and Italy, unemployment and long-term unemployment have always been much lower for older individuals, reflecting looser pension eligibility conditions, as well as the greater prevalence of self-employed amongst this group (the latter possibly accounting for the higher women's rate). Nevertheless, even from this low base, long-term unemployment begins to be discernible, possibly in part reflecting rises in minimum ages for retirement.

Even if we isolate the two groups entering and leaving the labour market, there is a marked deterioration in the unemployment situation of prime age individuals (who, it must be remembered, arithmetically dominate the other groups). Long-term unemployment at that is growing faster, albeit from a lower base, reaching levels that constitute challenges to policy, even in countries such as the UK with traditionally low long-term unemployment.

**The full time/part time picture and age:** One of the possible reactions of employment to a crisis is to shift more of total employment towards part-time employment<sup>11</sup>. The crisis could lead to a shift from full time to part time employment as a way of increasing total responsiveness.

**Figure 34: Full time & part time employment by age & gender, EU27**

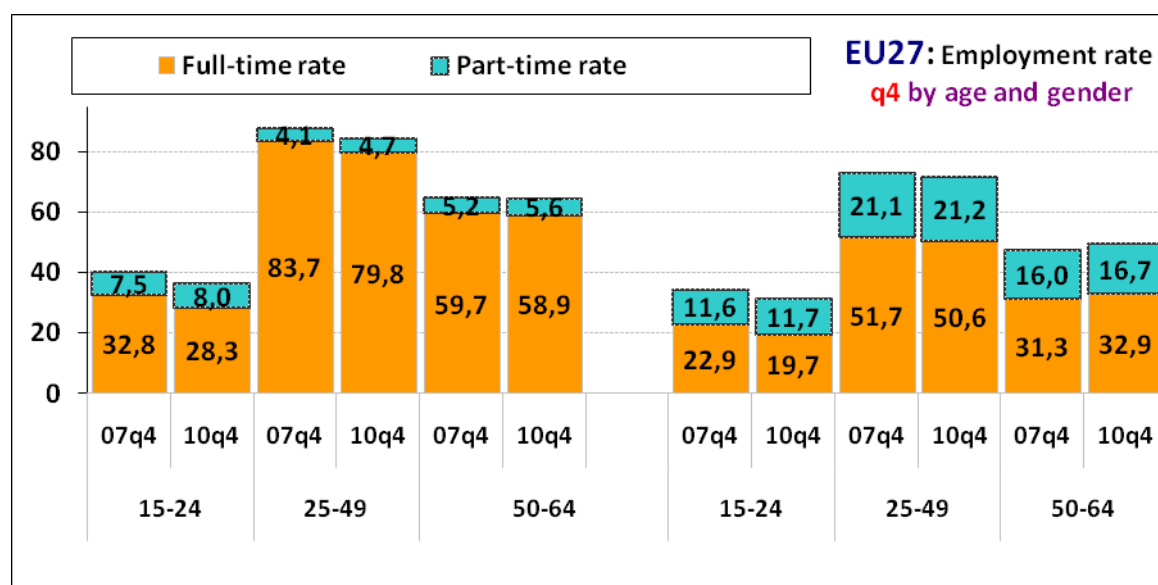
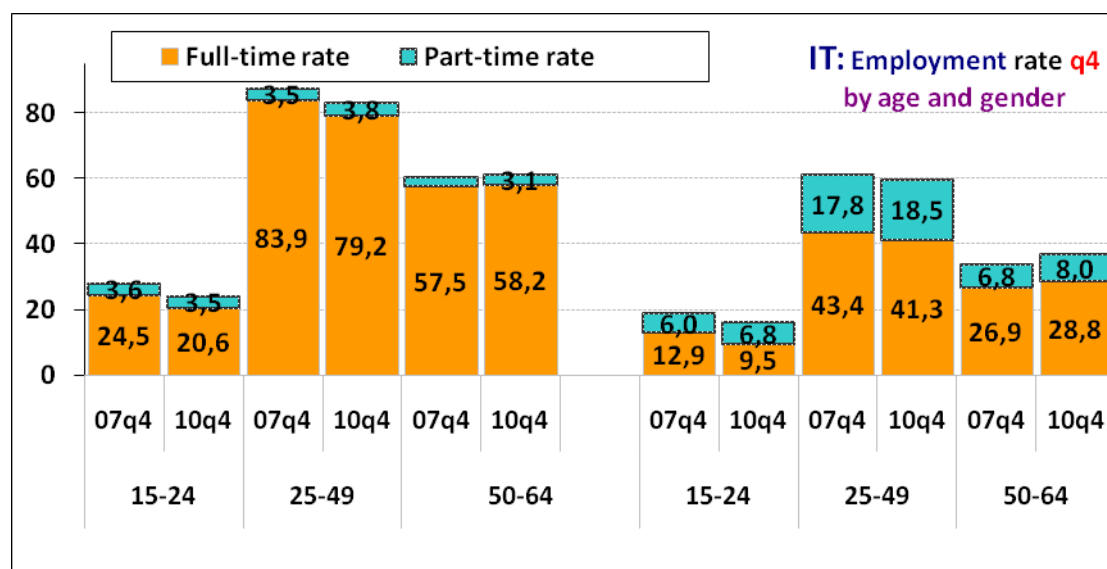


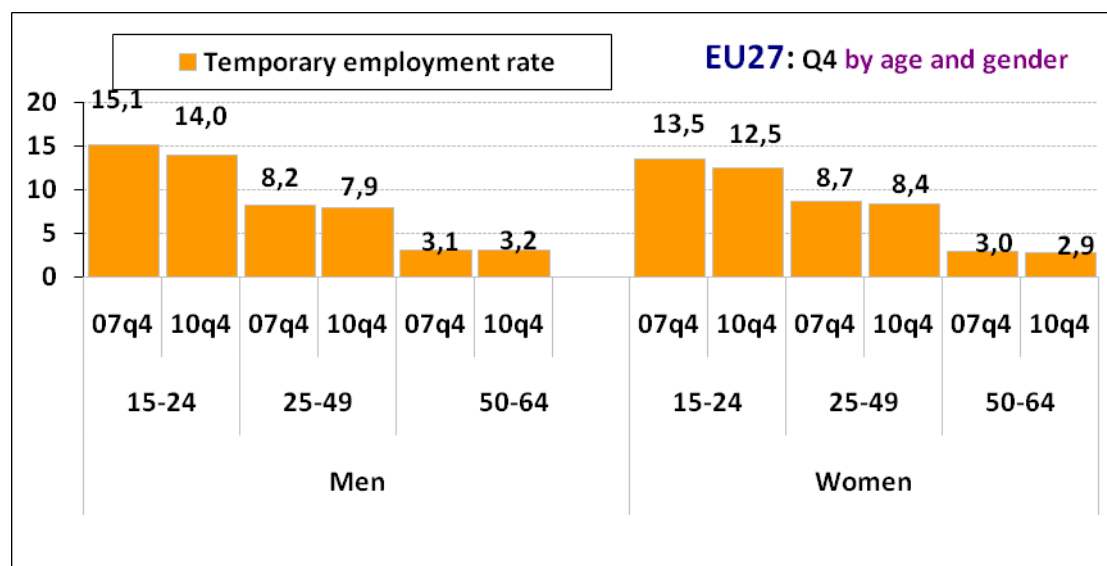
Figure 34 at the level of the EU27 shows that this shift is not a large part of the employment story. Though full time employment is (as we have seen) lower, there has been no dramatic rise in part time work. Part time work –in contrast to full time – does not fall and, for certain categories of people, is even increasing albeit from a low base. An important observation, though, is that for prime age women (who account arithmetically for the bulk of part time workers in the EU) the part time employment rate stays constant. These observations hold for four of the countries of our panel. However, the case of Italy – where there is a discernible shift of part time employment in the case of all women – indicates that the overall stability pictures may disguise important country variation (Figure 35). In particular, the shift to part time work on the part of women may play a role of adjustment at the margin that may not be ignored (in contrast to Italy, adjustment in the Netherlands, where part time working is far more widespread, is more muted).

<sup>11</sup> This must be distinguished from changes in the total hours worked; part time here presupposes a different type of labour contract.

**Figure 35: Full time & part time employment by age and gender, Italy**

As regards **temporary employment** comparing 2010 with 2007 we see a slight *decrease* in that type of employment, concentrated in the group where it is more prevalent – viz the young (Figure 36).

The part time and temporary employment picture could be interpreted in two ways. *Either* the crisis has not altered established modes of working and organization, *or it is* changing matters, though in a slow and cumulative way. As the case of Italy shows, important changes may still be stored up and could surface during the course of the next few years.

**Figure 36: Temporary employment by age and gender, EU27**



## 4. GENDER DIMENSION OF THE ANTI-CRISIS RESPONSES

### 4.1. Background: Europe 2020 Strategy and Policies for the Promotion of Gender Equality on the Hesitant Way out of the Recession

The year 2010 marks a period of transition, as institutions establish the framework for the new "Europe 2020" strategy. It is a good time, thus, to take stock of the progress made in some of the targets of the previous years, e.g. in employment and childcare. This is the *first* reason why one should examine the gender implication of policies.

The *second* reason has to do with the policy reactions to the recession. The long shadow that the recent economic turmoil is casting over employment policy, the severe impact of the first wave of job losses as well as the unfolding effects of budget cuts may place at risk the recorded progress of the last 13 years.

The *third* reason for examining policies closely is the waning momentum of gender policies, at least since 2005. It is probable that the blow of the recession may push gender issues in the shadows even more. The weaker profile of gender issues in the second phase of the Lisbon strategy has been carried over into the new strategy. The early stages of the Europe 2020 strategy formulation seemed in fact "to adopt a gender blind approach and be rather timid in relation to gender equality issues" (Villa and Smith, 2010: 46). The final agreed guidelines had a stronger visibility for gender, but still leave a lot to be desired.

The economic crisis has placed at risk the progress towards the 60% employment target for women. That applies both to attaining targets (e.g. on older age employment rate as well as childcare, or on gender gaps in job quality and pay) and to formulating policy. Gender equality targets had to operate via the gender mainstreaming guidelines, which were not translated into concrete tools. In the rush of new policies to address the crisis, such gender sensitive guidelines virtually disappeared (ibid: 46).

Gender mainstreaming, in order to be effective, would require:

- *First*, policy makers must assume ownership for closing gender gaps.
- *Second*, the use of gender disaggregated statistics
- *Third*, a gender impact assessment of policies;
- *Fourth*, evaluation and policy revision to ensure closing of gender gaps

The policy environment after the crisis and in the context of Europe 2020 increases the need for gender awareness. Some examples:

**The emphasis on public finance:** In the absence of gender budgeting, budget cuts, could harm women disproportionately as public sector employees as well as users of public services, as well as beneficiaries of public transfers.

**The emphasis on productivity while ignoring gender sectoral/occupational segregation:** For example, linking pay to productivity may obscure the fact that low productivity may be due to segregation rather than individual performance, while the

burden of other (family) responsibilities may impair individual performance (due to restricted time availability, and lower mobility).

**The emphasis on high technology**, earmarks male dominated sectors without attempting to redress gender imbalances. The same goes for the resource and environment sustainability focus: they do not take into account the male domination of energy sectors and green jobs, nor do they explore the potentially uneven impact of greening of the economy.

While the targets related to entrepreneurship maintain some gender perspective, the reformulation of the employment target to 75% for men and women obscures the key insight that women remain the main untapped potential labour supply in most EU countries. "The **loss of a female specific target** risks a reduced focus on policies aimed specifically at raising female employment and/or a continuation of male breadwinner policies" (Villa and Smith, 2010: 60).

**Complacency regarding gender targeting could lead, at best, to a lack of urgency in pursuing gender targets; at worst, it may serve as a veil behind which older stereotypes may reassert themselves.**

## **4.2. Which Policies?**

When trying to unravel the gender implications of policies, one should not focus exclusively on policies with a stated purpose of affecting the prevailing gender balance: unintentional gender effects may be more important. Section 2.3 argued for the importance of spreading the net wide this way – encompassing all types of policy.

Before embarking on a survey of policies, it is important not to forget that women *still* find themselves in a vulnerable position (as documented in section 2.2): they still work less, they earn less and they are poorer as a whole compared to men.

### **4.2.1. Automatic' Risks: Women's Greater Vulnerability**

The impact of changing policies or responses to the recessionary conditions pose potential threats to gender equality and a gendered analysis of labour market processes is useful 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 more individual women are at risk from changes in government policy. Women's employment and equality between women and men are elements of policy at both the European and Member State level; even though gender mainstreaming of policies is often inadequate, there remains an acknowledgement of the need for equality. A downturn could be used as an excuse to slow down progress on equality or even to rethink 'expensive' policies that help women on the labour market (Rake 2009).

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

Drawing on comparisons between the current crisis and the 1930s when women were encouraged to leave the labour market in favour of men, there is a risk that men are seen

as the legitimate holders of jobs when they are in short supply (Seguino's (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<sup>12</sup>. 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)<sup>13</sup>. On the other hand, encouragement 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).

### **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. 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.

### **'One and a half' earner households may be more vulnerable during the recession...**

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.

### **... and therefore services and social infrastructure are critical for the modernisation of Europe.**

It is important to stress that investment in services for a dual earning society 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. Furthermore, 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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<sup>12</sup> This practice was particularly widespread in pension systems – e.g. the prevalence and continued existence of lower retirement ages for women.

<sup>13</sup> Though not *necessarily*. Tax transfers can be designed that have no such effects.

#### 4.2.2. Policy-generated risks: The crisis, public finance and the logic of budget retrenchment

As was repeatedly mentioned after 2010 economic conditions in Europe, having weathered the storm of the credit crunch, have entered a phase where in many countries public finance considerations are paramount – and in some decisive. Key to these developments are debt dynamics. The need to service national debt at frequently higher interest rates than previously creates the need for retrenchment and has led many governments to pursue in the context of a medium term to consolidate primary budget surpluses in order to create the conditions of stability for the national debt.

In such an environment, and in the presence of larger unemployment, established 'fiscal stabilisers' will reduce tax expenditures and increase expenditure on social safety nets and unemployment. When the crisis is oriented towards public finance these factors will actually *widen* the deficit and act in a destabilising direction as far as debt dynamics are concerned. In countries facing a severe borrowing constraint (GR, IE and PT) this means that equivalent amounts have to be sought elsewhere. This could put pressure on those parts of taxation that can increase with a short lag, on the one hand, and on 'fungible' items of expenditure, on the other. The types of expenditure most at risk are those that can be contained without legislative or other time-consuming changes.

These will obviously differ by country and by level of government. Gender- oriented expenditure such as family benefits or provision in kind of factors such as long term care or social services could well be in the firing line. This process can take place in a decentralised way (e.g. in local or regional governments); in the absence of gender budgeting, the cumulative effect harming gender balance may only be realised when it is too late.

The logic of retrenchment means that there could be a trade-off between structural changes (which could aim at deeper changes which would affect selected areas and/or categories of people), on the one hand, and across the board austerity or ad hoc budget changes on the other. Crucial to this trade-off is the kind of structures possessed at the entry point of the crisis. If structural reforms were already in place, then across the board austerity would be easier to avoid. The absence of reform (or its hurried pursuit during the crisis), increases the danger of those types of 'blind cuts' in the short and medium term. Though the impact of these types of processes may be assessed only *post hoc*, anecdotal evidence from some member countries may point that the gender impact of such changes can be considerable (also aided by the persistence of 'traditional' entrenchment of male breadwinners in -at least some - policy makers' minds).

Given the above, it is perhaps more useful, rather than exhaustively enumerating budget lines, to begin by examining concrete changes in four member states each affected in a different way by the crisis. The four country reports are appended in a separate volume; this report draws from them to include: A preliminary analysis of budget changes, a gender-informed examination of structural policies and reforms in the labour market, as well as an analysis of pensions and working time (paid and unpaid).

### 4.3. A Preliminary Analysis Of Budget Changes

#### 4.3.1. The Macroeconomic Context of the UK

In 2008, the UK sank into recession, while by 2009, it was experiencing one of the worst falls in economic growth, far worse than in the previous recessions of the 1990s and 1980s. Despite initial signs of recovery at the start of 2010, the economy shrank in the final

quarter of 2010 leading to warnings of a double-dip recession. Public sector net debt has remained high, recorded at 59.3 per cent of GDP by the end of 2010, the unemployment claimant count has been stable over the last year, while the number of people in employment has declined.

In May 2010, there was a change of government and economic policy. The Labour government (in power since 1997) was replaced by a new coalition government (Conservative and Liberal Democrat parties). The Labour government had responded to the recession through a reduction in public sector borrowing over the medium-term: a major financial allocation to stabilise the failing finance sector; some fiscal relief for households to stimulate consumer spending; a modest increase in personal taxation for the highest-income taxpayers; tackling the rise in youth unemployment through a new emphasis on public sector job creation schemes and further expansion of training schemes. In contrast, the new Coalition government announced an 'emergency' budget in June, signalling a major policy reversal with a commitment to reduce public debt more quickly – by the end of Parliament – through deep cuts, on top of the cuts already announced by the previous government. These measures have been widely criticised as regressive against low-income households, and for having a disproportionate impact on women who make up the majority of the public sector workforce (65%). Indeed, 40 percent of women's employment is concentrated in the public sector, compared with fewer than 15% of men's jobs. The government's own estimates are that up to 1.3 million jobs will be lost by 2015 with between 500,000 and 600,000 jobs cut in the public sector through budget cuts and the remainder cut in the private sector due to loss of government contracts and lower public spending. The projected job losses in the public sector equate to 10 per cent of all current public sector positions.

Thus, sustained recovery in employment is unlikely given the Coalition government's public spending cuts that have been forecast to lead to significant job losses in both the public and private sectors. The impact of the economic downturn and subsequent policy reforms to cut public sector debt has had some impact on the gender division of paid work although less is known about the impact on the gender division of unpaid work.

#### **From C. Fagan's Country Report.**

##### **4.3.2. Poland: The Macro-Economic Outlook**

Poland succeeded in withstanding the 2008-09 recession relatively well, picking up fast growth rates again in 2010. However, weaker economic performance in the 2008/9 was enough to decelerate (or even to reverse) the previous positive trends in public finances and labour market indicators. In order to offset the reduced external demand caused by the international financial and economic crisis, the government fuelled private consumption. This was done by means of strong fiscal incentives in the form of lower tax wedge as well as the introduction of tax exemptions in order to increase households' purchasing power. At the same time, strong investments in infrastructure (largely financed by the EU) contributed to steadily rising public spending. The resulting increases in both the budget deficit and debt (high structural deficit) set off the excessive deficit procedures according to which the Polish government introduced fiscal consolidation measures.

The measures for fiscal consolidation aim at limiting public expenditure (both at the central and at more decentralised levels), to change the structure of public spending and to restructure the revenue side. It has not opted for 'cuts across the board', on the contrary, policies aim at higher levels of public expenditure on infrastructure investments (probably enhancing job opportunities for men) as well as growing public expenditure on care and

education (probably enhancing women's job opportunities both in creating new jobs as well as in creating the preconditions allowing them to get a job). In parallel, VAT rates have been raised, exceptions have been eliminated, taxes on tobacco as well as savings have increased. The opposite happened in the case of certain basic food items, where VAT rates declined. Nevertheless, the continuation of budgetary pressures might lead to cuts in health spending, both as a result of public expenditure rationalisation and as a result of the drive to improve the effectiveness of management (which could lead to job cuts, privatisation or deterioration of the terms of employment in the sector).

#### **From A. Plomien's Country Report.**

##### **4.3.3. Italy: Macro-Economic and Budget Developments**

Italy entered the crisis after a decade of slow growth and limited productivity gains. Although Italian banks were not involved in toxic assets, the crisis hit the real economy, largely manufacturing. Indeed, although it picked up a little over the year 2010, industrial production was 20% lower than it was in 2007.

The Italian government has chosen national debt issues by means of a policy of restrictive fiscal policies, the effect of which on labour markets will be felt in the next years. The prevailing line in the Government, at to mid-2011, was that of "linear cuts", that is of cuts in public expenditure applying in the same measure of 10% to all branches of the public administration and public services. As women are over-represented in public administration and in services like health and education, representing more than half of the labour force, they will be most affected. The recent reforms in education lead to shedding 19.7 thousand jobs in 2011-2012 (almost entirely women), while as a consequence of the total reform package the overall job toll will be in the order of 87 thousands in the next three years, almost entirely women. The cuts and reforms in education will also affect services available for conciliation between work and family care.

#### **From A. Stirati's Country Report.**

##### **4.3.4. Greece: The Macro-Economic Conundrum**

The impact of the crisis came to the Greek economy with a time lag and with vengeance. The problems manifested itself as an unsustainable public debt situation which translated into a sovereign debt crisis and made crisis management procedures indispensable. Growth stalled in 2010, while unemployment escalated from the first quarter of 2009 onwards.

The Greek economy after numerous consecutive years of fast growth, entered the recession burdened with three deficits: (a) A competitiveness deficit in the real economy (b) A welfare state provision deficit and (c) A reform deficit.

From a gender perspective, the situation is characterised by another key deficit: the gender and equality gaps (employment and unemployment gaps, pay gaps, over-represented in precarious and low paid jobs). The gender gaps are tightly intertwined with and reinforce the other deficits. The result is a multi-layered labour market with asymmetric protection and a clear division between 'insiders' and 'outsiders'. Ambitious labour protection and family rights legislation was only implemented in the public sector and possibly the larger private firms. This 'excessive' protection for insiders may paradoxically end up by hurting the people not included in the original understanding. Thus, by privileging 'insider women' it may render the situation of 'outsider women' more vulnerable. The most disadvantaged group among 'outsiders' consists of immigrant women.



The recession is proving deep and sustained. Output has fallen for 8 consecutive quarters- a fall not encountered for the last generation. This was accompanied by a fall in confidence and feelings of insecurity. These pose a threat to savings and throw a heavy shadow on the prospects of small firms dependent on local markets and on trade credit.

Thus, austerity is compounded by uncertainty and the liquidity crisis. These, through their effect on small family firms enter family finances. In this way, the mainstay of the shadow or informal welfare state "the small family firm or farm" lives in fear of what the future will bring. This in conjunction with other crisis-related measures, could have unforeseen consequences affecting the *real* social safety nets that people will have to use during the crisis -a crisis that is by no means over.

**From A. Lyberaki's Country Report.**

#### **4.4. A Gender-Informed Examination of Structural Policies and Reforms in the Labour Market**

##### **4.4.1. The Gender Division of Paid and Unpaid Work in the UK and the Recession**

The last thirty years has witnessed a significant increase to women's employment, including mothers with young children -usually part-time). Hence women are making a much greater financial contribution to family: their individual earnings accounted for almost a third of family income for couple households on average, while for 21 per cent of all couples, women's individual earnings contributed to over 50 per cent of family incomes. This means that women are more directly exposed as employees to the impact of this recession.

Men's involvement in domestic work has been increasing since the 1960s but stalled in the 1990s and has not been growing in parallel to women's contributions to paid work. Besides having a higher employment rate than women they also work longer average hours in their job. These gender gaps are particularly apparent for parents with dependent children. When total time in paid and unpaid work is summed men and women in the UK have a similar 'total working week' on average. And although the gender gap in the proportion of time spent on unpaid work by men and women appears to have narrowed slightly over recent years, some suggest this has been due to women reducing their hours of housework rather than men increasing theirs.

##### ***The impact of the recession on the gender division of labour***

Trends in **employment rates** prior to and during the recession period suggest that the recession has had an inconsistent effect on the gender, with an initial widening followed by some recovery towards the end in quarter four of 2009. As the country moved further out of the recession last year, however, we see that the gender gap has started to widen once again. When looking at **unemployment rates** over the same period, it seems that the recession has widened the gender gap in unemployment rates, and this only starts to narrow once the country moved out of recession in 2010. The increase in unemployment suggests men will, potentially, be spending longer periods of time at home and therefore more available to take on domestic labour. However, studies have shown that men's typical response to unemployment is not to increase their domestic work contributions; in fact, studies of the domestic division of labour in earlier periods of economic recession revealed that some unemployed men contribute even less to domestic labour compared to employed men (probably due to prevalent cultural norms around masculinity and what it means to be 'a man'). Hence, in periods of economic recession, men's resistance to domestic role sharing may become more pronounced in some households indicating a strengthening of

the traditional division of unpaid labour in which women take most responsibility. With the rise of male unemployment, changes to women's employment require analysis from the household perspective given families are increasingly reliant on both wages. Analysis of Labour Force Survey data indicates that, unlike in previous recessions, women whose partners lost their jobs in the 2008/09 recession were much more likely to remain in work.

### ***The impact of the recession on working hours and patterns of work***

Women have been more likely to work part-time (i.e. up to 30 hours per week) but the proportion of employed men working part-time rose steadily prior to the recession and this continued with the onset of the recession. In comparison, the proportion of men working average full-time hours started to decline when the recession hit in 2008 and has been falling steadily since. There has been a decline in the proportion of men working over 45 hours. This has occurred though a combination of loss of full-time jobs and reduced overtime working in some organizations. Amongst full-time workers, average hours fell at the same rate for both men and women during the recession between 2008 and 2009. By 2010, average full-time hours increased as the economy recovered slightly.

The increase in part-time work has been largely involuntary: many are unable to secure full-time employment due to a general fall in working hours in addition to widespread job cuts. The number of involuntary part-timers in 2009 was reported to be the highest figure since 1994. Thus, the recession has resulted in ***a shift from full to part-time work*** leading to reports that the UK is now characterised by a 'mixed hours' rather than a 'long hours' culture. The proportion of employees who hold a ***temporary contract*** is slightly higher for women than men in the UK. The gender gap in the incidence of temporary contracts narrowed slightly in 2009 before widening again. Hence the initial recovery seems to rest on a slightly raised level of temporary contracts among employees and this has been particularly marked for men. The proportion of those who were involuntarily temporary employed also increased markedly since the recession and by 2010.

***Multiple job-holding*** continues to be more prevalent for women than men. For women multiple job holding is usually in the form of holding two or more part-time jobs. The recession may have caused the rate of male multiple job holders to go up – probably to counterbalance the fall in working hours (and substitute for reductions in pay). ***Flexible working*** continues to be more common amongst women, particularly mothers although increasing numbers of fathers are now working flexibly.

And lastly, during the recession in 2008-09, the underemployment rate began to rise rapidly and this was accompanied by a decline in overemployment. However, since 2009, the increase in underemployment has slowed and there has been a rebound in overemployment towards pre-recession levels. By 2010, there were still a higher proportion of the employed classed as overemployed, a trend evident since the start of 2009.

### **From C .Fagan's Country Report.**

#### **4.4.2 Poland: Labour Market Developments and Policies**

Several years of economic and labour market growth before the onset of the crisis have benefited both men and women, although men seem to have benefited more, entering the 2009 turmoil from a stronger labour market position. The economic slowdown caused lower employment rates both for men and women in early 2009 and then the rates fluctuated. This was true for prime age men and women, but not for younger and older cohorts. Employment rates increased both for the younger age group (15-24 years) and for the



older ages (55-64 age group). In the latter group, the growth trend is stronger and steadier for women than for men. **Unemployment:** women continue to be over-represented among the registered unemployed, although the unemployment rates have tended to fluctuate over the cycle.

**Private-public: remix.** The employment structure is constantly changing, with private sector employment expanding and public sector employment declining in relative terms. Men tend to dominate the private sector (59.8%), while women public sector employment (58.2%). Hence, changes in public employment or pay, will have proportionally larger impact on women.

**Migration:** Poland is at the same time an immigration and an emigration country. The economic slowdown and the tightening of the Polish labour market did not halt or even slow down economic migration to Poland. Migrants may have valid residence permits, short-term working visas, maybe part of seasonal employment programmes or none of the above. In general, it appears that gender gaps among immigrants tend to be wider than the average gaps for the native population. Migrant men outperform native men in employment rates, but migrant women lag behind native women's employment rates. Although the types of jobs into which female immigrants tend to find themselves may be less visible to official statistics, it appears that opportunities are tilted in favour of migrant men.

**Policies that increased employment rates both for men and women:** (a) The elimination of mandatory military service (b) early retirement - limiting the number of professions entitled to early retirement. (c) Specific anti-crisis measures urging employers to hold on to their employees and use flexible forms of employment during decreased demand (instead of labour shedding).

***Policies to fight unemployment: some indication of adverse gender bias***

Although women are over-represented among the unemployed, and in spite of the fact that their participation in Active Labour Market Policies has been fair, they systematically lag behind men in terms of outcomes. Furthermore, "there are examples of either gender neutral or male-specific policy measures, and no evidence of women-specific initiatives in relation to the economic crisis".

***Policies to address the structural deficit: ambivalent picture***

Wage freezes in public sector will necessarily harm incomes (more women, *prima facie*), while increases in VAT may strain family budgets. Although budget spending in the years to come will be rather modest, some important areas will enjoy increased spending (care, education) which is likely to support gender equality. "There may be, however, tensions with respect to required budgetary discipline of central, regional and local authorities and the expected increase in the provision of services, as well as reforms in other areas of public service provision –such as health care. To what extent these will have detrimental employment outcomes is as yet uncertain".

**From A. Plomien's Country Report.**

**4.4.3 Italy: Low Employment and Wide Regional Variation**

Italy is characterised by very low female employment –albeit rising. Over the decade before the onset of the crisis (1998-2008), women's employment has been increasing, but this reflected trends in the Northern and Central regions; by contrast, in the South the rates

increased up to 2003 and declined thereafter. Declining employment rates in the South apply also for men, who are as discouraged as women (simultaneous decline in unemployment and activity rates).

**Labour market and gender outcomes of the recession.** When looking at unemployment, it is important to bear in mind that in the Italian system these data do *not* capture the entire picture of the fall in firms' activity levels and demand for labour: the system of "*cassa integrazione guadagni*" (cig) which allows firms to interrupt or reduce production activity and hours of work without firing their employees. Hence there exists 'hidden' or 'postponed' unemployment which does not appear in the unemployment data.

Up to mid-2011 women have been less hit by the crisis. The reasons can be found in the differences between branches of activity. Manufacturing, where women are underrepresented, has lost many more jobs than the service sector. The male–female employment trends also differ sharply between the two branches: in industry female employment fell much more than male while in the service sector the employment loss between 2008 and 2009 is entirely male. Even in the sub-sector constituted by public administration, health and education (which in Italy are largely public) male employment is more affected.

**Temporary layoffs not included in unemployment data.** The system of the Cassa Integrazione Guadagni (CIG) allows firms facing: i) fluctuation in the demand, ii) restructuring and or iii) reducing the level of employment, to lay off or employ for a reduced working time some or all of their work force while still retaining them as employees. Laid-off workers receive, on the basis of a public insurance scheme financed by compulsory contributions, a monthly income that for workers of average pay working zero hours is around seven hundred euros. Since these workers are still employees in the same firm, and will return to their previous occupation if the firm survives the crisis, they are still counted as employed workers in statistics, leading to an 'artificial' drop in unemployment. For some the lay-off will only postpone unemployment: if conditions remain adverse, workers will become unemployed after the period allowed for subsidized income (which can last from one to three years).

While short term workers have been hit by the crisis before stable workers, now the latter are beginning to suffer more (also due to the termination of Cig) while on the other hand new young entrants hired with short term contracts more than before. There is therefore a marked youth dimension in employment loss at this stage, though not a marked gender dimension. Of course it must be remembered that, however, women in all age groups have a higher proportion of atypical jobs than men of the same age.

Overall, although in aggregate women appear to have suffered less than men, there remain two critical situations: that of the younger age group and that of the labour market in the South. In the South female activity rates are 25 percentage points below the Northern regions and European averages, had been already declining since 2003, and have fallen further after the crisis. Female unemployment rates have been falling before the beginning of the crisis, but discouragement effects have probably had a role in this: one third of non active women in the south explains her inactivity with the impossibility to find an occupation. Now unemployment rates are increasing again, and for younger women (and men) they have rocketed to about 35%. Young female workers are employed with short-term contracts (45% for the age 15-24 and 20% between 25 and 34). Most of the fall in employment after the crisis affected workers in the age group 15-34, partly because short

term contract holders were most affected, partly because even the permanent positions were mostly lost in the younger age group.

#### 4.4.4 Labour Market Trends in Greece

Unemployment rates for women remained much higher than men's both at times of high and at times of low growth, in periods when unemployment rates were increasing as well as when unemployment was going down: a large gender gap in unemployment rates has been one of the constant features of the Greek labour market. In view of the fact that one out of four women in employment in Greece holds tenured positions in the public sector, the real effective unemployment rate of the 'other women' – i.e. those not in the public sector (who are the only group at risk of losing their job) are much higher.

Although increasing more or less in tandem with men's, (and in similar *numbers* as men) the public visibility of women's unemployment remains low. The dominant view is that the current recession is 'more dangerous', as it affects 'prime age men' –i.e. breadwinners. It is interesting that the available data does not fully corroborate this view – at least to date: the greater deterioration in male unemployment is the result of the lower initial *level* of men's unemployment. To say that unemployment is now hitting 'breadwinners' is to over-interpret the data. The available data shows that for the socially far more important indicator of 'jobless households' has not increased– at least until 2009<sup>14</sup>.

The 'jury is still out' on the effects of the crisis, which is still unfolding. What is undoubted, is that the crisis is taking place in the context of a labour market structure which is very protective of insiders and where reform since 2000 has done no more than instilling 'flexibility at the margins' – i.e. for labour market entrants and specific groups. The reforms promoted as part of the Memorandum of Understanding (MoU) originally aspired to do more; however, even the hesitant flexibility provisions enacted in 2010 have not been implemented. As a result, it remains true to say that the forces of the crisis operate through the old institutional framework, with little or no corrective effect of recent legislation.

### 4.5. Policy Risks and Challenges

#### 4.5.1. Risk and Challenges For Working-Time Policies in the UK

The 2008/09 UK recession brought about an overall fall in the employment rate for both men and women, retaining the feature that men have higher unemployment. There is no recent data on the effect that the recession on the gender division of *unpaid* work. Earlier experience suggests that men do not increase their contributions to unpaid labour just because they become unemployed; recent analysis documents that women are more likely to remain in employment when their partner loses his job. In other words, the recession *could* perpetuate women's contributions to paid labour but may stall men's involvement in unpaid labour. The *extension to childcare provision*, which will help mothers continue working, remains part-time thus perpetuating a part-time maternal model of employment. As a result of budget cuts it is likely that a significant number of Sure Start centres will close this year and there will be a reduction to childcare services, which may lead to women leaving employment altogether in order to plug the care deficit for young children. Furthermore, increases in the contributions payments made by employers has been

<sup>14</sup> Counting unemployment of 'heads of households' is tantamount to assuming that women are 'supplementary workers'. The Jobless households indicator is an attempt to measure 'work deficit' in a more balanced way.

criticised as a 'tax on jobs'. Hence, the following 5 objectives remain for working-time policy:

1. To reduce working-time barriers to labour market participation and so contribute to raising women's employment rate
2. To address particular working-time obstacles to women's entry to management and other male-dominated activities
3. To develop working time arrangements to improve the quality of the reconciliation of employment and family responsibilities and 'work-life balance'
4. To advance equal treatment between full and part-time workers including opportunities to make transitions between full-time and part-time hours at different life stages
5. To adapt men's working-time patterns and increase their time involvement in parenting and other care activities

These objectives should not be abandoned in a short-term approach to tackling the recession. Instead, working-time policy can contribute to economic innovation and recovery; for example temporarily reduced working hours can provide a means for firms to retain their workforce rather than undertake lay-offs. Increased opportunities for part-time working or sabbaticals can be used to reduce staff costs as an alternative to a voluntary severance scheme.

The recession may also present opportunities to encourage changes in men's working-time patterns that contribute to advancing a more gender equal division of household labour. This is because more couple households entered this recession reliant on two earners than in previous recessions and are now contending with the risk that one or both of them will lose their jobs or have their hours reduced. In this insecure context the father may be drawn into doing more of the family care and housework than occurred in previous recessions. However, a contrary scenario is that workplace insecurity may make it even harder for men to countenance a non-conformist working-time arrangement and so gender roles may become more resistant to change.

So, to support couples and single parents navigate the recession while also seeking to advance gender equity public policy should continue to:

- (a) Finance childcare services.
- (b) Continue to encourage firms to maintain and extend flexible working arrangements. This includes the diversification of part-time working at all occupational levels.
- (c) Advance equal treatment of part-time (and temporary) workers.

- (d) Encourage men to make more use of their entitlements to parental leave and other working-time adjustments<sup>15</sup>.

**From C. Fagan' s Country Report.**

**4.5.2 Poland: Policy Risks without Recession**

Poland was in the unique position of avoiding the recession experienced elsewhere. Interestingly, the Polish authorities still responded with a policy package to counter-balance the negative effects of falling demand for export goods – including stimulating domestic consumption and facilitating the retention of the labour force promoting labour market flexibility. The resulting patterns and policy measures have not been gender neutral and close scrutiny of the second stage of policies – those aimed at consolidation of public finances – and their impact on men and women, remains an important task.

Between 2009 and 2010 the employment gender gap was reduced to 12.6%. To what extent this is a sustainable development is too soon to say, but it does *not* appear that women act as additional workers to counter the stagnation or decrease in men's employment as in both cases the absolute number of people in employment has increased.

With respect to budgetary and fiscal measures, the announced cuts at the central level together with expected rise in the budgetary income over the coming years appear relatively modest, and in some cases increased spending is likely to support gender equality – for example the focus on early childhood education and care facilities. There may be, however, tensions with respect to required budgetary discipline of central, regional and local self-governments and the expected increase in the provision of services, as well as reforms in other areas of public service provision – such as health care. To what extent these will have detrimental employment outcome is of yet uncertain.

**From A. Plomien' s Country Report.**

**4.5.3 Italy: Special Focus on Young and Atypical Workers**

In Italy both unemployment and atypical work contracts concern particularly the younger segment of the labour force. The crisis has affected youth unemployment more than other age group. Young women have been affected only slightly more than young men. In the South female unemployment rates are as high as 36 %, while female activity rates for the same age group also fell between 2007 and 2009.

The increase in youth unemployment is the result of greater difficulties in finding a job for the new entrants in the labour market after the crisis began to develop, and of the fact that the fall in employment affected mostly young workers. This greater vulnerability of young workers is related on the one hand to the fact that a much greater proportion than the rest of the labour force hold short term, atypical labour contracts, on the other to the fact that younger workers tend to be more vulnerable to employment loss even when they hold permanent contracts.

Women are over-represented in atypical work, in its various forms. As expected, a much higher proportion of women holds part-time jobs. However these contracts in Italy are not in principle discriminating in other respects, such as in terms of hourly pay and

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<sup>15</sup> To implement this action is needed on: information campaigns targeted at men and their employers; reforms to policy instruments (eg the introduction of 'daddy leave' quotas in parental leave schemes); training and support for line managers to implement flexible working time arrangements.

insurance/pension contributions. So that to the extent it is voluntary, it only reflects the difficulties women face in conciliation of work and family care. It is worrying however the high proportion of involuntary part-time (6.9%) – hence, underemployment – among women, together with the high proportion of atypical, short term positions, which are not only more unstable but also significantly worse paid.

Short-term contracts are particularly prevalent for youths. It appears that while short term workers have been hit by the crisis before stable workers, in the second phase the latter are beginning to suffer more (also owing to the termination of Cig) while new young entrants in the labour market are to a larger extent than before hired with short term contracts.

In 2009 the fall in employees is accounted for by the loss of short-term employment. Younger age groups, both males and females roughly in the same manner, are heavily affected, losing both short-term employees and stable employment, leading to a total loss of employment for this age group. In the middle quarters of 2010, while total employment remains roughly stable, there is a **shift from stable jobs that continue decreasing for the workers aged 15-34 to short term employment that begin to increase**. Where employment is recovering then, it takes the form of short-term contracts in all age groups.

**There is therefore a marked youth dimension in employment loss at this stage**, but for the moment not an equivalently marked gender dimension. Of course it must be remembered that, however, women in all age groups have a higher proportion of atypical jobs than men of the same age. This being said and given the prevalence of coordinated restrictive fiscal policies, one must anticipate adverse effects on labour markets to manifest in years to come.

#### **From A. Stirati' s Country Report.**

##### **4.5.2. Greece: 'A Reform Avalanche' During the Crisis?**

Under the Memorandum of Understanding (MoU) between Greece, the IMF, the ECB and the EU, Greece is committed to a wide-ranging programme of structural reforms – the first one of which involved pensions. This 'reform hyper-activity' follows a long period of postponement and prevarication. This, by necessity, reduced the time available for maturation, preparation, consultation and (finally) implementation of reforms. These "*Off-the-shelf-reforms*" (frequently presented as 'imposed from above') must draw from an *existing* reform toolbox and could thus contain either a conservative bias (carried over from periods when such reform was unthinkable) or maybe insufficiently geared to future rather than past problems; at worse 'off the shelf reforms' might even risk pushing matters in the wrong direction.

The real fear in a field such as gender equality, which is characterized by fixed mind-frames and ingrained stereotypes, is that this type of 'instant reform' may lead to backtracking in gender balance. We have already seen such a fear partly materializing in the field of pensions, where:

1. *New 'Privileges'* of earlier retirement for 'insider' mothers have been hidden within a reform package aiming at increasing pension ages for all), by means of generous transitional ('grandfathering' clauses). In terms of generational solidarity, the pensions reform favours the baby boom generation and passes most of the burden to the next..

2. The structure of the pension system in terms of built-in incentives operates to differentially facilitate the exit of women from work in the recession. Hence they encourage traditional and patriarchal roles while also making the exit the recession of the recession harder.

The **Main challenges ahead for women in Greece** are in the future, given that both the debt crisis and the reform avalanche are ongoing. One can mention a number of factors that will be crucial in months to come: fiscal consolidation and its effects on women; Negative growth and increasing unemployment; Effect of public sector demise – so far has protected women from unemployment but will be the sector most affected in the medium term. Especially likely to affect young women; Squeezing of Family finances: tax increases, indirect tax increases, tax enforcement, wage cuts, pension cuts, rising utilities rate, stricter eligibility criteria for certain social benefits, out of pocket health expenses, interest rate rises (mortgages and credit cards) all squeeze family finances.

On the other hand, as formal welfare provisions regarding family benefits and care were quantitatively insignificant, their retrenchment will have little effect.

**From A. Lyberaki' s Country Report.**



## 5. GENERAL CONCLUSIONS

**The progress and nature of the crisis:** The economic crisis has been unfolding in Europe since 2008. The worse fears expressed at the time – of a repeat of the period 1929-1932 – were averted. This, however, was done at the expense of an increase in public debts, which carried public finance issues to the heart of the crisis. Thus the crisis in 2010, moved, from the signs of a weak recovery, directly into a second phase (or, some would say, a distinct crisis) whose principal driver was public finance. This sharply differentiates the current crisis from previous recessions. In mid-2011 the second phase of the crisis is still unfolding, while its effects can only be guessed at. The data that we have at our disposal, reaching at best to the first quarter of 2011, conflate the afterwash and the delayed effects of the first phase with the beginnings of the second phase. The indications that can be discerned in the data thus have to be interpreted very carefully, while simplistic generalisations should be guarded against.

**The statistical findings:** The indications that can be gleaned from the data examined – with all its shortcomings – are that the first phase of the crisis was similar in its effects to previous recessions. Unemployment rose for both men and for women by comparable absolute magnitudes. Given men's lower *initial* unemployment rate this was translated to a far larger unemployment *rate* for men than for women. This picture – of negative effects being more significant for men than for women – carries over onto all employment magnitudes and all countries studied in detail. Men seem to be more prone to discouragement effects –dropping out of the labour force by giving up job search. Women in contrast, appear more prone to the 'added worker effect' as greater number look for, and in some cases find, work, presumably in order to replenish earnings or to compensate for problems faced by other family members. This 'added worker effect', i.e. the rise in activity rates, is particularly noticeable for older women – an indication that structural reforms to pension systems and measures to keep this group in the labour market are having some effect. As a result gender gaps in virtually all indicators are contracting.

The general impression gleaned from looking at time series of output and structural characteristics of employment is of a step deterioration in 2008, succeeded by a period of suspended animation. In other words, the extent of change evident in the data seems out of proportion to the severity and duration of the output reductions that set them in motion. Thus unemployment reaches a plateau and is little reduced by the weak recovery. The impression of suspended animation is shared by other features such as the proportion of temporary employment or of part-time employment. This is consistent with an interpretation that there may be lagged effects which have not yet worked through.

Thus it would be premature to celebrate for smaller gender gaps –even if their decline continues into the start of 2011. There might well be lagged effects that are yet to appear. More convincingly, there exist valid theoretical reasons that, as the crisis moves into its public finance phase, the negative effect on women will increase. Women will be directly affected by public sector retrenchment as workers, whereas they are the principal consumers of public services at risk. Particularly worrisome would be budget cuts affecting expenditures complementary to women's labour force entry –such as child care or long term care.

It must be remembered that most of the increase in labour input gained since 2000 was due to women entering the labour market –partly due to such complementary actions. The crisis has certainly halted the rate of this progress. Reneging the actions thanks to which this progress was gained might risk rolling progress back.



**Strategy and Policy.** Gender equality is not simply one more EU target. Its strategic importance for the EU is in representing a key growth resource, whose exploitation can promote economic efficiency and social equity at the same time. Given that most of the potential gains of increasing women's labour participation exist in those countries who currently suffer from a competitiveness deficit. The shrinking of gender gaps could thus play a key role in convergence in the EU. Given the key long term strategic importance of gender equality in the EU, the political economy of the crisis creates a number of risks for the success of the overall enterprise:

**Risk 1: Lower visibility of women's negative labour market experience may confuse policy priorities...** Not all job losses make the same impression in the public domain and discussions, and clearly job losses in men-dominated sectors are much more visible. On the other hand, 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 and discontinuous job histories. A job loss carries heavy costs both for the individual (man or woman) and for the household: just as female job loss creates male breadwinners in dual earning households, male job loss creates female breadwinners.

**Risk 2: Gender equality may be mistaken as a fair weather policy priority.** All the factors affecting women's employment in boom periods, will continue to act in recessionary times. In some cases, their negative effect will be amplified.

**Risk 3: Those countries, which are at greater risk from backtracking in gender balance, are precisely those for whom gender balance promises the greatest long-term gains.** Not pursuing gender balance for those countries-even if it may pander to stereotypes – is an extremely myopic stance.

**Risk 4: The absence of gender awareness, especially in the context of decentralised decision making** may operate cumulatively to roll back progress. When warnings come, they might be too late.

The crisis can be a factor that can promote progress and help Europe realise its potential. Gender equality can be the catalyst for efficiency, equity and EU convergence. On the other hand, if stereotypes are allowed to reappear, we cannot rule out a repeat of the experience of the Great Depression, when many women were frozen out of employment. If gender is abandoned as a conscious policy objective, it is conceivable that we will realise that progress made over the last decade has been rolled back, when it would be too late to react.

Whether the crisis will be a catalyst for progress or an excuse for denying it, is up depends on policy makers' leadership. Long term progress should not be sacrificed to short-term expediency.

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## 7. APPENDIX 1: STATISTICAL APPENDIX

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**Table A1: The recession in world perspective: quarterly GDP growth rate, EU27 country level**

	2007				2008				2009				2010				'11
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>EU27</b>	0,9	0,4	0,6	0,5	0,6	-0,3	-0,6	-1,9	-2,4	-0,3	0,3	0,3	0,4	1,0	0,5	0,2	0,8
<b>EA</b>																	
<b>FI</b>	1,8	1,4	1,0	0,9	0,4	0,3	-0,4	-3,4	-5,5	-1,2	1,4	-0,2	0,2	2,7	0,4	1,7	0,4
<b>NL</b>	1,5	0,6	1,2	1,3	0,7	-0,2	-0,2	-1,3	-2,4	-1,3	0,8	0,4	0,3	1,1	0,1	0,7	0,9
<b>DE</b>	0,3	0,4	0,8	0,4	1,1	-0,6	-0,4	-2,0	-3,7	0,5	0,8	0,5	0,5	2,1	0,8	0,4	1,5
<b>AT</b>	1,4	0,3	-0,1	1,2	1,9	0,4	-1,0	-1,7	-2,0	-0,8	0,6	0,4	0,2	1,0	1,1	0,9	1,0
<b>LU</b>	0,6	1,9	0,8	0,8	1,9	-0,2	-1,4	-4,4	0,8	-2,4	3,2	-0,5	0,9	1,3	0,7	2,8	0,1
<b>BE</b>	1,0	0,3	0,3	0,2	0,8	0,5	-0,4	-2,2	-1,7	0,1	1,0	0,4	0,1	1,1	0,4	0,5	1,0
<b>FR</b>	0,6	0,5	0,4	0,1	0,4	-0,7	-0,3	-1,5	-1,5	0,1	0,2	0,6	0,2	0,5	0,4	0,3	1,0
<b>IE</b>	5,4	-1,5	-0,5	3,4	-2,4	-2,0	0,0	-3,7	-2,9	-0,4	-0,6	-1,3	1,2	-0,1	0,3	-1,4	1,3
<b>IT</b>	0,2	0,1	0,2	-0,4	0,4	-0,7	-1,1	-2,0	-3,0	-0,3	0,4	0,0	0,6	0,5	0,3	0,1	0,1
<b>ES</b>	0,9	0,8	0,8	0,6	0,5	0,0	-0,8	-1,1	-1,6	-1,1	-0,3	-0,2	0,1	0,3	0,0	0,2	0,3
<b>GR</b>	2,1	0,6	0,8	0,1	0,1	0,5	0,3	-0,8	-1,1	-1,0	-0,6	0,7	-1,9	-1,3	-1,6	-2,8	0,2
<b>PT</b>	1,5	0,0	-0,1	1,0	0,0	-0,2	-0,5	-1,3	-2,0	0,8	0,5	-0,3	0,7	0,5	0,3	-0,5	-0,6
<b>EE</b>	3,3	0,3	0,4	0,4	-2,4	-0,9	-2,4	-5,9	-5,8	-3,5	-1,0	1,2	0,8	2,2	1,2	2,5	2,4
<b>CY</b>	1,9	1,3	1,2	1,2	0,8	1,2	0,2	0,1	-1,0	-0,9	-0,8	-0,1	0,8	0,7	0,6	0,4	0,0
<b>MT</b>	3,2	0,0	0,0	0,1	5,6	0,3	-0,5	-1,4	-2,7	0,2	0,7	0,5	2,5	-0,3	0,5	1,1	0,7
<b>SL</b>	1,5	1,6	2,0	0,8	1,7	0,7	0,2	-3,3	-6,0	-0,6	0,4	0,0	0,1	0,9	0,3	0,5	0,3
<b>SK</b>	1,8	2,6	2,5	5,2	-1,4	1,0	1,2	0,6	-7,6	1,1	1,2	1,4	0,8	0,8	0,9	0,9	1,0
<b>Non EA</b>																	
<b>SE</b>	1,2	0,6	0,6	1,1	-1,0	0,0	0,1	-4,2	-2,6	0,4	0,0	0,6	1,9	2,0	1,9	1,6	0,8
<b>DK</b>	0,9	-0,8	1,5	0,6	-1,6	0,9	-1,1	-2,6	-1,5	-2,2	0,1	0,4	0,6	1,1	1,1	-0,2	-0,1
<b>UK</b>	1,0	0,6	0,5	0,3	0,5	-0,3	-0,9	-2,1	-2,2	-0,8	-0,3	0,5	0,2	1,1	0,7	-0,5	0,5
<b>BU</b>	1,4	1,8	1,3	2,1	1,5	1,4	1,4	0,4	-6,3	0,0	0,3	-3,2	0,9	1,7	0,7	0,5	0,6
<b>CZ</b>	2,5	0,6	1,3	1,0	0,3	0,7	0,2	-0,9	-3,6	-0,5	0,5	0,4	0,8	0,6	0,8	0,5	0,9
<b>LV</b>	2,8	2,1	2,2	2,1	-4,0	-2,4	-1,2	-3,1	-11,8	-2,1	-3,8	0,0	0,6	0,4	1,5	0,9	0,2
<b>LT</b>	0,9	3,5	3,4	0,3	1,0	0,4	-1,8	-1,2	-11,5	-2,1	-0,1	-1,1	1,3	1,0	0,3	1,8	3,5
<b>HU</b>	-0,4	-0,1	0,3	0,6	1,2	-0,2	-1,0	-2,1	-3,2	-1,2	-0,9	0,2	1,1	0,1	0,8	0,5	0,7
<b>PL</b>	1,8	1,7	1,3	2,2	1,4	0,7	0,8	-0,4	0,4	0,6	0,4	1,5	0,6	1,1	1,2	0,8	1,0
<b>RO</b>	1,3	1,2	0,9	3,2	3,6	1,6	-0,1	-2,2	-4,8	-1,4	0,9	-1,4	-0,2	0,2	-0,7	0,1	0,7

Table A2: The recession in world perspective: synopsis of GDP growth rate trends, EU27 country level

GDP growth rate	Average quarterly GDP growth rate (2007q1-2011q1)	Cumulative GDP change:			
		Total: 2007q1-2011q1	Pro-crisis: 2007q1-2008q2	In crisis: 2008q3-2009q1	Recently: 2009q2-2011q1
<b>EU27</b>	<b>0,1</b>	<b>1,0</b>	<b>2,7</b>	<b>-4,9</b>	<b>3,2</b>
<b>EA</b>					
FI	0,1	1,6	5,6	-9,3	5,3
NL	0,2	4,2	5,1	-3,9	3,0
DE	0,2	3,2	2,3	-6,2	7,1
AT	0,3	4,7	5,0	-4,8	4,4
LU	0,4	6,9	5,8	-5,0	6,1
BE	0,2	3,5	3,1	-4,3	4,7
FR	0,1	1,4	1,4	-3,3	3,2
IE	-0,3	-5,2	2,4	-6,6	-1,0
IT	-0,3	-4,7	-0,2	-6,2	1,6
ES	0,0	-0,5	3,6	-3,5	-0,6
GR	-0,3	-5,8	4,2	-1,7	-8,4
PT	0,0	-0,2	2,2	-3,8	1,4
EE	-0,4	-7,2	1,1	-14,1	5,8
CY	0,4	7,6	7,6	-0,7	0,7
MT	0,6	10,5	9,2	-4,6	5,9
SL	0,1	1,1	8,3	-9,1	1,9
SK	0,8	13,8	11,7	-5,8	8,0
<b>Non EA</b>					
SE	0,3	4,9	2,5	-6,7	9,2
DK	-0,2	-2,9	1,5	-5,2	0,8
UK	-0,1	-1,3	2,6	-5,2	1,4
BU	0,4	6,5	9,5	-4,5	1,5
CZ	0,4	6,1	6,4	-4,3	4,0
LV	-0,9	-15,6	2,8	-16,1	-2,3
LT	0,0	-0,4	9,5	-14,5	4,6
HU	-0,2	-3,6	1,4	-6,3	1,3
PL	1,0	17,1	9,0	0,8	7,3
RO	0,2	2,9	11,8	-7,1	-1,8

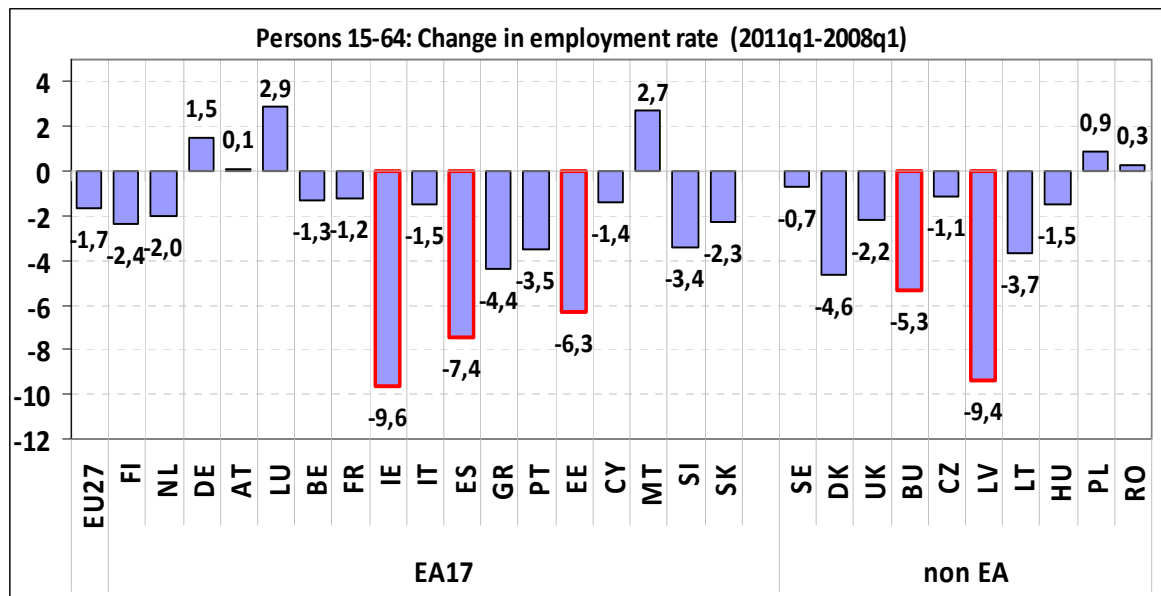
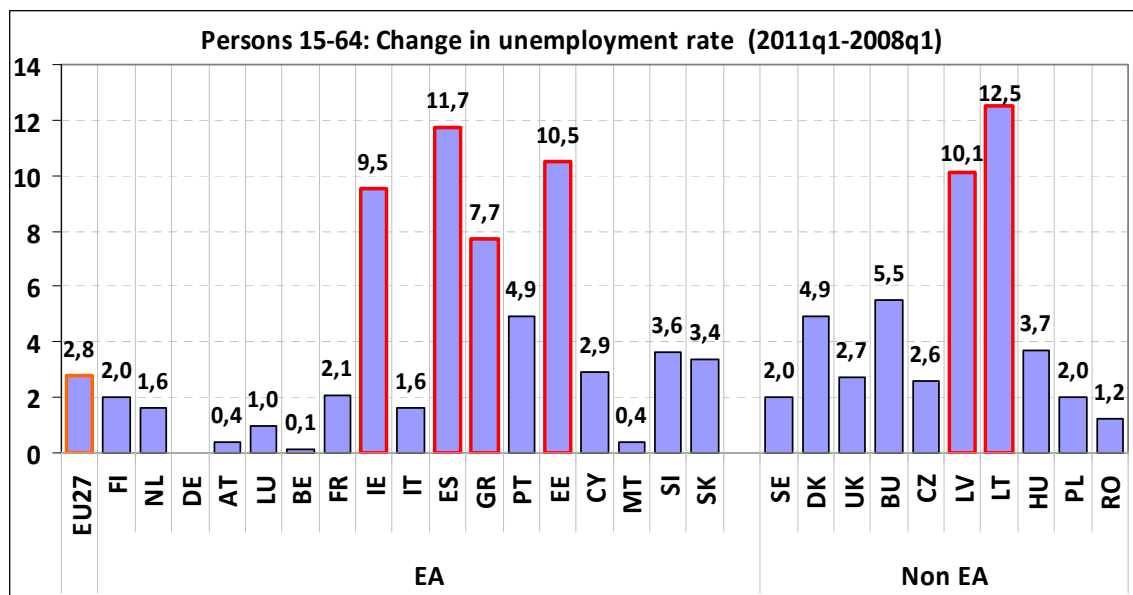
**Figure A37: Change in employment rate (2011q1-2008q1), persons 15-64, EU27 countries****Figure A38: Change in unemployment rate (2011q1-2008q1), persons 15-64, EU27 countries**



Table A3: Employment rate &amp; Gender Employment Gap, EU27 country level

Employment rate	2008Q1 rate (%)		Gender Gap in employment rate (M-W)				2011q1 rate (%)	
	Men	Women	08Q1	09Q1	10Q1	11q1	Men	Women
<b>EU27</b>	<b>72,4</b>	<b>58,6</b>	<b>13,8</b>	<b>12,4</b>	<b>11,5</b>	<b>11,4</b>	<b>69,5</b>	<b>58,1</b>
<b>EA17</b>	<b>73,0</b>	<b>58,3</b>	<b>14,7</b>	<b>13,1</b>	<b>12,3</b>	<b>12,1</b>	<b>69,9</b>	<b>57,8</b>
<b>Non EA</b>	<b>71,1</b>	<b>59,1</b>	<b>12,1</b>	<b>11,2</b>	<b>10,0</b>	<b>10,3</b>	<b>68,9</b>	<b>58,6</b>
<b>EA17</b>								
<b>FI</b>	71,2	67,8	3,4	1,4	1,4	3,0	68,6	65,6
<b>NL</b>	82,5	70,3	12,2	10,8	10,7	9,9	79,3	69,4
<b>DE</b>	75,1	64,8	10,3	9,7	9,6	9,5	76,3	66,8
<b>AT</b>	77,0	65,0	12,0	9,1	9,1	9,8	76,0	66,2
<b>LU</b>	70,8	54,4	16,4	14,3	15,1	16,1	73,6	57,5
<b>BE</b>	68,7	56,4	12,3	11,6	10,1	10,4	66,4	56,0
<b>FR</b>	69,1	60,2	8,9	8,7	8,0	8,6	67,8	59,2
<b>IE</b>	76,3	60,6	15,7	10,1	7,6	7,3	62,6	55,3
<b>IT</b>	69,7	46,9	22,8	22,2	21,9	20,8	67,2	46,4
<b>ES</b>	75,1	54,8	20,3	14,8	12,1	11,7	63,5	51,8
<b>GR</b>	74,6	47,9	26,7	24,8	23,6	21,3	67,5	46,2
<b>PT</b>	74,2	62,2	12,0	10,0	8,7	8,1	68,7	60,6
<b>EE</b>	74,6	64,8	9,8	1,7	-4,4	5,2	65,9	60,7
<b>CY</b>	78,4	62,5	15,9	15,0	12,6	13,0	75,4	62,4
<b>MT</b>	72,8	36,0	36,8	35,7	32,9	33,3	73,8	40,5
<b>SI</b>	71,3	62,7	8,6	6,0	7,3	7,1	67,2	60,1
<b>SK</b>	69,0	53,8	15,2	15,4	12,7	13,1	65,6	52,5
<b>Non EA</b>								
<b>SE</b>	75,8	70,9	4,9	3,8	4,3	4,3	74,8	70,5
<b>DK</b>	80,5	72,9	7,6	5,4	4,0	5,4	74,9	69,5
<b>UK</b>	77,4	65,9	11,5	10,5	8,9	9,7	74,3	64,6
<b>BU</b>	66,9	58,4	8,5	8,8	7,0	5,1	59,9	54,8
<b>CZ</b>	74,9	57,2	17,7	17,4	16,6	16,4	73,1	56,7
<b>LV</b>	73,2	66,3	6,9	-0,1	-3,5	2,3	61,4	59,1
<b>LT</b>	66,8	61,2	5,6	0,1	-4,4	-0,7	58,8	59,5
<b>HU</b>	62,5	50,1	12,4	11,2	9,2	9,7	59,6	49,9
<b>PL</b>	64,9	51,3	13,6	13,4	12,1	12,2	65,0	52,8
<b>RO</b>	64,6	50,8	13,8	13,4	14,0	13,1	64,6	51,5

**Table A4: Unemployment rate & Gender Unemployment Gap, EU27 country level**

Unemployment rate	2008Q1 rate (%)		Gender Gap in Unemployment rate (W-M)				2011q1 rate (%)	
	Men	Women	08Q1	09Q1	10Q1	11q1	Men	Women
<b>EU27</b>	<b>6,7</b>	<b>7,6</b>	<b>0,9</b>	<b>0,0</b>	<b>-0,6</b>	<b>-0,1</b>	<b>10,0</b>	<b>9,9</b>
<b>EA17</b>	<b>7,0</b>	<b>8,4</b>	<b>1,5</b>	<b>0,5</b>	<b>0,0</b>	<b>0,3</b>	<b>10,3</b>	<b>10,6</b>
<b>Non EA</b>	<b>6,3</b>	<b>6,1</b>	<b>-0,2</b>	<b>-0,9</b>	<b>-1,7</b>	<b>-0,9</b>	<b>9,5</b>	<b>8,6</b>
<b>EA17</b>								
FI	6,5	6,9	0,4	-1,6	-2,7	-1,4	9,4	8,0
NL	2,8	3,3	0,5	0,1	0,0	0,0	4,6	4,6
DE	8,5	8,0	-0,5	-0,9	-1,5	-1,1	7,3	6,2
AT	4,2	4,3	0,1	-0,8	-1,1	-0,2	4,7	4,5
LU	2,4	6,7	4,3	1,5	0,8	4,4	3,3	7,7
BE	6,7	7,6	0,9	0,7	0,5	-0,6	7,5	6,9
FR	7,2	7,8	0,6	0,5	0,0	1,2	9,0	10,2
IE	5,5	3,6	-1,9	-6,4	-8,4	-7,7	17,6	9,9
IT	5,8	9,0	3,2	2,6	2,4	1,6	8,1	9,7
ES	7,9	12,0	4,1	1,1	0,2	1,2	20,9	22,1
GR	5,6	12,4	6,8	6,2	6,4	6,2	13,5	19,7
PT	6,8	9,5	2,7	1,6	1,6	0,6	12,7	13,3
EE	3,6	4,8	1,2	-4,9	-10,9	-2,0	15,7	13,7
CY	4,4	5,1	0,7	1,0	0,0	0,2	7,5	7,7
MT	5,4	7,4	2,0	1,3	0,0	1,3	6,0	7,3
SI	4,8	5,6	0,8	-0,4	-0,6	-0,3	8,8	8,5
SK	9,2	12,1	2,9	1,8	0,4	-0,1	14,0	13,9
<b>Non EA</b>								
SE	6,1	6,7	0,6	-0,5	-0,8	0,1	8,2	8,3
DK	3,1	3,8	0,7	-1,3	-3,6	-0,9	8,8	7,9
UK	5,6	4,7	-0,9	-1,9	-2,6	-1,6	8,6	7,0
BU	6,4	6,7	0,3	-0,4	-1,4	-2,6	13,4	10,8
CZ	3,8	6,0	2,2	1,8	1,3	1,8	6,5	8,3
LV	7,1	6,5	-0,6	-6,3	-10,7	-4,7	19,2	14,5
LT	4,6	5,2	0,6	-5,5	-10,3	-6,6	20,7	14,1
HU	7,7	8,4	0,7	-0,6	-1,6	-0,9	12,1	11,2
PL	7,6	8,8	1,2	1,2	0,1	0,2	10,1	10,3
RO	7,7	5,2	-2,5	-2,4	-1,7	-1,3	8,4	7,1

Table A5: Unemployment and long term unemployment rate, by gender, EA17 countries

Persons 15-64		Unemployment rate % by duration 2007q4			Unemployment rate % by duration 2010q4			Change 2010q4 - 2007q4	
		Long-term >1 year	<1year	Total	Long-term >1 year	<1year	Total	Long-term >1 year	<1year
EU27	M	2,7	3,7	6,4	4,1	5,4	9,5	1,4	1,7
	W	3,2	4,5	7,7	4,0	5,7	9,7	0,8	1,2
FI	M	1,6	4,3	5,9	2,7	5,5	8,2	1,2	1,1
	W	1,1	5,3	6,4	1,6	5,3	6,9	0,5	0,0
NL	M	1,1	1,4	2,5	1,3	2,8	4,1	0,3	1,3
	W	1,2	2,0	3,2	1,3	3,1	4,4	0,2	1,0
DE	M	4,6	3,4	8,0	3,5	3,4	6,9	-1,2	0,1
	W	4,8	3,6	8,4	3,0	3,3	6,3	-1,8	-0,3
AT	M	0,9	2,7	3,6	1,2	2,7	3,9	0,3	0,0
	W	1,2	3,4	4,6	1,0	3,4	4,4	-0,2	0,0
LU	M	1,4	1,8	3,2	1,7	2,0	3,7	0,3	0,2
	W	1,3	3,2	4,5	1,4	4,3	5,7	0,1	1,1
BE	M	3,4	3,0	6,4	3,8	3,9	7,7	0,4	0,9
	W	4,1	3,9	8,0	4,0	4,1	8,1	-0,1	0,2
FR	M	2,8	4,4	7,2	3,7	5,1	8,8	0,9	0,7
	W	3,0	5,3	8,3	3,8	6,4	10,2	0,8	1,1
IE	M	1,7	3,4	5,1	10,5	7,1	17,6	8,8	3,7
	W	0,8	3,2	4,0	4,4	5,6	10,0	3,6	2,4
IT	M	2,3	3,1	5,4	3,8	4,1	7,9	1,5	1,0
	W	4,2	4,5	8,7	5,0	5,1	10,1	0,8	0,6
ES	M	1,1	5,8	6,9	8,1	12,0	20,1	7,0	6,2
	W	2,5	8,6	11,1	8,4	12,5	20,9	5,8	4,0
GR	M	2,2	3,1	5,3	4,7	7,0	11,7	2,5	3,9
	W	6,7	5,7	12,4	9,2	8,9	18,1	2,5	3,2
PT	M	3,0	3,6	6,6	5,5	5,2	10,7	2,5	1,6
	W	4,9	5,3	10,2	6,9	6,0	12,9	2,0	0,7
EE	M	2,4	2,2	4,6	7,3	7,1	14,4	4,8	5,0
	W	2,0	2,0	4,0	6,1	7,1	13,2	4,1	5,1
CY	M	0,9	2,2	3,1	1,7	3,6	5,3	0,8	1,4
	W	0,6	3,6	4,2	1,1	4,7	5,8	0,5	1,1
MT	M	3,0	2,6	5,6	3,5	3,7	7,2	0,5	1,1
	W	3,5	3,4	6,9	2,9	3,6	6,5	-0,6	0,2
SI	M	1,4	2,6	4,0	3,9	4,2	8,1	2,5	1,6
	W	2,7	3,1	5,8	3,4	4,4	7,8	0,7	1,3
SK	M	6,9	2,1	9,0	9,4	4,4	13,8	2,5	2,3
	W	9,1	3,2	12,3	9,6	4,5	14,1	0,5	1,3



Table A7: Activity rate and Gender Activity Gap, EU27 country level

Activity rate	2008Q1 rate (%)		Gender Gap in activity rate (M-F)				2011q1 rate (%)	
	Men	Women	08Q1	09Q1	10Q1	11q1	Men	Women
EU27	77,6	63,4	14,2	13,7	13,3	12,8	77,3	64,4
EA17	78,5	63,7	14,8	14,1	13,7	13,3	77,9	64,6
Non EA	75,9	62,9	13,0	12,8	12,3	11,7	76,1	64,1
EA17								
FI	76,2	72,9	3,3	2,7	3,6	1,2	75,8	71,3
NL	84,9	72,7	12,2	11,1	11,2	10,6	83,2	72,8
DE	82,1	70,5	11,6	11,3	11,7	11,6	82,3	71,2
AT	80,4	67,9	12,5	10,2	10,5	11,1	79,8	69,3
LU	72,6	58,4	14,2	14,2	15,4	16,8	76,1	62,3
BE	73,6	61,0	12,6	12,0	10,6	11,3	71,8	60,2
FR	74,4	65,3	9,1	9,2	8,8	8,3	74,5	65,9
IE	80,8	62,9	17,9	16,2	15,2	13,5	76,0	61,3
IT	74,0	51,6	22,4	22,3	22,4	21,7	73,1	51,4
ES	81,6	62,3	19,3	16,9	14,9	14,4	80,2	66,5
GR	79,1	54,7	24,4	22,9	21,9	20,5	78,1	57,5
PT	79,6	68,7	10,9	9,7	8,5	8,7	78,7	69,9
EE	77,3	68,0	9,3	6,1	4,7	7,0	78,2	70,4
CY	81,9	65,9	16,0	15,1	13,5	13,6	81,5	67,7
MT	77,0	38,9	38,1	37,4	35,5	37,7	78,5	43,7
SI	74,9	66,4	8,5	6,8	8,4	5,3	73,6	65,7
SK	75,9	61,2	14,7	15,8	14,7	15,2	76,2	60,9
Non EA								
SE	80,7	76,0	4,7	4,5	5,4	3,8	81,5	76,9
DK	83,1	75,8	7,3	6,9	7,5	5,0	82,1	75,5
UK	82,1	69,1	13,0	12,9	11,8	12,2	81,3	69,4
BU	71,5	62,6	8,9	9,6	8,8	6,5	69,1	61,4
CZ	77,8	60,9	16,9	17,1	17,0	16,9	78,2	61,8
LV	78,8	70,9	7,9	5,5	5,4	4,8	76,0	69,1
LT	70,1	64,6	5,5	4,4	3,3	6,5	74,2	69,2
HU	67,7	54,7	13,0	12,7	11,5	11,3	67,8	56,1
PL	70,3	56,3	14,0	13,9	13,4	13,2	72,3	58,8
RO	70,0	53,6	16,4	16,0	16,4	13,5	70,5	55,4

**Table A8: Gross Value added by sector in 2010 (2007=100), EU27 country level**

	Value added by sector in 2010 (2007=100)						
	Agric.; fishing	Industry	Construction	trade; hotels & transport	Financial; real estate	public services; hholds	All
<b>EU27</b>	<b>104</b>	<b>90</b>	<b>89</b>	<b>98</b>	<b>101</b>	<b>104</b>	<b>98</b>
<b>EA17</b>							
<b>FI</b>	112	81	96	87	101	99	<b>95</b>
<b>NL</b>	105	100	90	98	100	107	<b>101</b>
<b>DE</b>	102	87	99	102	104	107	<b>100</b>
<b>AT</b>	105	96	88	98	108	104	<b>101</b>
<b>LU</b>	111	88	91	127	95	108	<b>102</b>
<b>BE</b>	97	95	96	98	104	105	<b>101</b>
<b>FR</b>	106	87	95	97	99	102	<b>97</b>
<b>IE</b>	101	119	19	83	80	95	<b>88</b>
<b>IT</b>	100	85	84	94	99	101	<b>94</b>
<b>ES</b>	98	86	81	100	97	111	<b>97</b>
<b>GR</b>	128	89	60	83	101	102	<b>93</b>
<b>PT</b>	102	94	84	99	106	102	<b>99</b>
<b>EE</b>	119	78	13	51	83	96	<b>74</b>
<b>CY</b>	95	97	86	96	115	112	<b>104</b>
<b>MT</b>	--	--	--	--	--	--	--
<b>SI</b>	95	87	64	96	104	107	<b>95</b>
<b>SK</b>	91	74	117	112	128	119	<b>110</b>
<b>Non EA</b>							
<b>SE</b>	101	89	96	103	101	103	<b>99</b>
<b>DK</b>	126	92	74	85	104	104	<b>96</b>
<b>UK</b>	91	89	94	94	98	101	<b>96</b>
<b>BU</b>	119	98	97	100	121	94	<b>104</b>
<b>CZ</b>	112	103	102	101	106	97	<b>103</b>
<b>LV</b>	109	86	-25	46	86	81	<b>66</b>
<b>LT</b>	102	87	-21	81	88	96	<b>81</b>
<b>HU</b>	112	93	74	85	100	96	<b>94</b>
<b>PL</b>	107	123	123	114	104	109	<b>114</b>
<b>RO</b>	103	108	94	87	100	98	<b>99</b>

Table A9: Unemployment rate by age group &amp; gender, EU27 country level

	Men						Women					
	15-24		25-49		50-64		15-24		25-49		50-64	
	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4
<b>EU27</b>	<b>14,7</b>	<b>20,8</b>	<b>5,4</b>	<b>8,5</b>	<b>5,1</b>	<b>7,2</b>	<b>15,1</b>	<b>20,3</b>	<b>7,1</b>	<b>9,2</b>	<b>5,7</b>	<b>6,7</b>
<b>EA17</b>												
<b>FI</b>	13,7	20,7	4,3	6,6	6,4	7,1	13,1	15,3	5,6	5,9	5,1	5,6
<b>NL</b>	5,4	7,9	1,5	3,3	3,1	3,7	4,9	8,2	2,8	3,6	3,0	3,8
<b>DE</b>	7,0	15,3	2,3	6,5	2,1	5,7	5,7	11,2	3,0	6,8	3,1	5,9
<b>AT</b>	7,2	6,8	3,2	3,7	2,5	2,7	8,1	8,1	4,5	4,1	2,5	2,6
<b>LU</b>	--	15,7	2,9	3,0	--	--	17,1	--	3,4	5,7	--	--
<b>BE</b>	16,3	21,6	5,8	6,9	4,1	5,0	18,6	20,7	7,2	7,3	5,5	5,4
<b>FR</b>	18,5	21,2	6,1	7,7	4,8	6,0	19,8	24,6	7,6	9,4	5,3	6,8
<b>IE</b>	10,1	34,3	4,6	17,1	3,1	12,3	7,5	22,5	3,5	9,1	2,6	5,5
<b>IT</b>	20,8	27,7	4,7	7,1	2,2	4,2	26,8	32,9	8,4	9,6	2,8	4,3
<b>ES</b>	16,5	44,5	5,9	18,8	5,3	15,2	21,7	40,9	10,1	20,2	8,1	14,8
<b>GR</b>	16,6	31,9	5,2	11,4	2,4	7,6	30,2	43,0	12,2	18,3	5,7	8,9
<b>PT</b>	13,0	20,0	5,6	10,1	6,5	9,2	21,4	26,5	9,6	13,0	7,2	8,4
<b>EE</b>	--	26,6	3,8	12,1	--	15,1	--	19,6	4,2	12,4	--	12,8
<b>CY</b>	10,6	11,9	2,4	5,0	2,2	4,0	9,8	16,7	3,4	5,0	3,5	2,6
<b>MT</b>	13,6	15,8	4,6	6,6	--	--	--	--	6,5	5,2	--	--
<b>SI</b>	12,0	14,8	3,0	7,5	2,9	6,8	13,4	16,2	4,9	8,1	5,8	3,4
<b>SK</b>	18,6	34,8	7,9	11,6	7,0	11,1	21,7	33,4	11,2	12,8	11,1	11,0
<b>Non EA</b>												
<b>SE</b>	16,4	22,9	3,7	5,3	3,7	5,7	18,5	20,1	4,6	6,2	3,2	4,3
<b>DK</b>	7,0	15,3	2,3	6,5	2,1	5,7	5,7	11,2	3,0	6,8	3,1	5,9
<b>UK</b>	14,8	21,3	3,5	6,3	3,4	5,7	11,5	18,2	3,9	5,6	2,4	3,5
<b>BU</b>	12,3	28,8	4,7	10,5	5,8	10,8	17,5	23,2	5,6	9,6	6,2	8,8
<b>CZ</b>	9,4	17,1	3,0	4,6	3,8	6,1	10,5	18,0	6,3	7,8	5,4	6,8
<b>LV</b>	7,0	26,9	5,0	17,4	5,9	18,0	8,8	35,2	4,4	13,2	5,8	14,3
<b>LT</b>	--	31,3	4,7	19,2	--	14,2	--	33,8	3,3	14,0	4,2	12,4
<b>HU</b>	19,2	25,3	6,7	10,2	6,2	9,2	19,4	25,1	7,9	10,2	5,3	8,2
<b>PL</b>	16,9	21,7	6,6	7,4	7,2	7,7	20,9	26,1	8,4	8,7	7,3	7,6
<b>RO</b>	21,8	22,9	6,4	7,0	3,8	5,6	14,2	22,6	4,9	5,8	2,5	3,7

**Table A10: Long-term Unemployment rate by age group and gender, EU27 country level**

	Men						Women					
	15-24		25-49		50-64		15-24		25-49		50-64	
	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4
<b>EU27</b>	<b>4,1</b>	<b>6,7</b>	<b>2,3</b>	<b>3,7</b>	<b>3,0</b>	<b>3,9</b>	<b>3,6</b>	<b>5,4</b>	<b>3,1</b>	<b>3,9</b>	<b>3,4</b>	<b>3,6</b>
<b>EA17</b>												
<b>FI</b>	--	3,0	1,0	2,3	3,0	3,5	--	--	0,9	1,3	1,7	2,5
<b>NL</b>	0,7	1,1	0,6	1,1	2,3	2,0	--	1,1	1,1	1,2	1,9	1,9
<b>DE</b>	--	--	--	1,7	--	2,4	--	--	0,5	1,5	--	2,2
<b>AT</b>		1,5	0,9	1,1	1,1	1,3	--	--	1,3	0,8	1,3	1,4
<b>LU</b>	--	--	--	1,4	--	--	--	--	--	1,5	--	--
<b>BE</b>	4,8	7,0	3,2	3,5	3,2	3,7	4,2	7,1	3,9	3,7	4,6	3,5
<b>FR</b>	5,5	6,8	2,4	3,3	2,7	3,2	3,1	6,1	2,9	3,6	3,2	3,5
<b>IE</b>	2,4	17,2	1,6	10,4	1,5	8,2	--	8,3	0,8	4,1	--	2,8
<b>IT</b>	7,6	12,2	2,1	3,4	1,2	2,3	10,5	13,7	4,4	5,0	1,2	2,2
<b>ES</b>	1,4	15,7	0,8	7,1	1,7	8,2	2,8	10,9	2,2	8,0	3,5	8,7
<b>GR</b>	5,6	11,3	2,1	4,5	1,4	3,4	13,4	16,4	6,8	9,7	3,5	5,3
<b>PT</b>	3,1	6,8	2,4	4,9	4,3	6,6	6,3	6,8	4,7	7,6	4,9	5,2
<b>EE</b>	--	--	--	6,3	--	7,9	--	--	--	5,6	--	6,0
<b>CY</b>	3,1	--	0,7	1,6	--	1,6	--	--	--	1,1	--	--
<b>MT</b>	--	--	2,7	3,8	--	--	--	--	--	--	--	--
<b>SI</b>	3,0	4,7	1,3	3,6	1,1	4,5	3,3	5,2	2,4	3,5	3,8	2,1
<b>SK</b>	11,7	20,8	6,4	8,2	5,6	8,0	11,1	17,4	8,6	8,9	9,8	9,0
<b>Non EA</b>												
<b>SE</b>	--	2,2	0,7	1,4	1,2	1,9	--	1,5	0,7	1,3	1,0	1,5
<b>DK</b>	--	--	--	1,7	--	2,4	--	--	0,5	1,5	--	2,2
<b>UK</b>	3,0	6,2	1,2	2,9	1,4	2,6	1,4	3,6	0,8	1,7	0,6	1,2
<b>BU</b>	4,3	12,8	3,0	5,4	3,9	6,1	9,3	10,2	3,7	5,1	5,0	5,3
<b>CZ</b>	2,8	7,1	1,5	2,3	2,3	2,9	3,0	4,8	3,1	3,4	3,0	3,2
<b>LV</b>	--	10,4	1,8	11,4	--	10,9	--	9,7	--	6,9	--	8,8
<b>LT</b>	--	13,3	1,4	10,6	--	7,6	--	9,6	--	6,7	--	6,8
<b>HU</b>	6,7	10,4	3,2	5,6	3,0	5,2	5,3	9,5	3,7	5,4	2,7	4,6
<b>PL</b>	5,8	4,8	3,4	2,8	4,0	3,4	7,4	5,8	4,3	3,1	4,4	3,6
<b>RO</b>	9,3	7,6	3,0	2,4	1,7	2,5	6,5	6,9	2,3	2,1	1,2	1,5



**Table A11: Full-time employment rate by age group and gender, EU27 country level**

	Men						Women					
	15-24		25-49		50-64		15-24		25-49		50-64	
	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4
<b>EU27</b>	<b>32,7</b>	<b>28,3</b>	<b>83,6</b>	<b>79,8</b>	<b>59,6</b>	<b>58,9</b>	<b>22,7</b>	<b>19,6</b>	<b>51,6</b>	<b>50,6</b>	<b>31,3</b>	<b>32,9</b>
<b>EA17</b>												
<b>FI</b>	28,2	22,0	83,7	80,3	56,7	57,2	18,1	16,6	68,9	66,6	53,7	54,0
<b>NL</b>	26,3	21,7	81,4	77,7	55,4	56,0	14,1	9,9	22,6	22,2	10,1	10,7
<b>DE</b>	34,7	26,7	85,3	80,7	64,5	64,3	21,8	14,7	60,9	56,0	40,0	39,7
<b>AT</b>	53,5	54,1	87,0	83,7	57,6	60,3	37,5	35,9	43,7	43,5	26,2	28,2
<b>LU</b>	22,0	19,4	90,3	90,5	52,1	59,4	19,4	15,7	49,7	49,5	19,4	26,0
<b>BE</b>	26,8	23,0	83,1	81,4	51,4	51,5	18,1	14,4	47,4	46,2	20,3	21,9
<b>FR</b>	29,4	28,9	85,4	83,1	52,9	52,6	18,5	18,1	54,9	54,6	33,8	34,5
<b>IE</b>	42,9	15,5	84,5	68,1	68,3	56,5	32,1	16,0	50,1	46,1	28,5	27,0
<b>IT</b>	24,5	20,6	83,9	79,2	57,5	58,2	12,9	9,5	43,4	41,3	26,9	28,8
<b>ES</b>	36,5	18,7	85,4	72,1	67,3	60,0	22,9	13,9	53,6	50,1	30,1	34,0
<b>GR</b>	25,9	19,4	89,0	81,1	67,9	63,6	16,2	12,0	57,4	56,0	31,7	33,3
<b>PT</b>	36,6	27,9	85,6	81,0	62,4	59,6	26,4	19,7	68,9	68,5	39,5	42,3
<b>EE</b>	36,7	25,1	88,0	78,0	67,1	61,0	23,8	17,4	71,2	65,4	58,9	53,8
<b>CY</b>	37,0	30,6	91,2	85,9	75,5	71,1	32,9	27,4	70,5	70,3	42,5	44,2
<b>MT</b>	40,9	39,6	88,6	85,3	58,0	59,6	37,2	31,4	32,5	42,8	12,2	12,7
<b>SI</b>	30,7	25,3	88,1	83,7	55,4	51,4	17,2	11,3	81,2	77,0	32,4	35,8
<b>SK</b>	32,4	23,3	86,2	81,3	64,2	60,9	22,2	15,3	69,7	67,2	39,5	42,7
<b>Non EA</b>												
<b>SE</b>	27,0	23,6	82,4	81,7	67,1	69,1	13,9	12,6	51,3	52,3	43,2	45,2
<b>DK</b>	34,7	26,7	85,3	80,7	64,5	64,3	21,8	14,7	60,9	56,0	40,0	39,7
<b>UK</b>	40,5	32,9	84,5	81,1	64,6	62,2	30,1	23,9	45,7	44,8	30,9	31,1
<b>BU</b>	27,7	21,9	81,4	76,3	57,4	55,3	20,3	17,4	75,0	72,5	46,0	46,5
<b>CZ</b>	32,6	28,5	92,5	90,7	67,5	65,2	22,1	18,4	68,6	66,3	44,8	45,4
<b>LV</b>	41,4	25,3	86,1	71,1	69,3	53,1	28,6	20,0	77,7	66,1	58,2	50,3
<b>LT</b>	28,4	20,6	79,9	70,5	59,7	56,7	16,3	16,2	74,5	70,3	52,4	51,0
<b>HU</b>	22,4	19,6	82,1	78,0	50,7	47,3	16,5	15,0	65,0	61,7	38,4	40,0
<b>PL</b>	26,5	26,7	82,1	82,7	49,1	52,1	18,9	17,2	66,1	67,2	28,6	33,1
<b>RO</b>	22,9	21,6	76,0	75,5	54,2	51,7	16,6	16,3	65,1	63,5	37,2	34,8

**Table A12: Part-time employment rate by age group and gender, EU27 country level**

	Men						Women					
	15-24		25-49		50-64		15-24		25-49		50-64	
	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4
<b>EU27</b>	<b>7,7</b>	<b>8,1</b>	<b>4,2</b>	<b>4,7</b>	<b>5,2</b>	<b>5,7</b>	<b>11,8</b>	<b>11,8</b>	<b>21,2</b>	<b>21,2</b>	<b>16,1</b>	<b>16,7</b>
<b>EA17</b>												
<b>FI</b>	12,5	11,6	3,7	4,5	7,0	7,0	25,0	20,9	11,4	11,6	11,0	11,1
<b>NL</b>	41,9	40,6	11,9	13,2	16,2	16,8	54,5	53,0	58,2	58,7	42,1	44,0
<b>DE</b>	30,0	29,7	6,0	6,0	7,3	6,9	41,1	42,2	24,3	23,2	21,0	21,0
<b>AT</b>	6,0	6,9	4,6	6,1	5,2	5,2	13,4	14,1	34,2	37,6	19,0	21,1
<b>LU</b>	1,9	3,9	2,2	2,3	1,5	3,4	1,9	5,2	26,7	24,3	20,8	18,6
<b>BE</b>	3,8	4,9	4,8	4,9	6,1	9,0	8,1	9,6	28,6	30,9	19,5	21,7
<b>FR</b>	5,0	4,8	3,7	4,2	3,5	5,0	10,0	8,2	22,2	21,9	15,9	15,9
<b>IE</b>	8,5	11,2	3,3	6,2	5,5	7,0	15,3	16,0	20,6	19,6	20,1	22,3
<b>IT</b>	3,6	3,5	3,5	3,8	2,8	3,1	6,0	6,8	17,8	18,5	6,8	8,0
<b>ES</b>	6,0	5,4	2,3	3,5	1,8	2,2	10,4	9,2	14,4	14,6	9,1	8,7
<b>GR</b>	2,3	3,0	1,7	2,9	1,6	2,0	3,0	3,6	5,4	5,6	3,7	3,6
<b>PT</b>	2,6	2,7	2,6	2,8	5,5	5,5	4,3	5,0	7,8	6,8	12,1	10,1
<b>EE</b>	1,8	3,9	2,8	4,4	3,2	4,1	7,7	9,5	7,4	7,8	7,6	8,4
<b>CY</b>	3,2	5,5	1,7	3,6	4,1	4,8	5,6	5,8	7,0	9,1	7,8	7,1
<b>MT</b>	5,0	7,0	1,8	3,4	2,3	2,6	7,4	8,4	12,5	10,7	4,6	6,9
<b>SI</b>	10,4	12,6	2,2	2,8	4,3	4,9	12,6	16,9	4,8	5,9	5,7	7,0
<b>SK</b>	0,7	1,1	0,5	1,7	1,0	1,8	1,0	1,9	2,3	2,9	2,6	3,3
<b>Non EA</b>												
<b>SE</b>	13,6	14,2	7,3	7,2	10,6	9,7	26,7	25,2	32,2	29,5	28,9	27,6
<b>DK</b>	30,0	29,7	6,0	6,0	7,3	6,9	41,1	42,2	24,3	23,2	21,0	21,0
<b>UK</b>	14,9	16,4	4,3	5,3	8,6	9,0	22,2	21,9	29,1	29,5	27,3	27,3
<b>BU</b>	1,2	1,3	4,0	1,2	3,2	1,3	1,0	1,2	2,7	1,3	2,8	1,7
<b>CZ</b>	1,1	1,8	0,6	1,0	2,6	2,2	1,8	3,0	5,1	5,9	5,1	4,8
<b>LV</b>	3,4	3,8	2,2	5,5	5,4	4,2	5,9	2,6	3,7	8,3	5,2	6,3
<b>LT</b>	2,2	3,5	4,5	3,4	6,8	4,8	2,6	2,4	6,6	6,2	5,5	6,7
<b>HU</b>	1,1	1,3	1,5	2,4	2,4	2,8	1,1	1,9	3,1	4,5	3,3	4,2
<b>PL</b>	3,6	3,7	2,9	2,4	5,0	4,3	4,3	3,8	6,7	6,0	6,4	6,4
<b>RO</b>	3,6	4,3	5,2	6,5	5,8	6,8	2,2	2,7	4,3	4,8	5,4	5,8

**Table A13: Temporary employment rate by age group & gender, EU27 country level**

	Men						Women					
	15-24		25-49		50-64		15-24		25-49		50-64	
	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4	'07q4	'10q4
<b>EU27</b>	<b>15,1</b>	<b>14,0</b>	<b>8,2</b>	<b>7,9</b>	<b>3,1</b>	<b>3,2</b>	<b>13,5</b>	<b>12,5</b>	<b>8,7</b>	<b>8,4</b>	<b>3,0</b>	<b>2,9</b>
<b>EA17</b>												
<b>FI</b>	12,1	9,9	6,5	7,0	3,1	3,2	15,8	14,8	13,2	13,6	4,7	5,1
<b>NL</b>	28,5	26,6	10,1	10,1	3,3	3,4	30,4	27,8	11,6	10,9	3,6	3,6
<b>DE</b>	14,2	14,0	3,4	4,6	1,7	1,8	12,5	8,9	6,6	6,6	2,8	2,5
<b>AT</b>	21,8	24,9	2,8	3,7	1,2	1,2	14,1	15,6	3,7	4,1	0,8	0,8
<b>LU</b>	7,5	5,6	4,3	5,2	--	2,2	6,7	7,3	5,4	4,2	--	--
<b>BE</b>	8,5	7,6	3,8	4,7	1,1	0,8	9,0	7,2	5,8	6,6	1,7	1,5
<b>FR</b>	17,9	16,8	8,3	8,1	2,6	3,1	15,4	15,1	9,7	9,4	3,9	3,5
<b>IE</b>	8,3	7,5	2,8	4,1	1,9	2,0	10,2	9,4	4,5	4,8	2,3	2,6
<b>IT</b>	9,5	9,4	6,3	6,4	2,1	2,6	7,0	6,9	7,8	7,4	2,0	2,0
<b>ES</b>	23,6	13,1	21,0	15,2	6,2	4,7	19,5	12,8	19,0	15,3	5,7	4,4
<b>GR</b>	4,9	4,2	5,2	6,2	1,8	2,1	5,0	4,6	5,9	6,2	1,3	1,7
<b>PT</b>	18,8	14,2	15,1	15,1	3,8	4,8	16,4	15,0	14,9	15,5	4,1	3,6
<b>EE</b>	--	--	--	--	--	--	--	--	--	--	--	--
<b>CY</b>	7,7	5,7	6,2	5,1	1,4	1,7	10,5	7,7	15,1	16,6	3,4	3,6
<b>MT</b>	--	7,0	--	3,0	--	--	--	5,5	2,3	2,9	--	--
<b>SI</b>	23,2	19,5	8,9	8,0	2,7	2,5	21,0	20,6	13,5	10,9	2,4	2,7
<b>SK</b>	3,8	3,7	2,8	3,2	1,6	2,2	3,0	3,5	2,3	3,1	1,5	2,2
<b>Non EA</b>												
<b>SE</b>	17,7	17,1	8,5	8,1	4,2	3,5	25,0	22,1	12,9	10,9	4,8	4,1
<b>DK</b>	14,2	14,0	3,4	4,6	1,7	1,8	12,5	8,9	6,6	6,6	2,8	2,5
<b>UK</b>	7,1	6,1	2,6	3,0	2,1	2,2	6,8	5,9	3,5	3,8	2,5	2,4
<b>BU</b>	2,2	1,6	2,7	2,8	1,8	1,9	2,2	1,4	2,9	2,1	1,9	1,4
<b>CZ</b>	4,9	5,5	3,4	3,9	4,0	3,4	4,1	5,1	4,6	5,3	5,6	4,1
<b>LV</b>	3,2	3,8	3,1	5,1	--	5,6	--	2,6	--	3,2	--	3,1
<b>LT</b>	--	--	2,3	1,6	--	--	--	--	1,4	--	--	--
<b>HU</b>	4,2	4,9	5,0	6,8	2,3	3,0	3,5	4,6	4,5	5,4	1,3	2,4
<b>PL</b>	16,0	16,6	16,3	16,7	8,0	7,3	14,7	13,2	14,7	15,4	4,5	5,0
<b>RO</b>	0,8	0,8	1,0	0,7	--	--	--	--	0,7	0,4	--	--

## 8. APPENDIX 2: THE FOUR CASE STUDIES

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### 8.3. UK: Assessing the impact to date of the gender aspects of the economic downturn and financial crisis in the UK

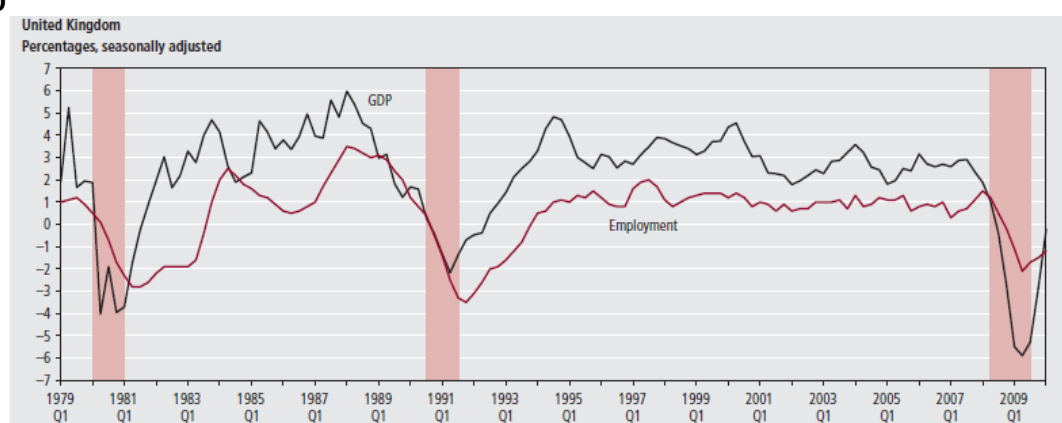
#### By Colette Fagan

This report provides an assessment of the impact that the economic downturn and financial crisis has had on the gender division of labour and statutory work-time regulations in the UK. We start by providing a brief overview of the recent changes to the UK's macroeconomic context, describing key economic indicators during the recession, as well as recent policy reforms that have been implemented in response to the financial crisis. Section 1.2 then provides an overview of trends in the division of paid and unpaid labour and Section 1.3 analyses the effect of the recession on these trends. The next section focuses on the effect that the recession has had on the work hours and the general working patterns of men and women. Section 1.5 discusses recent changes to statutory regulations on working-time, while section 1.6 focuses on changes to working-time preferences before and after the recession. Finally, section 1.7 concludes with a discussion of the main objectives for work-time policy that are most relevant for economic recovery in the UK. A summary is provided at section 1.8.

#### 8.3.1. The macroeconomic context of the UK

Over the period 2006-08, the macroeconomic context for UK employment policy deteriorated following an initial position of economic buoyancy. In 2008, the UK sank into recession, caused by global turbulence and contraction in the financial sector as well as rising energy and commodity prices (Fagan 2008). By 2009, the UK was experiencing one of the worst falls in economic growth with GDP falling over 6 per cent - far worse than in the previous recessions of the 1990s and 1980s as illustrated by Figure B1 (Gregg 2010).

**Figure B1: Annual percentage change in GDP and LFS employment, Q1 1979 to Q1 2010**



**Notes:**

- 1 Gross Domestic Product (ABMI), chain volume measure, seasonally adjusted.
- 2 Employment level is for those aged 16 and over.
- 3 The shaded areas on the graph represent consecutive quarters of negative GDP growth.

Source: ONS Labour Force Survey and Quarterly National Accounts

Source: Gregg (2010: 38).

The 2008/09 recession has seen output fall over six, full consecutive quarters making it the longest and deepest recession on record in the UK. Despite initial signs of recovery at the

start of 2010, with small percentage point increases in productivity growth (see Office for National Statistics, 23<sup>rd</sup> December 2010), the economy shrank in the final quarter of 2010 leading to warnings of a double-dip recession (Office for National Statistics, 25<sup>th</sup> February 2011; The Guardian, 25<sup>th</sup> February 2011). Public sector net debt has remained high, recorded at 59.3 per cent of GDP by the end of last year (The Office for National Statistics, 25<sup>th</sup> January 2011). The unemployment claimant count has been stable over the last year at 4.5 per cent. The number of people in employment has declined, down 68,000 from the three months to September 2010, although this is up 218,000 on the year (Office for National Statistics, 16<sup>th</sup> February 2011).

In May 2010, there was a change of government and economic policy. The Labour government, in power since 1997, was replaced by a new coalition government of the Conservative and Liberal Democrat parties. The Labour government had responded to the recession through a reduction in public sector borrowing over the medium-term: a major financial allocation to stabilise the failing finance sector; some fiscal relief for households to stimulate consumer spending; a modest increase in personal taxation for the highest-income taxpayers; tackling the rise in youth unemployment through a new emphasis on public sector job creation schemes and further expansion of training schemes (The Guardian, 9<sup>th</sup> December 2009). In contrast, the new Coalition government announced an 'emergency' budget in June and this signalled a major policy reversal with a commitment to reduce public debt more quickly – by the end of parliament – through deep cuts, on top of the cuts already announced by the previous government (Fagan 2010). These measures have been widely criticised as regressive against low-income households (Browne and Levell 2010), and for having a disproportionate impact on women who make up the majority of the public sector workforce (65%). Indeed, 40 percent of women's employment is concentrated in the public sector, compared with fewer than 15% of men's jobs (Sutherland 2010). The government's own estimates are that up to 1.3 million jobs will be lost by 2015 with between 500,000 and 600,000 jobs cut in the public sector through budget cuts and the remainder cut in the private sector due to loss of government contracts and lower public spending. The projected job losses in the public sector equate to 10 per cent of all current public sector positions (The Guardian, 29<sup>th</sup> June 2010).

Thus, sustained recovery in employment is unlikely given the Coalition government's public spending cuts that have been forecast to lead to significant job losses in both the public and private sectors. The impact of the economic downturn and subsequent policy reforms to cut public sector debt has had some impact on the gender division of paid work although less is known about the impact on the gender division of unpaid work. In what follows is a review of how the recession has affected trends in the division of labour to date, with a focus on changing work patterns and preferences of men and women, followed by a discussion on which aspects of working-time policy requires greater urgency in the UK in light of the economic downturn.

### 8.3.2. The gender division of paid and unpaid work

The last thirty years has witnessed a significant increase to women's employment. By 2008, almost 13.5 million women were employed in the UK, representing a net increase of four million women in the labour market since the 1970s and an additional 1.5 million since the last recession in the early 1990s (Rake 2009). Increasing numbers of mothers with young children are engaging in paid work (usually part-time); Dex and Ward (2010) report that half of mothers with a nine month old child are now in paid employment. Women are therefore making a much greater financial contribution to family incomes than in previous recessions meaning many families will be relying quite heavily on a woman's wage (Johnson and Semmence 2006). The increasing reliance on women's contributions to paid work is highlighted by an analysis on the Family Resources Survey in 2004/5<sup>16</sup>, which shows women contributed a considerable amount to the family income. Women's individual

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<sup>16</sup> A continuous survey covering approximately 24,000 households each year in Great Britain.

earnings accounted for almost a third of family income for couple households on average. For 21 per cent of all couples, women's individual earnings contributed to over 50 per cent of family incomes. This means that many families will be dependent on a woman's wage for their welfare through this recession, particularly if a male partner loses his job (Johnson and Semmence 2006). This also means that women are more directly exposed as employees to the impact of the 2008/09 recession compared to the recessions of the 1990s and 1980s (Rake 2009).

Men's involvement in domestic work has been increasing since the 1960s but stalled in the 1990s and has not been growing in parallel to women's contributions to paid work (Crompton and Lyonette 2008; Craig 2007). They have a higher employment rate than women and work longer average hours in employment than employed women. These gender gaps in employment levels are particularly apparent for parents with dependent children. However, when total time in paid and unpaid work is summed men and women in the UK have a similar 'total working week' on average, with full-time employed women being particularly overburdened (Fagan 2010).

In the UK, most mothers work short, part-time hours that fit around domestic work and their children's care. Women still provide 75 per cent of all housework within the family, alongside 38 per cent of hours of paid work whereas men's paid and domestic work has remained largely unchanged over the last decade (Harkness 2008 cited in Perrons 2009). Although the gender gap in the proportion of time spent on unpaid work by men and women appears to have narrowed slightly over recent years, some suggest this has been due to women reducing their hours of housework rather than men increasing theirs; this has been attributed to changing standards of cleanliness, the introduction of labour-saving devices and more women being in the labour force (Crompton and Lyonette 2008; Craig 2007). This is against the backdrop where men, especially fathers, continue to work long weekly employment hours; that rank among the highest in Europe. Men have increased their contributions to unpaid work slightly in the last decade although this has been mainly in relation to childcare rather than housework with levels of involvement varying according to work hours, flexibility and control over work hours and the availability of leave as well as various socio-demographics (Perrons 2009; Singleton and Maher 2004; Norman 2010). There is also evidence that increasing numbers of men have aspirations to be more involved fathers despite their contributions lagging behind those of mothers (Perrons 2009).

### 8.3.3. The impact of the recession on the gender division of labour

In order to assess the impact of the most recent recession on these tentative adjustments to the gender division of labour, we firstly consider *employment rates* prior to and during the recession period. Table B1 presents employment rates in the UK between 2005 and 2010 along with the associated gender gaps.



**Table B1: Employment rates (age 16-64), 2005 – 2010**

Quarter 4 (Oct – Dec)	All	Men	Women	Gap (M-W)
2010	70.5	75.7	65.3	10.4
2009	70.5	75.3	65.8	9.5
2008	72.2	77.9	66.5	11.4
2007	74.7	78.9	70.2	8.7
2006	74.5	78.8	69.9	8.9
2005	74.5	78.8	69.8	9.0

Source: Labour Force Survey

At the start of the recession in 2008, the employment rate fell more sharply for men than for women. However, by 2010, the male employment rate recovered slightly, while in contrast the female rate is declining, caused by the recent round of public sector job cuts implemented by the government's June emergency budget. In terms of the gender gap in employment rates, there has been a narrowing from 2005 but once the recession hit in 2008, it widened considerably by 2.7 percentage points. During 2009, the gender gap narrowed once again as employment rates fell but by 2010, it started to widen just as the male employment rate showed a small increase. Thus, we can see that the recession has had an inconsistent effect on the gender gap in employment rates with an initial widening followed by some recovery towards the end in quarter four of 2009. As the country moved further out of the recession last year, however, we see that the gender gap has started to widen once again. Next, we turn to *unemployment rates* over the same period. Table B2 presents the rates from 2005 to 2010 as well as the gender gaps.

**Table B2: Unemployment rates (age 16-64), 2005 – 2010**

Quarter 4 (Oct – Dec)	All	Men	Women	Gap (M-W)
2010	8.0	8.7	7.2	1.5
2009	7.9	9.0	6.7	2.3
2008	6.5	7.2	5.7	1.5
2007	5.2	5.4	4.9	0.5
2006	5.5	5.8	5.1	0.7
2005	5.1	5.6	4.6	1.0

Source: Labour Force Survey

Unemployment started to rise steadily from the start of the recession in 2008 with the male unemployment rate at its peak in 2009. Again, following a downward narrowing of the gender gap in unemployment rates from 2005, the gap widened sharply at the start of the recession in 2008 and increased further towards the end of the recession in late 2009 as unemployment rates continued to climb for both men and women. At the end of 2010, the male unemployment rate started to fall and the gender gap has started to shrink again due to the continued rise in female unemployment rates. Thus, the recession has widened the gender gap in unemployment rates, and this only starts to narrow once the country moved out of recession in 2010.

Women tend to enter recessions on more of an unequal footing compared to men with their jobs more vulnerable to displacement in periods of low demand (Rubery and Rafferty 2010). Moreover, some sectors are more susceptible to a recession than others and one such example has been the public sector, which is dominated by female workers and is currently experiencing significant job losses. The effect of this is evident in Table B1, which shows women's employment rates started to fall more sharply than men's last year, although the immediate loss of employment continues to be borne more by men than by women overall (TUC 2009).



The increase in unemployment suggests men will, potentially, be spending longer periods of time at home and therefore more available to take on domestic labour (Morris 1990). However, studies have shown that men's typical response to unemployment is not to increase their domestic work contributions; in fact, studies of the domestic division of labour in earlier periods of economic recession revealed that some unemployed men contribute even less to domestic labour compared to employed men (Pahl 1984 cited in Morris 1990). Reasons for this have been linked to prevalent cultural norms around masculinity and what it means to be 'a man'. For example, the home has never been considered 'a workplace' so men persistently avoid domestic tasks and responsibilities because this type of 'work' does not corroborate with a masculine identity (Collinson and Hearn 1996; Brandth and Kvande 1998; West and Zimmerman 2002). Given unemployed (or low paid) men have 'failed' to fulfil the expected 'manly' responsibilities of an economic provider, avoiding housework may be the only way in which they can enact their masculinity (Spain and Bianchi 1996: 170). Hence, in periods of economic recession, men's resistance to domestic role sharing may become more pronounced in some households indicating a strengthening of the traditional division of unpaid labour in which women take most responsibility (Fagan 2010). Since there is no recent data on the gendered division of labour in the UK, it is too early to assess the impact of the current recession.

With the rise of male unemployment, changes to women's employment require analysis from the household perspective given families are increasingly reliant on both wages. Harkness and Evans (2011) report that in the previous recession of 1991, the UK experienced an increase in 'workless households' because the design of the tax and benefit system produced weak work incentives for women who were partnered to unemployed men, particularly when the only jobs available to them were low paid or part-time. Thus, the trend was for partnered women to follow their partners into unemployment. However, the impact of the 2008/09 recession on the employment of women has been different. There have been significant reforms to employment and transfer programmes since 1999, which have put emphasis on boosting incomes and work incentives for families with children. Analysis on Labour Force Survey data indicates that, unlike in previous recessions, women whose partners lost their jobs in the 2008/09 recession were much more likely to remain in work. Harkness and Evans (2011) suggest that this may also be because women are now better placed to now take on the role of breadwinner given female employment has grown and the pay gap is gradually narrowing.<sup>17</sup>

#### 8.3.4. The impact of the recession on working hours and patterns of work

Section 1.3 has already discussed changes that have occurred in both men and women's employment and unemployment rates so here we assess the effect of the recession on the working patterns of the employed. Table B3 presents usual weekly working hours for men and women between 2006 and 2010. Work hours are categorised into part-time (up to 30 hours a week), full-time (31-45 hours a week) and long full-time (over 45 hours a week).

Table B3 shows that women have been more likely to work part-time (i.e. up to 30 hours per week) but the proportion of employed men working part-time rose steadily prior to the recession and this continued with the onset of the recession. In comparison, the proportion of men working average full-time hours (31-45 hours per week) started to decline when the recession hit in 2008 and has been falling steadily since (although it has not dropped below the level recorded in 2006-7). There has been a decline in the proportion of men working over 45 hours of almost 10 per cent. This has occurred though a combination of loss of full-time jobs and reduced overtime working in some organizations due to a recessionary fall off in some areas of consumer demand. Fewer employed women work

<sup>17</sup> The full-time and part-time gender pay gap narrowed between 2008-10 according to analysis by the Equality and Human Rights Commission  
[http://www.equalityhumanrights.com/uploaded\\_files/research/gender\\_pay\\_gap\\_briefing\\_paper2.pdf](http://www.equalityhumanrights.com/uploaded_files/research/gender_pay_gap_briefing_paper2.pdf)

more than 45 hours per week in the UK and there has been no change across the recession period. Among the men and women who work more than 45 hours fewer of the women experienced a drop in their hours (Philpott 2010). This is probably due to the fact that gender segregation means men and women work in different occupations and sectors. So, for example, men who usually work long hours in transport or industry may have fewer opportunities for overtime work while women in parts of the public sector may be working longer hours (whether paid or unpaid overtime) to cover for the impact of the recession: increased demands on health and unemployment services in periods of recession are concurrent with the cuts being made to public sector workforces, which means there are fewer staff who have to contend with growing workloads.

**Table B3: Weekly working hours, 2006-2010**

Q4 (Oct-Dec)	Up to 30 hours			31 to 45 hours			Over 45 hours		
	M	W	All	M	W	All	M	W	All
<b>2010</b>	14.2	44.6	22.3	58.7	45.8	52.7	27.1	9.7	19.0
<b>2009</b>	13.3	43.9	27.6	59.1	46.5	53.2	27.6	9.6	19.2
<b>2008</b>	12.5	42.8	26.6	58.9	47.4	53.6	28.6	9.7	19.9
<b>2007</b>	12.0	42.8	26.1	58.1	47.5	53.2	30.0	9.7	20.7
<b>2006</b>	11.9	43.7	26.6	58.6	46.6	53.1	29.6	9.7	20.4

Source: Labour Force Survey

Table B4 shows average working hours for full-time workers between 2006 and 2010. Amongst full-time workers, average hours fell at the same rate for both men and women during the recession between 2008 and 2009. By 2010, average full-time hours increased as the economy recovered slightly.

**Table B4: Average hours amongst full-time workers in main job, 2006-2010**

Q4 (Oct-Dec)	All	Men	Women	Gap
<b>2010</b>	37.4	39.3	33.9	5.4
<b>2009</b>	36.8	38.6	33.6	5.0
<b>2008</b>	37.0	38.8	33.8	5.0
<b>2007</b>	37.0	38.9	33.6	5.3
<b>2006</b>	37.2	38.9	34.1	4.8

Based on respondent's self-classification

Source: Labour Force Survey

The proportion of people working *long full-time hours* (i.e. more than 45 hours per week) between 2008 and 2010 fell from 20.4 per cent to 19.3 per cent, while in the midst of the recession in 2009 the proportion of people working more than 45 hours per week fell to a record low of 19.1 per cent (Philpott 2010). However, last year there were signs of an increase in long-hours working following the dip in 2009 suggesting the decline in working time that has been caused by the recession is now changing as the economy starts to recover (Philpott 2010). It is typical for total hours to fall faster than employment in recessions as *overtime working* is cut (discussed below) with some workers placed on short-time working and others moved into part-time work if they struggle to find full-time jobs (Gregg 2010).

Table B5 shows average part-time work hours between 2006 and 2010. The average hours have fluctuated a little, but by 2010 the average for both men and women was similar to that in the period prior to the onset of the recession in 2008.

**Table B5: Average hours amongst part-time workers, 2006-2010**

Q4 (Oct–Dec)	All	Men	Women	Gap
2010	15.6	15.4	15.6	-0.2
2009	15.5	15.7	15.4	0.3
2008	15.6	15.4	15.7	-0.3
2007	15.4	15.3	15.5	-0.2
2006	15.7	15.6	15.7	-0.1

The increase in part-time work has been largely involuntary: many are unable to secure full-time employment due to a general fall in working hours in addition to widespread job cuts. Recent reports indicate the number of people in *involuntary part-time* work has increased by 400,000 to just over one million (14 per cent of all those in part-time employment) between spring 2008 and 2010 (Philpott 2010; IPPR 2010). This is more common for men (21.2 per cent) than women (9.6 per cent) who were working part-time because they could not find full-time work (TUC 2009). The number of involuntary part-timers in 2009 was reported to be the highest figure since 1994, which the TUC argues, reflects the lengths that people are going to in order to stay in work during the recession (TUC 2009). Thus, the recession has resulted in *a shift from full to part-time work* leading to reports that the UK is now characterised by a 'mixed hours' rather than a 'long hours' culture with as many people working between 16 and 30 hours per week as there is working more than 45 (Philpott 2010; Gregg 2010). This shift is partly due to many employees working shorter hours as part of their employers' strategies to reduce labour costs and therefore minimise redundancies (Philpott 2010). Table B6 shows the proportion of employees who were in *temporary employment* over the period 2006 – 2010.

**Table B6: The proportion of temporary employees, 2006 – 2010 (as a % of all employees)**

Quarter 4 (Oct – Dec)	All	Men	Women	Gap (M-W)
2010	6.2	5.7	6.7	-1.0
2009	5.8	5.5	6.1	-0.6
2008	5.5	4.9	6.1	-1.2
2007	5.9	5.3	6.4	-1.1
2006	6.0	5.5	6.5	-1.0

The proportion of employees who hold a temporary contract is slightly higher for women than men in the UK. At the start of the recession in 2008, the proportion of male and female employees on temporary contracts fell, as might be expected with contracts not being renewed as the recession took hold, before rising and overtaking the level recorded in years prior to the recession. The gender gap in the incidence of temporary contracts narrowed slightly in 2009 before widening again. Hence the initial recovery seems to rest on a slightly raised level of temporary contracts among employees and this has been particularly marked for men. The proportion of those who were involuntarily temporary employed also increased markedly since the recession and by 2010, 40.8 per cent of men and 35.2 per cent of women were in temporary positions because they could do find permanent work (Office for National Statistics, 16<sup>th</sup> February 2011).

Table B7 shows that the rates of *multiple job-holding* among the employed have remained broadly stable through the recession; with multiple job holding continuing to be more prevalent for women than men. For women multiple job holding is usually in the form of holding two or more part-time jobs.

**Table B7: The proportion of men and women with multiple jobs, 2006 – 2010**

Quarter 4 (Oct – Dec)	All	Men	Women	Gap (M-W)
2010	3.8	3.0	4.8	-1.8
2009	3.9	3.1	4.7	-1.6
2008	3.8	3.0	4.9	-1.9
2007	3.8	2.8	4.9	-2.1
2006	3.7	2.9	4.6	-1.7

Source: Labour Force Survey

During 2008-09, the rate of male multiple job holding increased very slightly for men and fell slightly for women. Once the country moved out of recession in 2010, this trend reversed with the rate of female multiple job holders increasing and the gender gap widening once again. This suggests that the recession caused the rate of male multiple job holders to go up – probably to counterbalance the fall in working hours (and substitute for subsequent reductions in pay). Other reports indicate some forms of *flexible working* has been on the increase during the recession, which along with reduced hours working, allows employers to reduce costs whilst maintaining staffing levels (Lyonette and Baldauf 2010). In practice, however, the increase in flexible working often means an increase to reduced working hours rather than an increase in other forms of flexible working (McCall 2010). The types of 'flexible working' that many firms were implementing in 2009 were typically four day weeks at 85 per cent of salary or extended holidays and sabbaticals at reduced salary (Rose 2011). A cross-sectional survey of employers conducted by the Confederation of Business Industry in 2009<sup>18</sup> found that two thirds of employers were planning, or had already made, changes to their working patterns in order to reduce labour costs. Forty-five per cent of employers had increased flexible working and an additional 13 per cent of employers were intending to implement this. Paid overtime had been reduced by 43 per cent of employers and a third had reduced agency worker usage. Nearly one in five (17 per cent) of employers had implemented short-time working and 26 per cent had cut some shifts. The latter was most common amongst larger employers given they would have more scope to implement this whereas smaller employers were less likely to change their working patterns but more likely to increase their use of agency workers (CBI 2009). A smaller survey of 268 employers in the UK also reported that the use of flexible working had increased to curtail redundancies with 38 per cent of employers implementing flexible working practices in 2009 (Personnel Today 2009).

Flexible working continues to be more common amongst women, particularly mothers – largely in the form of part-time work – although increasing numbers of fathers are now working flexibly. According to the 2008 Labour Force survey – at the start of the recession – a third of mothers compared to just under a fifth of fathers (18 per cent) used some sort of flexible working arrangement (Rake 2009). More recent reports suggest that employed fathers are making more use of flexible work, particularly flexitime and occasional working from home, although this still remains lower compared to mothers, probably because flexible working options tend to be less available in male-dominated workplaces and fewer men make requests to work flexibly (Fatherhood Institute 2011).

However, analysis on the third work-life balance survey of 2006<sup>19</sup> indicates that flexible working options were being used by almost all full-time employees with a significant proportion of fathers using flexitime (33 per cent) (Biggart and O'Brien 2009). Given this survey was conducted was prior to the recession and more recent reports suggest the

<sup>18</sup> The survey was conducted by the CBI/Harvey Nash and surveyed 704 employers across a wide range of organisations covering all sectors of the economy, including the public sector.

<sup>19</sup> The Third Work-Life Balance Employee survey is a cross-sectional survey that was conducted in 2006. It covered 2,081 adults of working age (16-64 for men and 16-59 for women) living in the UK, working as employees in organisations employing five or more employees at the time of the survey (Biggart and O'Brien 2009).

instance of flexible working has increased during the recession, we can perhaps speculate that the proportion of fathers using flexible working has now increased even further.

### 8.3.5. Recent changes to statutory regulations on working time

Statutory regulations and collective agreements create an institutional context or framework that shapes the working time policies adopted by companies, the working-time options that people face, working-time arrangements that people secure as well as preferred working hours (see Fagan 2009). The most recent changes in the UK have been the extension to shared parental and paternity leave. From April 2011, an employed father will be entitled to take part of the mother's maternity leave provided she returns to employment before she has exhausted her full statutory entitlement to maternity pay. The government is also consulting on a new 'properly flexible system' of shared parental leave, with a view to implementing this by 2015 in which fathers could be entitled to take over a mother's maternity leave after six weeks (The Guardian, 17<sup>th</sup> January 2011). The deputy prime minister has announced these reforms are intended to achieve a 'better' work-life balance because the current UK parental leave system places a disproportionate responsibility for childcare on mothers whilst discouraging fathers from taking a central role in raising their children. Fathers are often deterred from using the 'right to request' to negotiate reduced or flexible hours because current social norms mean it is not as acceptable for men to use as it is for women (The Guardian, 17<sup>th</sup> January 2011). It remains to be seen whether fathers' take-up of this shared parental leave will be significant; the results from international comparative research suggests that for father's take-up to rise it is necessary to introduce a reserved quota combined with a high earnings replacement rate (see Fagan 2010 for a review).

These improved rights for parents have been accompanied by an extension to the **right to request** reduced or flexible working. The Employment Act of 2003 first introduced the right for employees to request reduced or flexible working hours if they were parents of a child under the age of 6 years, or a disabled child under 18 years. This was extended from April 2007 under the Work and Families Act (2006) to employees caring for an adult in need of care, which includes most relatives or others living at the same address as the employee. Following the publication of the (previous) Labour government's independent review in May 2008, the right was extended to parents of older children up to the age of 16 years in April 2009 - in the midst of the recession. As previously discussed, this move would have come at a favourable time for UK employers given flexible working leads to a reduction in labour costs and redundancy pay outs (Lyonette and Baldauf 2010).

In May 2010, a new Coalition government took office. This government initially made a commitment to extend the right to request to those with a child up to the age of 17 from April 2011. This symbolised a commitment towards encouraging shared parenting through making work-time more flexible. However, the extension was shelved at the start of this year, which was a move that formed part of a range of measures the government implemented with the rationale that it is important to reduce bureaucracy and costs for businesses during the economic downturn. This was widely criticised as a regressive move towards parents who want to work flexibly to achieve a better work-life balance (The Guardian, 18<sup>th</sup> March 2011; Family and Parenting Institute 2011). However, employers' organisations claim that an extension to flexible working rights would put additional pressure on small business to manage processes effectively when costs should be kept down during the recession (e.g. Institute of Directors 2008). Although further extensions to statutory regulations around working-time are in the pipeline, such as plans to extend this right to all employees, which the government states are still being taken forward (see Department for Business Innovation and Skills 2011), it is currently unclear whether this will be implemented given the recent cuts to the right to request.

These working-time measures have been developing alongside a long-standing expansion of childcare services initiated by the 1998 National Childcare Strategy with the focus on



providing free, part-time pre-school nursery places. Full-time pre-school childcare remains very expensive thus the overall logic of the childcare strategy to date has been to reinforce the part-time model of maternal employment (Fagan 2009). The new Coalition government has announced a commitment to maintain the free part-time pre-school nursery entitlement (during the school term) as well as intentions to roll this out from three to two year olds. They have also announced an extension to free childcare to 15 hours a week over 38 weeks of the year for three and four year olds (Daycare Trust 2010; Directgov 2011). These childcare developments come at a time when families are increasingly reliant on a dual wage (as discussed in section 1.2) and so will allow women to continue working after having children. Although the employment rate is falling, the continued provision of pre-school nursery places will at least allow women to work part-time. However, although the package of work-family reconciliation measures have made it easier for mothers to coordinate employment and care responsibilities, there continue to be pronounced gender inequalities. As has been shown in this report, there is still a considerable gender gap in working hours (and earnings), which arise from the way that care responsibilities steer women into part-time working in the UK (Fagan 2009). Indeed, the part-time model of childcare will continue to perpetuate the traditional two and a half earner division of labour meaning women will continue to pick up more of the domestic work and childcare given they only work part-time hours, while men will continue to do less unpaid work because of their comparatively longer, full-time hours. However, reports at the start of this year indicated 250 Sure Start<sup>20</sup> centres are expected to close in 2011 while a further 2,000 centres will provide a reduced service and 3,100 centres will be given a smaller budget (The Guardian, 28<sup>th</sup> January 2011). Moreover, the recent cuts to public sector budgets mean it is likely that there will be cuts to other childcare services, which the TUC warns will force women out of employment altogether in order to plug the care deficit for young children (TUC 2010).

Collective bargaining is important yet uneven in terms of working-time regulation in the UK. There was a decline in trade union recognition and membership over the last 30-40 years and by 2007, just under half of employees (47 per cent) worked in an organisation with a union presence and only a third claimed their pay and working conditions were covered by a collective agreement (Mercer and Notley 2007). Union presence and collective agreements are much lower in the private sector in which 20 per cent of employees are covered compared to 72 per cent in the public sector. Thus, agreements are usually made at company level and incorporated into individual contracts. Working time remains the main negotiating issue after pay, particularly in workplaces with a large number of manual workers (Fagan 2009). Over the last twenty years, new agreements have primarily been made on flexibility rather than working-time reductions. Overtime working, both paid and unpaid, is extensive in the UK with few collective agreements setting limits on the amount of permitted overtime, however, with the emphasis on reducing work hours and shift to part-time working, it has been suggested the instance of working overtime has been declining during the recession (see CBI 2009).

Changes relating to the structure of employer's non-wage labour costs were announced in the Coalition government's June emergency budget. From April 2011, employers' National insurance contributions threshold was increased by £21 per week above indexation, thus increasing the contributions payments made by employers. The increase in National Insurance contributions at a time when the UK is just emerging from recession has been criticised however, as a 'tax on jobs', which goes against the importance of encouraging businesses to take on more staff in order to increase employment levels (Frost 2009). Some respite has been introduced for some employers outside the Greater South East region: new businesses gained exemption from up to £5,000 of employer contributions for each of their first 10 employees hired (Directgov 2011).

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<sup>20</sup> Sure Start is a government programme which provides services for pre-school children and their families.

### 8.3.6. Changes to working-time preferences

In the UK, part-time employment has long been associated with the onset of motherhood for women resulting from both individual preferences as well as constraints on working-time options for mothers with young children. In contrast, the increase in male part-time employment has been associated more with broader structural changes in the economy rather than from a change in men's care responsibilities. Economic changes have pushed a higher proportion of younger and older men into part-time employment. There has been a considerable increase in the pool of students seeking part-time work, following changes to education policy that produced an expansion of higher education, and incremental reforms on 'New Deal' active labour market policies implemented by the previous Labour government. This increased the onus on the unemployed to accept part-time employment if full-time employment was not available. Consequently, there has been an increase in the proportion of young and older men who work part-time in private services, such as retail, hospitality and leisure services, in order to enter employment and defer involuntary retirement following job loss. Thus, a third of male part-timers are students and another quarter are aged 55 years or older; comparable figures for women are 14 per cent are students and only 9 per cent are aged 55 or older (Fagan 2009).

The recession, which constitutes another 'structural change', has caused the rate of male part-time employment to rise more sharply than the female rate in the last year. As discussed earlier, the shift to part-time work has been largely involuntary because many are unable to secure full-time employment due to a general fall in working hours as well as widespread job.

There is evidence that the recession is having an effect on **underemployment** and **overemployment rates** more generally. The underemployed are employed people aged 16+ who are willing to work more hours than they currently do because they want more hours in their current job or another job with longer hours or a job additional to their current job. The overemployed are employed people aged 16+ who want to work fewer hours either in their current or a different job. Rates are calculated as the number of under/overemployed people as a percentage of the total in employment (Table B8).

Recent analysis on the Labour Force Survey reveals that from 2005 up to the recession the rates of underemployment increased while rates of overemployment declined; although there have always been more overemployed workers relative to underemployed workers. However, In the midst of the recession at the start of 2009, the previous trend for there to be more persons overemployed than underemployed in the UK reversed with the rate of underemployment becoming slightly higher than that for overemployment. This is consistent with labour market changes during a recession. As the economy contracts, the demand for labour (i.e. hours of work required by employers) declines thus more people become underemployed as they tend to work fewer hours than they would like. In contrast, those who were previously overemployed may experience a fall in their work hours meaning they will no longer be classed as overemployed (Tam 2010).

At the start of 2010, the **underemployment rate** was slightly higher for women (10.6 per cent) than for men (9.3 per cent). This applies particularly to the small number of men employed part-time (30.2%) and women employed part-time (18.1 per cent) but also a small proportion of men employed full-time (6.5%) and women employed full-time (4.9 per cent). The **overemployment rate** was also higher for women (10.4 per cent) than for men (8.8 per cent) in 2010. Women were more likely to be overemployed in both the part and full-time workforce. Table 6 shows that the higher overemployment rate was most apparent for women who were aged 25 years or older, which is the period in which women typically become mothers and therefore have childcare responsibilities and they face the most acute time pressures in coordinating employment with care responsibilities. The gender difference in reports of overemployment diminish in the years before retirement (aged 50+), where overemployment increases for both men and women, the period during which eldercare

responsibilities start to become more common and also when workers are perhaps wishing to 'wind down' a little as they approach retirement .

**Table B8: Overemployment rates by age, 2010 (%)**

	16 and over	16-17	18-24	25-34	35-49	50-59/64	60/65+
<b>Total</b>	9.6	2.6	3.1	7.4	10.0	14.2	11.7
<b>Men</b>	8.8	1.7	2.5	5.1	9.2	14.3	12.1
<b>Women</b>	10.4	3.3	3.6	10.1	10.9	14.0	11.6
<b>Gap (W-M)</b>	1.6	1.6	1.1	5.0	1.7	0.3	0.5

Source: Labour Force Survey (not seasonally adjusted) (Tam 2010: 14)

To summarise: during the recession in 2008-09, the underemployment rate began to rise rapidly and this was accompanied by a decline in overemployment. However, since 2009, the increase in underemployment has slowed and there has been a rebound in overemployment towards pre-recession levels. By 2010, there were still a higher proportion of the employed classed as overemployed, which is a trend that has been evident since the start of 2009 (Tam 2010).

### 8.3.7. Summary of trends and objectives for working-time policy

The 2008/09 UK recession brought about an overall fall in the employment rate for both men and women. Although the male employment rate initially fell more rapidly during the recession years, the female employment rate has also started to fall rapidly following widespread job cuts in 2010/11. However, overall, men have had higher unemployment rates.

There is no recent data on the effect that the recession has had on the gender division of unpaid work. Earlier studies suggest that men do not increase their contributions to unpaid labour just because they have become unemployed. This is largely due to the feminised nature of domestic work and childcare on top of their 'failure' to fulfil the manly responsibilities of a breadwinner, which some suggest causes men to avoid unpaid labour even more than if they are employed (Morris 1990). Thus, the recession may strengthen the traditional gender division of labour in the UK. Despite this, recent analysis suggests women are more likely to remain in employment when their partner loses a job in this recession compared to the recessions of previous years (Harkness & Evans 2011). This suggests that the recession could perpetuate women's contributions to paid labour but may stall men's involvement in unpaid labour. Further research is needed to explore this hypothesis.

The recession has seen an increase in part-time employment for men. The part-time employment rate for women remained stable at the start of the recession but then increased slightly towards the end of 2009-10. Much of this is involuntary, for the rate of involuntary part-time working has risen during the recession, particularly for men.

The working hours of the full-time employed have also been affected. There has been a reduction in overtime working and increased use of some forms of flexible working, which constitutes a way of working that can help employers reduce both labour costs and redundancies (Lyonette and Baldauf 2010). Average full-time working hours fell for both men and women during the recession but started to rise again as the country moved out of recession in 2010. The proportion of those working long full-time hours has also fallen as a result of the recession although recent reports suggest the proportion of those working long hours has started to rise once again last year, as the economy tentatively recovered (Philpott 2010).

Overall, the underemployment rates have increased whilst overemployment rates have declined.



The recession has also seen an increase to the rate of temporary and multiple job working, particularly for men, with the latter probably done as a way of counterbalancing the fall in employment hours.

The main statutory regulations that have been introduced during the recession have been the extension to paternity and parental leave rights as well as the right to request flexible working to parents with a child up to the age of 16, although the most recent extension to parents with a child aged up to 17 have been shelved to help businesses reduce bureaucracy and therefore costs in a period of economic instability. There has also been an extension to childcare provision, which will help mothers continue working although the provision remains part-time thus perpetuating a part-time maternal model of employment (Fagan 2009); although recent reports indicate a significant number of Sure Start centres will close this year and there will be a reduction to childcare services, which may lead to increasing numbers of women leaving employment altogether in order to plug the care deficit for young children (TUC 2010).

As part of the development of the ILO's "decent working-time agenda" five objectives were proposed for advancing gender equity at the same time as decent working time (Fagan 2004):

- To reduce working-time barriers to labour market participation and so contribute to raising women's employment rate
- To address particular working-time obstacles to women's entry to management and other male-dominated activities
- To develop working time arrangements to improve the quality of the reconciliation of employment and family responsibilities and 'work-life balance'
- To advance equal treatment between full and part-time workers including opportunities to make transitions between full-time and part-time hours at different life stages
- To adapt men's working-time patterns and increase their time involvement in parenting and other care activities

All five remain pertinent objectives, which should not be abandoned in a misconceived and short-term approach to tackling the recession. Instead, working-time policy can contribute to economic innovation and recovery; for example temporarily reduced hours working can provide a means for firms to retain their workforce rather than undertake lay-offs. Increased opportunities for part-time working or sabbaticals can also be used to reduce staff costs as an alternative or complement to a voluntary severance scheme.

In the current context of a high and increasing rate of part-time employment there is renewed urgency with regards to the objective of advancing equal treatment between full and part-time workers. Likewise for the UK government to continue to encourage a diversification of part-time working into a wider range of higher-level occupations, as recommended by the previous government's *Women and Work Commission*.

Finally, the recession may present opportunities to encourage changes in men's working-time patterns that contribute to advancing a more gender equal division of household labour. This is because more couple households entered this recession reliant on two earners than in previous recessions and are now contending with the risk that one or both of them will lose their jobs or have their hours reduced. At the same time more of the population professes to hold egalitarian social attitudes towards gender roles than in the 1970s. In this insecure context the father may be drawn into doing more of the family care and housework than occurred in previous recessions. However, a contrary scenario is that workplace insecurity may make it even harder for men to countenance a non-conformist working-time arrangement and so gender roles may become more resistant to change.

To support couples and single parents navigate the recession while also seeking to advance gender equity public policy should continue to:

- (e) Finance childcare services for it will be a false economy to roll back this investment.
- (f) Continue to encourage firms to maintain and extend flexible working arrangements as a means of investment and innovation in personnel practices and work organization in order to contribute to the firm's economic performance. This includes the diversification of part-time working at all occupational levels. This builds on the Working Time Directive which encourages the social partners to attend to the reconciliation of employment and personal life.
- (g) Advance equal treatment of part-time (and temporary) workers building on the Equality Directives.
- (h) Encourage men to make more use of their entitlements to parental leave and other working-time adjustments (eg the UK's Right to Request legislation); and of flexible working options available at their workplace in order to allow them to become more involved in sharing domestic responsibilities. Research shows that for this to be effective action is needed on multiple fronts: information campaigns in the media and by social partners at the workplace targeted at men and their employers; reforms to policy instruments (eg the introduction of 'daddy leave' quotas in parental leave schemes); training and support for line managers to implement flexible working time arrangements in a way that is attune to the operational demands face the team or work unit.

## **8.4. Poland: Gender Aspects of the Economic Downturn and Financial Crisis in Poland**

**By Ania Plomien**

### **8.4.1. The macro-economic and labour market context in Poland**

Poland has withstood the 2008-09 global economic and financial crisis relatively well, as evidenced by the major macroeconomic indicators summarised in Table C1 below. Although there has been considerable slowdown of economic growth, the situation compares favourably with the EU-27. Throughout 2008 GDP growth in Poland - driven by investment, private consumption and export - was still robust at 5.1% and considerably higher than the EU-27 average of 0.5%. The year 2009, has seen a substantial deceleration, however the Polish economy, fuelled mainly by domestic private and public consumption, continued to grow at 1.7% while the EU-27 experienced a contraction by 4.2% (Eurostat 2011). In fact, Poland was the only EU member state with positive growth. In 2010 GDP growth in Poland has recovered to 3.8% (MG 2011, based on GUS) compared with EU-27 of 1.8%; and the forecast for both 2011 and 2012 suggest that Poland will retain its advantage over EU-27 (Eurostat 2011).

Other indicators of economic growth signify the persistence of uneven development within and among European economies. While Poland's GDP per capita in Purchasing Power Standards has increased in the last few years, in 2009 it remained substantially below West- and North- European countries and was at 61% of EU-27 average. With respect to economic inequalities within the Polish society, the Gini-coefficient also reveals a positive tendency over the recent period, nevertheless in 2009 at 31.4 it is above EU-27 average of 30.4.

**Table C1: Major Macroeconomic Indicators (%) for Poland 2004-2010**

Category	2004	2005	2006	2007	2008	2009	2010	2011 <sup>f</sup>
Real GDP growth	5.3	3.6	6.2	6.8	5.1	1.7	3.8	3.9
GDP per capita in PPS	51	51	52	54	56	61	:	:
Gini coefficient	:	35.6	33.3	32.2	32	31.4	:	:
Inflation (mid-year)	3.5	2.1	1.0	2.5	4.2	3.5	2.6	3.2
Real gross income	0.7	1.8	4.0	5.5	6.0	2.0	0.8	:
Real gross benefits <sup>2</sup>	0.6	0.3	6.2	0.0	4.1	4.3	3.6	:
Public Finance Deficit <sup>3</sup>	:	-4.1	-3.6	-1.9	-3.7	-7.1	-7.3	-7.0
Public Debt <sup>3</sup>	:	47.1	47.7	45.0	47.2	51.0	53.9	59.3

Sources: based on GUS 2010a ([www.stat.gov.pl](http://www.stat.gov.pl)), MG 2010a, 2010b, 2011, and Eurostat 2011

Notes: f = MG forecast; 2= Non-agricultural retirement pension and incapacity benefits; 3= % of GDP

Weaker economic performance in the second half of 2008 (as of October), but particularly in the first half of 2009, was sufficiently large to slow or reverse positive trends in public finances and labour market indicators (see Table C2 and Figures C1 and C2). Public finances have deteriorated both in terms of budget deficit and debt and the European Commission has initiated excessive deficit procedure against Poland. The budgetary and fiscal policy response is discussed in Part 2 of this report.

The recent situation in the labour market displays mixed tendencies after a period of clear improvements noted in 2003-2008 of falling registered unemployment rates (UR), and rising employment rates (ER) among the working age population 15-64 as well older workers aged 55-64. As presented in Table C2 based on annual data between 2004 and 2010, the gains in employment were made by men and women, but faster growth for men meant a widening of the ER gender gap from 11% in 2004 to 13.3% in 2009, and diminishing again in 2010 to 12.6%; whereas the UR gender gap has narrowed from 1.7% to 0.7% in the same period. Employment rate patterns among older workers (55-64) point to a substantial widening of the gender gap from 15.2% in 2004 to 21.1% in 2010. Thus, several years of economic and labour market growth prior to economic slowdown have benefitted working age men and women, but men have gained relatively more and entered into 2009 from a stronger labour market position than women. Annual data for 2010 show stronger employment gains for women.

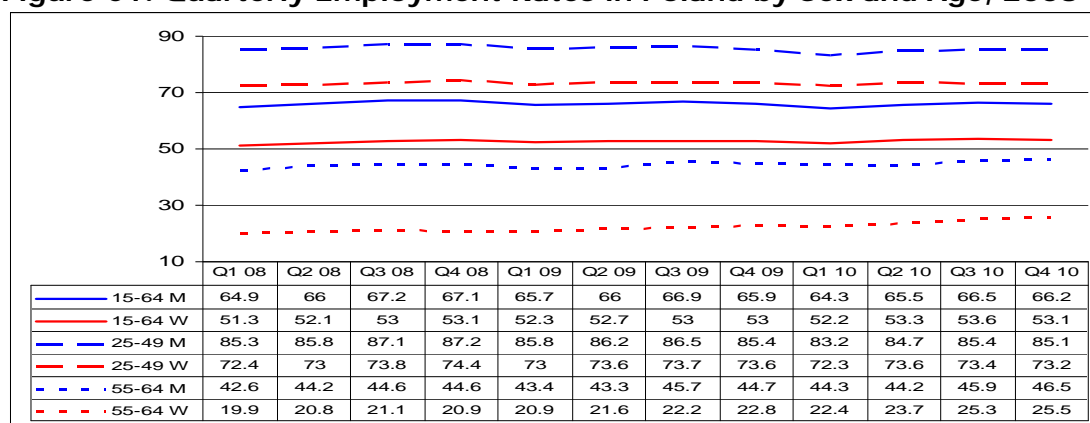
**Table C2: Major Annual Employment Indicators (%) for Poland 2004-2010**

Category		2004	2005	2006	2007	2008	2009	2010
<b>AR 15-64</b>	T	63.7	64.4	63.4	63.2	63.8	64.7	65.6
	M	69.9	70.8	70.1	70.0	70.9	71.8	72.4
	W	57.6	58.1	56.8	56.5	57.0	57.8	59.0
<b>ER 15-64</b>	T	51.4	52.8	54.5	57.0	59.2	59.3	59.3
	M	56.8	58.9	60.9	63.6	66.3	66.1	65.6
	W	46.1	46.8	48.2	50.6	52.4	52.8	53.0
<b>ER 55-64</b>	T	26.1	27.2	28.1	29.7	31.6	32.3	34.0
	M	34.3	35.9	38.4	41.4	44.1	44.3	45.3
	W	19.1	19.7	19.0	19.4	20.7	21.9	24.2
<b>UR 15-74</b>	T	19.1	17.7	13.8	9.6	7.1	8.2	9.6
	M	18.5	16.6	13.0	9.0	6.4	7.8	9.3
	W	19.8	19.1	14.9	10.3	8.0	8.7	10.0
<b>LT UR</b>	T	53.7	57.7	56.1	51.3	33.5	30.3	31.1
	M	51.8	56.1	54.7	50.8	31.8	27.9	30.8
	W	55.8	59.3	57.7	51.8	35.1	33.0	31.5

Source: Eurostat 2011

Note: R = rate, A: activity, E: employment, U: unemployment; LT – long term (12m +) as a percentage of the total unemployment, T: total, M: men, W: women

Quarterly data (Eurostat 2011) on employment rates up to the end of 2010 by sex and age show differences in timing and magnitude of the changing economic conditions on the various groups of men and women in Poland.

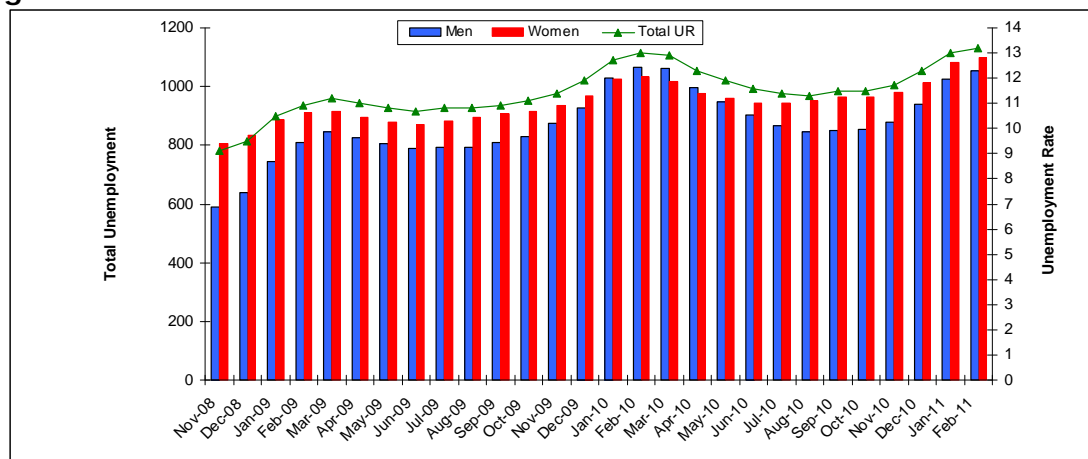
**Figure C1: Quarterly Employment Rates in Poland by Sex and Age, 2008-2010**

The highest employment rates for the working age population (15-64) were attained in the second half of 2008 both among men (Q3: 67.2%, Q4: 67.1%) and women (Q3: 53.0%, Q4: 53.1%). The economic slowdown was reflected in lower employment rates among the 15-64 group at the beginning of 2009 for men and women, then experienced some recovery over the summer months, to drop again at the end of the year and the beginning of 2010 (with the lowest rates recorded in Q1 2010 of 64.3% for men and 52.2% for women).

This pattern is followed by workers in the 25-49 age group of men and women, but not for older 55-64 workers whose employment rates continue to grow until the end of 2010. This growth trend is steadier and steeper for older women (to reach in Q4: 25.5%), while older male workers experienced a dip in Q1 and Q4 of 2009, after which their rates increased until the end of the year (to reach in Q4: 46.5%). But significant employment gender gap

in this group remains and such a trend would have to continue for a number of years or occur at a faster pace to narrow or close the gap. Recent policy changes to early retirement schemes limiting the number of professions entitled to early retirement from 2009 onwards are seen as a major factor in the rise of employment rates of older workers (MPiPS 2010). Additional factor in the overall recent growth in the number of people at work is also an increase in activity rates among the 15-24 age group owing to eliminating mandatory military service. Finally, specific anti-crisis measures urging employers' to hold on to labour and use flexible forms of employment during decreased product demand instead of labour force shedding helped to moderate employment losses (based on MPiPS 2010, MG 2011).

**Figure C2: Monthly Registered Unemployment in Poland between 2008- 2011, by gender**



Source: MPiPS 2008-2011

Since the latter part of 2008 there has been a rise in unemployment rates and levels linked to the economic slowdown. Women continue to be over-represented among the registered unemployed, except between 01– 04 2010 when their proportion fell below 50%. The situation, however, is not static - at the end of 2009 women's unemployment was increasing at a slower pace than men's, while at the end of 2010 this situation reversed as the population of registered unemployed women increased by 5% whereas that of men by 1.5%. In January 2011 this pattern intensifies as the population of unemployed women increased by 5.4% (in comparison with the same period a year earlier) while that of men decreased by 0.3%. While these fluctuations require caution in interpretation (as a clear trend cannot be identified in such a short-term perspective) a persistent feature is over-representation of women among the registered unemployed - at the end of 2010 women comprised 51.9% of this population (based on MPiPS 2009-10, 2011). But unemployment policies and outcomes, although benefiting a large proportion of unemployed women, are skewed towards men. While more women (411 537 or 40% of registered unemployed women) have participated in 8 out of 10 activating programmes than men (331 128 or 35%), the employment outcomes tend to be better for unemployed men - in 2010 there were 627 158 men who took up employment (148 573 subsidised) against 556 138 women (107 770 subsidised) (MPiPS 2011b). So, as the financial effort, coverage and effectiveness of ALMP have gradually improved - e.g. in comparison with 2005 the year 2009 has seen more than doubling of expenditure (from about 464 thousand Euro to just over a million) (MPiPS 2010b) - the gains were not allocated equally or proportionally between men and women. It is important to monitor this area as budgetary announcements for 2011 signal a substantial cut to ALMP from circa 7 billion PLN (1.7 billion Euro) in 2010 to about 3.2 billion PLN (809 million Euro in 2011) (Dz.U. Nr 29, Poz. 150. 2011).

Examining employment trends in the enterprises sector in 2010 in comparison with 2009, there have been mixed developments. The largest employment rise was noted in sectors with traditionally high proportion of women, such as administration and supporting activities (by 13.1%), hotels and restaurants (by 6.3%), and professional, research, and

technical activities (by 3.8%). Among the sectors with highest employment share, however, growth was noted in sectors usually associated with male employment, such as production of synthetic and rubber articles (by 3.9%), specialist construction works (by 3.2%), automotive production (2.5%), metal articles (by 2.3%), construction of land and sea engineering units (by 2.2%). Lower employment was noted in the manufacturing of clothing (by 14.1%) as well as machinery and equipment production (by 10.0%) (GUS 2011a). The overall pattern emerging from these data is not obvious, but aggregate employment numbers throughout 2010 show a widening of the gender gap in employment levels in favour of men from 1.4 million in Q1 to 1.6 million in Q4 (based on GUS 2011b). This wide gap is not, however, a unique development as over the period 2008-2010 it has been just as wide in 6 out of 12 quarters. These gendered patterns and job losses in typically male and female sectors would warrant a range of labour market policy responses to address the different needs and circumstances of men and women.

However, there are examples of either gender neutral or male-specific policy measures and no evidence of women-specific initiatives in relation to the economic crisis. The main anti-crisis measures tended to support the principle of job and pay sharing – that is making the labour market more flexible and allowing companies experiencing difficulties to lower their payroll costs by lowering wages (to prevent lay-offs) and co-financing of wage payments from public funds. Furthermore, there are a number of programmes likely to benefit workers in male dominated industries – they include three rounds of funding (1 197 327 Euro in total) from the European Globalisation Adjustment Fund to support retraining and re-qualifying of 979 workers from a number of motor and automotive firms (Huebner 2010; RP 2011). There are no similar reports (in the media or otherwise) of programmes directed at industries or groups of workers with a high concentration of women.

To summarise, while unemployment remains higher than in the previous couple of years, throughout 2010 the average employment rose, the number of persons registering as newly unemployed has diminished, and the number of persons leaving unemployment registers have increased over the previous year (GUS 2011). Such positive trends are expected to continue both with respect to employment growth and declining unemployment rates – predicted to fall to 10.5% by the end of 2011 (MG 2011). The available data suggests that the Polish economy has withstood the financial and economic crisis relatively well. This, to an extent, is reflected in the recent labour market developments where there is some loss or slowdown in the growth of employment rates (except for growth among older workers), and a definite rise in unemployment. But, at this point it is difficult to observe any marked or long-term gender differences departing from the trends observed in the last few years. In Poland, both employment and unemployment have been gendered phenomena where women have had lower employment and higher unemployment rates and have been experiencing longer spells of unemployment. Quarterly employment and unemployment rates indicate that the labour market is quite dynamic. To date there are no signs of either women or men being particularly more discouraged from labour force participation due to the changed economic circumstances. This scenario might, however, change taking into account national policy responses to the global economic crisis, both with respect to anti-crisis measures and the requirement of fiscal consolidation and budgetary restraint discussed in the following section.

#### 8.4.2. Budget and the fiscal system: main recent developments

As mentioned in the previous section, the impact of the global financial and economic crisis that reduced external demand in Poland has been in part offset by domestic consumption. This was a function of a strong fiscal incentive in the form of lower tax wedge and introduction of several tax exemptions increasing households' purchasing power. Another factor was infrastructure investments, in large part financed by EU funds (RM 2011a). The fiscal stimulus has significantly increased Poland's structural deficit and the steadily rising public spending figures are presented in Table C3 below, showing the largest negative balance in 2010 of circa 52.2 billion PLN (circa 13 billion Euro) and second largest in 2011 of



circa 40.2 billion PLN (circa 10 billion Euro). Owing to absolute level increase in budgetary income, over the next few years the negative balance is expected to diminish although the expenditure will continue to rise (based on RM 2011b). Budget spending expressed as percentage of GDP, however, will decrease from 20.6% of GDP in 2011 to 19.2% of GDP in 2014.

**Table C3: Budgetary Income and Expenditure in Poland 2005-2011, in billions PLN (Euro)**

Category	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Income	180.4	197.6	236.4	253.5	274.2	249.0	273.1	292.7	309.6	323.3
(Euro)	(45.1)	(49.4)	(59.2)	(63.4)	(68.6)	(62.3)	(68.3)			
Expenditure	207.9	222.7	252.3	278.7	298	301.2	313.3	329.6	339.6	351.2
(Euro)	(52.7)	(56.4)	(63.9)	(70.6)	(75.5)	(75.4)	(78.4)			
Balance	-27.5	-25.1	-16.0	-24.3	-23.8	-52.2	-40.2	-37	-30	-28
(Euro)	(-6.9)	(-6.3)	(-4)	(-6.1)	(-5.9)	(-13)	(-10)			

Note: Conversion of 14.04.2011; exchange rate 1PLN = 0.253405 EUR; 1 EUR = 3.94625 PLN; rounded amounts

High structural deficit is seen as a serious threat to stable economic growth and development and the European Commission has advised Poland to reduce it. To this effect the Polish government is implementing fiscal consolidation measures to limit public expenditure at the central and self-government levels and changing the structure of public spending (RM 2011a; RM2011b). Public expenditure on infrastructure investments will continue to drive economic growth and the government forecasts a rise of investment in 2011 to a record level of 6.6% of GDP (that is an increase by 20%). Such a substantial rise is due to a more efficient use of EU funds. Private sector investment is expected to rise as well, but only by about 5%. As of 2012 the government plans to limit public sector spending to about 4.5%, in line with fiscal consolidation measures, and expects that private investment will moderate (but not fully offset) the effects of this decrease (RM 2011a, 2011b).

Additionally, budgetary income is expected to rise – in 2012 the level will increase due to a range of systemic changes being implemented throughout 2011. A major factor will be temporarily raising VAT taxes by 1% for the duration of 3 years, eliminating a range of VAT exceptions (such as certain types of cars and fuels), raising taxes on tobacco, and changes to capital gains taxation on savings. Increased inflow of funds to the public purse is also expected to result from labour market improvements due to expected rise of the employment rate and as such contributions from personal income tax (RM 2011a). Importantly, not all budgetary measures are directed at VAT increases, as certain food items (bread, dairy, meat products, juices and grains) have seen the lowering of VAT from 7% to 5% (RM 2011b). This, to a certain extent, moderates the regressive taxation changes implemented in Poland in the recent years (lowering the progressive nature of income taxation, relatively low corporate taxes, and increased VAT).

In keeping with rising levels of budgetary income, certain areas of public expenditure are sheltered from cuts or are experiencing growth. One such aspect relevant to gender equality by facilitating reconciliation of work and care and potentially contributing toward the increasing employment levels for women is focus on education and care. To implement education and care tasks (Function 3) included in the National Development Strategy 2007-15 (Strategia Rozwoju Kraju 2007-2015) the government allocated for the years 2011 – 14 a sum of 58.4 billion PLN – this is in addition to resources for education and care from general education supplements and local self-government resources amounting to 4-times the level identified here (RM 2011b).

Over the last few years the government has made several policy changes for childcare facilities for younger and older pre-school children. The education and care tasks of Function 3 include indicators for monitoring and achieving targets for pre-school coverage for children in the 3-5 age group. Currently, pre-school education covers children 3-6 years

old. From September 2012 the mandatory schooling age will be lowered to age 6. In 2010 pre-school coverage rate was 64.7%; by 2014 it is expected to rise to 82%, with a long term goal of reaching 90% in 2020 (RM 2011b). The expected coverage rate to increase by 12% in a four year period is quite ambitious, but lower birth rates and shifting the mandatory school age make the targets more feasible. Reconciliation measures like this can potentially facilitate women's employment in general, as well as expansion of employment in the care and education sector – traditionally employing large proportions of women.

The employment structure in Poland is constantly changing with public sector employment diminishing and that in the private sector rising, in the period 2005-2009 both as a function of lower public sector employment levels and higher private sector employment levels (up to 2008) (based on GUS 2010). The proportion of persons working in the private sector has increased from 72.2% in 2007, to 72.9% in 2008, and 73.2% in 2009, conversely that of public sector employment has decreased from 27.8% to 26.8% in the same period. Men dominate private sector employment at 59.8%, while women dominate public sector employment at 58.2% in 2009 (MPiPS 2010d). Public sector employment changes, such as levels of employment and pay, will thus have proportionally larger impact on women, while the reverse is true for the private sector.

Pay freezes in the public sector for 2011 and 2012 have been implemented as a key element of budgetary discipline, while in the following years pay increases should not exceed 1% in real terms (RM 2011b). Average monthly gross wages in the national economy tend to be higher in the public sector – in three first Qs of 2010 the national average was 3238.39 PLN (3696.52 PLN in the public sector and 3007.00 PLN in the private sector) (GUS 2011d). While these averages do not take into account the differences in distribution of wages within the public and private sectors and their relative weighting in differences in income between men and women, monitoring the impact of pay freezes on the gender pay gap will be important. In 2009 the gender pay gap was at 9.8% (based on Eurostat 2011) and removing or slowing pay rises in the public sector may be in tension with eliminating the gender pay gap.

With respect to employment levels, recent budgets specify limits in the civil service appointments, salaries and training funds (detailed in Table C4 below). While the budget on civil service salaries and training has increased in the period 2008-2011, salaries and training funds have not been cut. Rationalization of civil service employment levels is expected to increase the effectiveness of public administration. Notably, employment in section 'O': public administration and defence, compulsory social security in Poland is low in comparison to EU averages/ per capita – in 2009 this was 268 in Poland and 313 in the EU (RM 2011b). New civil service appointments for 2011 are planned at lower levels than in the preceding years.

**Table C4: Budgetary limits on Civil Service Appointments and Spending 2008-2011**

Category	2008	2009	2010	2011
Civil service appointments (persons)	1000	1000	1000	500
Salaries budget (PLN)	5 550 075	6 298 349 000	6 706 099 000	6 804 376 000
Training funds (PLN)	68 695 000	61 165 000	72 519 000 0	71 351 000

Sources: Ustawa Budżetowa 2008-2011

Thus, employment levels and pay changes in section 'O' administration, defence, and compulsory social security are not likely to have a significant effect on public sector employment in the near future. However, at regional or local levels budgetary constraints



may have a detrimental impact on employment levels. With respect to other areas of public sector employment there have not been any specific changes announced. Comparable data for employment by sector of the economy and by gender for the entire 2009 and 2010 have not yet been released. Recent end-of-year data for persons employed on the basis of an employment contract in units employing at least one person (excluding self-employed) (GUS 2010b and 2011c) comparing the end of 2009 with the end of 2010 suggest lower levels and proportions of employment in the public sector.

Specifically, at the end of December 2009 the number of employees was 10 094 600, of which 33.7% was in the public sector corresponding to circa 3 401 880 persons. In the same period the number of available job places was 51 600 (77% in the private sector). Throughout 2009 job losses amounted to 501 400 places and 88% occurred in the private sector. At the end of December 2010 the number of employees was 10 828 000, of which 31.2% was in the public sector corresponding to circa 3 377 931 persons. The number of available job places: 58 900 (over 84% in the private sector).

Throughout 2010 job losses amounted to 456 500 places (87.4% in the private sector) (calculations based on GUS 2010b and 2011c). To summarise, end-of-year data suggest that employment levels at the end of 2010 were higher than at the end of 2009. The private sector experienced proportionally larger losses as well as gains, and the resulting net differences between private and public and sectors point to gains in private sector employment and losses in the public sector. These dynamics are potentially gendered, where traditionally 'women friendly' employment in the public sector is contracting - the annual release of GUS data in the publication 'Employment in the National Economy' scheduled for September 2011 will permit a more detailed gender analysis.

Particularly important will be monitoring of employment in the health and education sectors, as both have been undergoing substantial overhaul and have been subject to budgetary pressures. In education the changes point to expansion as lowering the mandatory school age and promoting pre-school education and care, as well as efforts to formalise employment of private carers may be positive. The situation in the health sector may be less optimistic as rationalisation of public expenditure and the drive to improve effectiveness of management (RM 2011b) may be associated with job cuts, privatisation, or changing forms of employment - for example over the last few years nurses have been encouraged to move from a standard employment contract to self-employment which have turned out to be less secure or financially rewarding than estimated.

#### 8.4.3. Migration

Migration patterns in Poland are closely related to economic and labour market conditions, but also to the political circumstances providing individuals with opportunities and constraints for international mobility. Historically, Poland has been a country of out-migration. Since the early 1990s migration patterns have been changing responding to transforming political and socio-economic circumstances both in terms of flow as well scale. First, immigration to Poland, while still relatively low, has been on the rise - particularly with respect to migrants from the former Soviet Union, Vietnam as well as Roma people from Romania. Currently the most numerous groups include nationals of Ukraine, Belarus, Vietnam, or Armenia (MSWiA 2011). Census data of 2002 indicate the number of foreign nationals at just over 38 thousand persons (14.5 thousand with permanent and 24.1 thousand with temporary residency permit), comprising barely 0.1% of population (Fihel 2007, MSWiA 2011) or at estimating the migrant stock at less than 2% of population (including older generations who report foreign-born status after the change of national borders in the post-World War II period) (GUS 2008). In terms of gender distribution of migrants in Poland, based on a study of over 10 thousand migrants conducted by GUS in 2008, more than 55% are male, and mainly come from the Ukraine (26.6%), followed by Belarus (9.2%) and China (4.2%). Data on work-permit issue in 2009 suggest a more even picture, with 49% of women and 51% of men (MPiPS 2010c). It is also important to note

that migration to Poland is not homogenous, where migrants are distributed among tiers and niches - foreign nationals in large companies with foreign capital employ highly qualified workers, especially from the EU; there is a small group in the arts, sports, teaching, alternative medicine, as well as in sectors serving other migrants such as catering or trade; and finally, there are those in mostly unregistered employment in agriculture, construction, and domestic services (Fihel 2007). Estimates of irregular or undocumented migrants range widely from around half a million persons, of which 400 000 are estimated to be from Ukraine, to 50 000 persons (Szyłło 2010).

The economic slow-down and tightening of the Polish labour market has not deterred economic migration to Poland. To the contrary, as of 2008 the authorities register an increase – at the end of 2009 there was a record of 97 604 third country nationals with valid residency permits (an increase of 19 828 over a one-year period). The largest proportion of permits (29%) was issued to Ukrainians. In 2009 work permits were issued to 29 430 third country nationals - an increase of more than 10 thousand (60%) over the previous year. Similarly, in 2009 the authorities have issued a large number of short-term working visas (up to 6 months) – of a total of 127 894 the vast majority 121 572 was issued to nationals of Ukraine (MSWiA 2011). This matches a growing interest of employers in hiring nationals of countries with a simplified employment procedure. A seasonal employment programme aimed at neighbouring countries has been judged very successful as since 2007 several hundred thousands of citizens of Belarus, Russia, Ukraine, Moldova, and as of 2009 also Georgia have participated in this measure. In 2009 employers declared the intention to employ 188 114 and the following year 180 073 migrant workers – an increase of 30 000 over 2008 (MSWiA 2011). In the context of more difficult labour market conditions this trend may indicate a combination of several developments: (a) increased robustness of the Polish labour market able to absorb additional labour force; (b) filling of labour market gaps resulting from large-scale out-migration of working age Polish nationals; and (c) expansion of a secondary labour market with more precarious employment conditions similar to the still substantial non-registered / grey market employment.

**Table C5: Employment rates (%) / levels (000) by sex and nationality, population 15-64**

Category	M-nationals	M-non-nationals	W-nationals	W-non-nationals
<b>2005</b>	58.8 / 7631.9	64.5 / 6.6	46.8 / 6183.4	38.8 / 5.7
<b>2008</b>	66.3 / 8555.5	66.0 / 9.2	52.4 / 6972.7	61.4 / 9.8
<b>2009</b>	66.1 / 8565.7	68.3 / 6.7	52.7 / 7041.3	57.9 / 9.1
<b>2010</b>	65.6 / 8584.4	75.7 / 9.7	53.0 / 7110.5	48.1 / 8.4

Source: Eurostat 2011, LFS

Note: M: men; W: women; non-nationals: citizens of countries outside the EU-27

Data on employment rates and levels (Table C5) suggest that employment in Poland is expanding as more men and women nationals (in absolute numbers) participate in employment, while the trend among non-nationals is not as clear. In terms of employment rates, male third-country nationals have experienced significant and steady improvements from 64.5% in 2005 to 75.7% in 2010; while for female third-country nationals the rise from 38.8% in 2005 to 48.1% in 2010 has been uneven – indeed there has been a loss in comparison of a high rate in 61.4%. Longer term trends will be more instructive, but tentatively since 2008 men who are not citizens of EU-27 are integrated into the Polish labour market to a higher degree than men-nationals; whereas women who are not EU-27 citizens experienced employment rates above female Polish citizens in 2008 and 2009, but not in 2005 or 2010. In other words, on employment rates migrant men outperform non-migrant men, while migrant women do not experience similar advantages. To what extent these patterns are associated with the impact of the global economic crisis and ensuing labour market difficulties is difficult to gauge from these data, but it is possible to argue the economic basis for male migration has not been affected, while the economic status of migrant women's is less well supported.

The second major change in Polish migration patterns is the post-2004 increase of emigration following the opening of European labour markets to Polish citizens. In 2007 this trend reached a peak of an estimated 2.27 million people living temporarily (more than 3 months) abroad (GUS 2010c). Since then it has diminished and at the end of 2009 about 1.87 million Polish citizens were living temporarily abroad, and an estimated 1.4 million for more than 12 months (GUS 2010c). EU accession has also influenced migration destination countries, with the UK becoming the number one choice, where at the end of 2009 about 555 000 Polish citizens resided in the UK, 415 000 in Germany, 140 000 in Ireland, and 85 000 in Italy (GUS 2010c). The vast majority of Polish emigration is thus intra EU and work related (GUS estimate 80-90%) with a long-term (more than 12 months) flow and highly responsive to economic and regulatory conditions. The gendered trends and implications of these processes require further research and analysis, but some gender relevant issues such as the impact of emigration of childbearing age people on low fertility rates and demographic ageing, dissolution of families, or economic migration of parents while children are left to be cared for by other family members feature in public debates.

Poland does not have a long-standing tradition of migration strategy nor a cohesive system for monitoring migration trends, and the issue of integration of migrants is neither a political or social problem (MSWiA 2011) – although some media reports suggest otherwise, e.g. in October 2010 migrant women from the Ukraine were appealing to the Polish authorities for a regularisation / abolition programme to be able to live and work in Poland (Szyłło 2010). The jurisdiction over migration falls mainly within the remit of the Ministry of Interior and Administration (MSWiA) and the Ministry of Labour and Social Policy (MPiPS). Changes in migration patterns have been accompanied by policy developments in this area, for example regulations associated with Poland's membership in the EU and implemented in the period 1998-2003, or in December 2007 Poland joined the Schengen zone. Other matters, such as developing a knowledge base and analysis of the situation of migrants and access of foreign nationals to the Polish labour market, as well as the need to address the potential 'brain drain' and manage return migration of the fluid/non-permanent character of mobility of well educated young Poles have come to the attention of policy makers only in the last few years. To this effect an interdepartmental Migration Issues Team (Zespół do Spraw Migracji) assisting the Prime Minister and coordinating migration policy was established in 2007 and prepared a strategic document 'Polish Migration Strategy' issued in April 2011 (MSWiA 2011).

One aspect that has been addressed at policy level over the last few years is attracting citizens back home from abroad, with a range of policies adopted to encourage economic migrants to return to Poland from abroad. These are implemented at national levels, such as the web portal hosted by the MPiPS with a range of informational resources as well as announcements of retraining courses or entrepreneurial loans (based on [www.powroty.gov.pl](http://www.powroty.gov.pl)), or at regional or city levels. Indeed, in 2009-2010 the trend of return migrations has intensified.

So, while there is a beginning of a systematic approach to migration policy -the 'Polish Migration Strategy' document (MSWiA 2011) is a good overview of the legal and institutional base in Poland -there is no explicit attention / awareness of known and potential gender issues. The only gender relevant aspect explicitly discussed in the document is that of the need to increase fertility rates in Poland and the role of migration policy (as well as reconciliation of work and family life policies more generally) in this regard. Other aspects, including the provision of gender disaggregated statistics, require attention.

#### 8.4.4. Conclusion

Poland is an interesting example for discussions of the gendered impact of the global economic crisis, because it was in the unique position of avoiding the recession experienced elsewhere. Interestingly, while the crisis was not as serious of a problem in Poland as in

other countries, the Polish authorities still responded with a policy package to counter-balance the negative effects of falling demand for export goods – including stimulating domestic consumption and facilitating the retention of the labour force through labour market flexibilisation measures. As outlined in this report, the resulting patterns and policy measures have not been gender neutral and close scrutiny of the second stage of policies – those aimed at consolidation of public finances – and their impact on men and women, remains an important task as they are still unfolding.

As presented in Tables 2 and 4, the recent trends do not always follow a linear pattern and the time-frame and age group chosen for the analysis matter for the conclusions reached – generally between 2004 and 2009 gains in employment were made by men and women, but faster growth for men meant a widening of the gender gap from 11% in 2004 to 13.3% in 2009 among 15-64 year old, and even more so among older workers (55-64) from 15.2% to 22.4%. Changes between 2009 and 2010 are associated with narrowing of the employment rate gender gap to 12.6% for 15-64 age group, and to 21.1% for older workers (Eurostat 2011). To what extent this is a sustainable development is too soon to say, but it does not appear that women act as additional workers to counter the stagnation or decrease in men's employment as in both cases the absolute number of people in employment has increased.

With respect to budgetary and fiscal measures, the announced cuts at the central level together with expected rise in the budgetary income over the coming years appear relatively modest, and in some cases increased spending is likely to support gender equality – for example the focus on early childhood education and care facilities. There may be, however, tensions with respect to required budgetary discipline of central, regional and local self-governments and the expected increase in the provision of services, as well as reforms in other areas of public service provision – such as health care. To what extent these will have detrimental employment outcomes is of yet uncertain.

## **8.5. Italy: Gender aspects of the economic downturn**

**By Antonella Stirati**

### **8.5.1. Women in the Italian labour market - an overview**

The Italian labour market is characterized by very low female activity rates compared with other major European countries, despite the increasing trend in the last decade. This however is the result of great diversity by area. While in the northern and central regions activity rates are closer to European values (60% and 57% respectively) in southern regions the activity rate is 36%, 24 percentage points lower than in the North and at abysmal distance from European levels. While at national level the trend has been increasing between 1998 and 2008, in the South it increased up to 2003, but fell afterwards, reaching already in 2005 a lower level than in 1998 (-3,4 percentage points between 2003 and 2007, and -0,5 between 2007 and 2009) (Table D1). Actually, the labour market situation in the South is so bad that even male activity rates have been falling significantly over the same period (-3 between 2003 and 2007 and another -1 between 2007 and 2009).

**Table D1: Main labour market indicators by sex and geographical area, IT**  
**Main labour market indicators by sex and geographical area.**  
**Years 1998-2009**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>ACTIVITY RATES 15-64 years old population</b>												
<b>Males</b>	<b>73,0</b>	<b>73,2</b>	<b>73,6</b>	<b>73,7</b>	<b>74,1</b>	<b>74,9</b>	<b>74,5</b>	<b>74,4</b>	<b>74,6</b>	<b>74,4</b>	<b>74,4</b>	<b>73,7</b>
North-west	73,4	73,9	74,3	74,7	75,2	76,6	77,0	77,2	77,6	77,8	78,0	78,1
North-east	76,2	76,6	77,1	77,4	77,5	78,7	77,8	78,0	78,8	79,2	79,1	78,2
Centre	72,3	72,8	73,1	73,2	73,6	75,5	75,6	75,2	76,3	76,0	76,6	76,6
South	71,2	71,2	71,4	71,2	71,6	71,3	70,3	69,9	69,3	68,4	68,0	66,3
<b>Females</b>	<b>46,7</b>	<b>47,6</b>	<b>48,5</b>	<b>49,5</b>	<b>50,2</b>	<b>50,9</b>	<b>50,6</b>	<b>50,4</b>	<b>50,8</b>	<b>50,7</b>	<b>51,6</b>	<b>51,1</b>
North-west	52,6	53,7	54,7	55,7	56,8	57,5	57,8	58,0	59,0	59,3	60,2	60,0
North-east	54,1	55,1	56,5	57,4	58,2	59,2	59,1	59,4	60,2	60,2	61,4	60,9
Centre	48,5	50,1	51,2	52,5	53,0	54,6	55,1	55,5	56,0	55,8	57,4	57,3
South	37,7	38,2	38,6	39,5	39,9	40,0	38,7	37,5	37,3	36,6	37,2	36,1
<b>EMPLOYMENT RATE 15-64 Years old population</b>												
<b>Males</b>	<b>66,5</b>	<b>67,0</b>	<b>67,8</b>	<b>68,4</b>	<b>69,1</b>	<b>70,0</b>	<b>69,7</b>	<b>69,7</b>	<b>70,5</b>	<b>70,7</b>	<b>70,3</b>	<b>68,6</b>
North-west	69,4	70,3	71,1	71,8	72,3	74,2	74,4	74,6	75,2	75,4	75,4	74,1
North-east	73,5	74,2	75,0	75,4	75,6	76,8	75,8	75,8	76,8	77,5	77,2	75,1
Centre	67,7	68,3	69,0	69,5	70,4	71,8	71,9	71,4	72,9	73,0	73,0	72,1
South	59,9	60,0	60,8	61,6	62,5	62,3	61,8	61,9	62,3	62,2	61,1	59,0
<b>Females</b>	<b>39,4</b>	<b>40,5</b>	<b>41,8</b>	<b>43,4</b>	<b>44,4</b>	<b>45,1</b>	<b>45,2</b>	<b>45,3</b>	<b>46,3</b>	<b>46,6</b>	<b>47,2</b>	<b>46,4</b>
North-west	47,2	48,9	50,4	52,3	53,3	54,1	54,3	54,5	56,0	56,4	56,9	55,9
North-east	49,5	50,9	52,9	54,1	55,1	56,1	55,7	56,0	57,0	57,5	58,4	57,3
Centre	41,7	43,4	45,1	46,9	47,9	49,2	50,2	50,8	51,3	51,8	52,7	52,0
South	27,6	27,8	28,4	29,8	30,8	30,9	30,7	30,1	31,1	31,1	31,3	30,6
<b>UNEMPLOYMENT RATE</b>												
<b>Males</b>	<b>8,8</b>	<b>8,4</b>	<b>7,8</b>	<b>7,1</b>	<b>6,7</b>	<b>6,5</b>	<b>6,4</b>	<b>6,2</b>	<b>5,4</b>	<b>4,9</b>	<b>5,5</b>	<b>6,8</b>
North-west	5,4	5,0	4,4	3,9	3,9	3,2	3,4	3,2	3,0	3,0	3,3	5,0
North-east	3,4	3,0	2,6	2,5	2,4	2,3	2,5	2,8	2,4	2,1	2,4	3,8
Centre	6,3	6,0	5,5	5,0	4,2	4,7	4,9	4,9	4,5	3,9	4,6	5,7
South	15,7	15,6	14,7	13,3	12,7	12,5	11,9	11,4	9,9	8,9	10,0	10,9
<b>Females</b>	<b>15,4</b>	<b>14,8</b>	<b>13,6</b>	<b>12,2</b>	<b>11,5</b>	<b>11,3</b>	<b>10,5</b>	<b>10,1</b>	<b>8,8</b>	<b>7,9</b>	<b>8,5</b>	<b>9,3</b>
North-west	10,1	8,8	7,7	6,0	6,1	5,9	6,1	6,0	5,1	4,9	5,4	6,9
North-east	8,4	7,6	6,3	5,7	5,2	5,3	5,7	5,6	5,3	4,5	4,8	5,8
Centre	13,9	13,4	11,8	10,5	9,6	9,9	8,7	8,3	8,2	7,2	8,2	9,2
South	26,7	27,1	26,3	24,3	22,8	22,6	20,5	19,6	16,5	14,9	15,7	15,3

Before looking more closely to the years following the 2008 crisis it is of some interest to compare the trends in activity rates and employment and unemployment rates in the different areas over a longer time span. In the North and Centre the increase in female activity rates has gone together with an increase in female employment rates and a fall in female unemployment rate, which suggests that the increase in employment rate has come from new entries in the labour force (more active women) and some genuine reduction in unemployment; By contrast in the South female employment rates have been moderately increasing, while the fall in activity rates comes from a major reduction in the unemployment rate (-11 percentage points) from the extremely high levels of the late 1998 (27%), which indicates that the fall in both unemployment and activity rates is the result of a discouragement effect (similar considerations apply for male labour force in the South). All this suggests that in these regions a major constraint to female labour arises from lack of employment opportunities - that is, on the demand side - and not only from the difficulties in reconciling work and family care owing to lack of services. This is confirmed by the motivations of inactivity provided by non active women in the different areas of the country in 2009 in Table D2.

**Table D2: Motivation of inactivity by area and gender, IT**

Non active people aged 15-64 according to motivation of inactivity by area and gender	2009					
	North		Centre		South	
	Males	Females	Males	Females	Males	Females
Child or other dependent person care within the family	0,2	48.7	5.2	42.3	1.2	38.0
other family motives	29.3	33.8	24.6	36.3	17.5	24.7
thinks he/she cannot find a job	66.3	17.3	59.6	21.4	81,3	37.2
total	100	100	100	100	100	100
total -absolute values (thousands)	99	987	57	529	400	1759

source: Istat

Looking now at female participation rate by main branch of activity and employment status (Table D3) women in 2009 were 27% of employment in manufacturing (-1 percentage point with respect to previous year and -2,6 with respect to the 2003 maximum); in services they were 49,2% in 2009, continuing a gradual and steady increase since 1998 (+5,1 points over the entire period). This confirms the typical over-representation of women in the service sector and under-representation in manufacturing, with a trend towards reinforcement of these features. It should also be noted however that the proportion of women in manufacturing is nevertheless significant and that women employed in this sector are X% of total female employment). In terms of professional status, women are 43,6% of total employees in 2009, with a continuous increase since 1998 (+4,1 percentage points over the period) and 29,7% of self-employed, with a very moderate continuous decrease since 1998 (-1,3 points).



**Table D3: Employed women as a proportion of total employment by branch of activity, IT**

<b>Employed women as a proportion of total employment by branch of activity and employment status</b>												
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Total employment</b>	37,0	37,5	37,9	38,6	38,9	39,1	39,2	39,1	39,4	39,5	39,9	40,1
Agriculture	32,2	30,9	31,0	31,8	31,6	30,3	31,1	30,4	30,8	30,4	30,1	28,3
Industry	23,9	23,6	23,9	23,8	23,6	23,5	22,9	22,2	21,9	21,6	21,6	20,8
<i>Manufacturing</i>	29,3	29,1	29,6	29,8	29,5	29,6	29,1	28,5	28,2	27,9	28,0	27,0
<i>Costructions</i>	5,3	5,2	5,5	5,3	5,7	5,7	5,8	5,6	5,1	5,3	5,6	5,6
Services	44,1	44,9	45,3	46,1	46,6	47,1	47,5	47,7	48,0	48,2	48,6	49,2
<b>Total Employees</b>	39,5	40,0	40,7	41,5	41,8	42,0	42,4	42,4	42,6	42,7	43,2	43,6
<b>Total self-employed</b>	31,0	31,3	31,1	31,3	31,4	31,5	31,0	30,1	30,5	30,3	30,3	29,7

### 8.5.2. The impact of the crisis

#### Main macroeconomic features

At the onset of the crisis Italy had experienced a decade of slow growth compared with the European average, which went along with very slow and in the last phase even negative growth in productivity along with a steady gradual increase in employment and fall in unemployment rates (which however remained relatively high among the young and in the southern regions). Although Italian financial institutions have been less involved in the financial crisis than was the case for other European countries, the 2008 crisis hit heavily the real side of the economy. Though the transmission mechanisms may have been complex, the heavy impact of the crisis on GDP (-6.4% in the two years 2008-2009, the largest fall among advanced economies) has certainly to do with the importance in the Italian economy of the manufacturing sector, more sensitive to changes in aggregate demand and its most volatile component: aggregate investments. Indeed industrial production fell more than 25% between spring 2008 and the same period of 2009. In the last two trimesters of 2010 GDP had only regained 1.4% with respect to the corresponding period in 2009, while industrial production in 2010 as a whole has increased 7% with respect to 2009, and remains about 20% lower than it was in 2007. The sector that was most affected within manufacturing was the mechanic industry.

#### Labour market and gender outcomes

We shall now look at the evolution of employment since the beginning of the crisis. It should be noted from the start that in the Italian system these data do not capture the entire employment effect of the fall in firms activity levels since part of this effect is constituted by workers loosing totally or partially their working hours but retaining the status of employees in their firms under the system of "cassa integrazione guadagni" which allows firms to interrupt or reduce production activity and hours of work without firing their employees – data on this will be provided in the next paragraph.

Between the 2007 average and the average of the first three trimesters of 2010 male unemployment rate has increased 2,6 points from 4,9% to 7,5% and female unemployment rate increased 1.4 percentage points from 7,9% to 9.5%. Between the third trimester 2008 and the same period in 2010 there was a net loss of 560000 male jobs and 168000 female jobs. This means that up to now women have been proportionally less hit by the crisis (Table D4). The reasons can be found in the differences between branch of activity shown in table 5. Manufacturing, where women are under-represented, has lost many more jobs than the service sector (-290000 and -40000 respectively between 2008 and 2009).

**Table D4: Rate of change of employment, by gender, IT**

	Rate of change of employment			
	Males		Females	
2007	14.137	1%	9.235	1,4
2008	14.064	-0,5	9.341	1,1
2009	13.789	-2,0	9.236	-1,1
2010°	13.640	-1,1	9.211	-0,3

° average of the first three trimesters

**Table D5: Employment by gender and main branch of activity, IT**

	Employment by main branch of activity (thousands)				of which: PA, Health, Education			
	Industry		Services		Males		Females	
	Males	Females	Males	Females				
2007	5493	1510	7921	7374	2108		2862	
2008	5450	-0,8	1506	-0,3	7988	0,8	7587	2,9
2009	5315	-2,5	1400	-7,0	7848	-1,8	7588	0,0
					2102	-0,3	2949	3,0
					2092	-0,5	2938	-0,4

The male –female employment trends also differ sharply between the two branches: in industry female employment fell much more than male (-7,3% versus -3,3%) while in the service sector the employment loss between 2008 and 2009 is entirely male (Table D5). Even in the sub-sector constituted by public administration, health and education (which in Italy are largely public) male employment is more affected. It is worth noticing that within the service sector between 2007 and 2009 there has been an increase of 100000 female jobs in personal services – these are to a large extent immigrant women working as domestic help and elderly care, and their statistical emersion may be related to a measure passed in 2009, which gave the opportunity to provide regular stay and work permits to previously irregular immigrants working in this field. This emersion therefore may have compensated for actual job losses in other occupations within the service sector.

As it had been already documented in earlier works (Rubery 1988, Bettio, 1988) the behaviour of male and female employment over the cycle is largely affected by job segregation. The over-representation of women in the service sector, usually less sensitive to fluctuations in aggregate demand, tends to render women's employment less sensitive to cyclical conditions – though within any given work-place or particular job, female workers may still be more vulnerable than males, as the data concerning manufacturing appear to indicate.

#### **Temporary layoffs not included in unemployment data**

As mentioned above, the system of the Cassa Integrazione Guadagni (CIG) allows Italian firms facing: i) fluctuation in the demand for their products, ii) restructuring and or iii) closing or reducing the level of employment, to lay off or employ for a reduced working time some or all of their work force while still retaining them as employees. Laid-off workers receive, on the basis of a public insurance scheme financed by compulsory contributions out of employees payroll, a monthly income that for workers of average pay working zero hours is around seven hundred euros. Since these workers are still employees in the same firm, and will return to their previous occupation if the firm survives to the crisis and/or undergoes a successful process of restructuring, they are still counted as employed workers in official statistics. However, in order to have a complete and internationally comparable picture of the labour market it is necessary to take into account these laid-off workers too. Note that while for some of them the lay-off will indeed turn out to be temporary, this is not necessarily the case for all: if conditions remain adverse and firms cannot go back to their normal level of activity, workers will become unemployed



after the period allowed for subsidized income under this system, lasting between one to three years according to circumstances of the firm and availability of funds.

At the onset of the crisis during 2009 the request for out of work hours subsidized under the CIG increased 300% with respect to the average of the previous year (Table D6) and continued increasing by 30% in 2010. The peak was reached in March 2010, with a number of hours of work lost equivalent to 717 000 full-time workers. In 2010 the hours lost on average during the year are equivalent to about 470 000 full-time workers, each experiencing on average a loss of income of 650 euros per month (according to estimations of the CGIL, the main Italian Union). The most affected sector is manufacturing (accounting for 72% of total hours) and within it, by far, the mechanic industry.

Data on workers under CIG are provided by the public institution managing employees pension and insurance funds (INPS) and are not disaggregated by gender. The only information on women involved in the lay-offs has been an estimation exceptionally provided on request from the Ministry, which concerns the first semester of 2009, when around 30% of total subsidies under the CIG were accruing to female employees (Communication by the Ministero del lavoro e delle politiche sociali, Dec 2009), which is just above the proportion of women in manufacturing employment in that year. Assuming this proportion holds for 2010 too that would mean an equivalent of about 143 000 full-time working position lost by women during 2010.

**Table D6: Hours work lost by temporarily laid-off workers, IT**

**Hours of work lost by temporarily laid-off workers (CIG)**

**annual averages**

	2007	2008	2009	2010
Number of hours	122474808	151773503	609356425	802425499
% change		23.9	301.5	31.7

Source: INPS data

### 8.5.3. Special focus on young and atypical workers

In Italy both unemployment and atypical work contracts concern particularly the younger segment of the labour force. The crisis has affected youth unemployment more than other age group, starting from already high levels before the crisis, in 2007. Young women have been affected only slightly more than young men. In the South female unemployment rates are as high as 36 % (Table D7), while female activity rates in the South for the same age group also fell from 19% to 17.7% between 2007 and 2009 (again, the situation in this area is so bad that activity rates in this age group fell also for men).

The increase in youth unemployment is the result of greater difficulties in finding a job for the new entrants in the labour market after the crisis began to develop, and of the fact that the fall in employment affected mostly young workers. This greater vulnerability of young workers is related on the one hand to the fact that a much greater proportion than the rest of the labour force hold short term, atypical labour contracts, on the other to the fact that younger workers tend to be more vulnerable to employment loss even when they hold permanent contracts (more on this below)

**Table D7: Unemployment rates, young aged 15-24, IT**UNEMPLOYMENT RATES: young aged 15-24  
years

	ITALY Females	ITALY Males	North Females	North Males	South Females	South Males
2007/3	22,2	16,5	13,9	9,8	36,2	25,1
2008/3	21,9	17,9	13,5	10,7	32,4	28,4
2009/3	26,1	21,9	20,8	16,2	35,6	30,7
2010/3	26,2	23,6	19,3	17,0	36,0	34,8

Women are over-represented in atypical work, in its various forms, as shown by Table D8 below.

As expected, a much higher proportion of women holds part-time jobs. However these contracts in Italy are not in principle discriminating in other respects, that is in terms of hourly pay and insurance/pension contributions. So that to the extent it is voluntary, it only reflects the difficulties women face in conciliation of work and family care. It is worrying however the high proportion of involuntary part-time (6.9%) – hence, underemployment – among women, together with the high proportion of atypical, short term positions, which in the Italian system, not only are more unstable but also significantly less paid both in terms of direct wage or salary and in terms of insurance and pension contributions.

**Table D8: Employed workers in 2008 by gender and employment status**

Employed workers in 2008 by gender and employment status

	male	females	Total
<b>Stable job</b>	<b>88</b>	<b>77,7</b>	<b>84,3</b>
full time employee	60,1	49,6	55,9
full time self-employed	26,6	12,9	21,1
voluntary part time	<b>2,1</b>	<b>15,2</b>	<b>7,3</b>
<b>Stable but involuntary part time</b>	<b>1,7</b>	<b>6,9</b>	<b>3,8</b>
<b>Atypical work</b>	<b>9,5</b>	<b>15,4</b>	<b>11,9</b>
short term employee	8,1	12,6	9,9
collaboration	1,4	2,8	2,0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

As shown by Table D9 below, in 2007 younger workers are by far a largest proportion than other age groups employed with short tem contracts. In the age group 15-24, 40% of male employees and 45 % of females have short term contracts. The proportion declines steadily as age increases, remaining about 5-6 percentage points higher for women than men in all age groups. It is difficult to tell whether the younger short term workers of today will be able to pass from unstable to stable contracts after some time. But it can be observed that the proportion of short term contract among employees for the age group 25-34 is still high (21% for women), and on a larger set of employed persons.

Considering now the evolution of these proportion over the years since 2007 (Table D9), it can be noted that there has been first a moderate decline followed by a moderate increase in the proportion of short term contracts for all employees, while in the youngest age group there has been a pronounced increase in that proportion (about 4 percentage points for both men and women). All this suggest that while short term workers have been hit by the crisis before stable workers, now on the one hand the latter are beginning to suffer more (also owing to the termination of Cig for some of them) while on the other hand new young entrants in the labour market are to a larger extent than before hired with short term contracts.

**Table D9: Proportion of short-term contracts on total employees by age, IT**  
**Proportion of short term contracts on total employees by age group**

	year	2007	2008	2009	2010/3
<b>MALES</b>	age				
	15-24	40.3	41.1	42.1	45.9
	15-34	20.4	21.5	20.4	22.5
	25-34	14.2	15.3	14.0	15.7
	35-64	6.5	6.7	6.4	7.2
	15-64	11.2	11.5	10.8	11.7
<b>FEMALES</b>	15-24	45.4	46.6	48.1	51.8
	15-34	25.7	26.5	26.1	26.9
	25-34	20.7	21.3	20.9	20.6
	35-64	11.1	10.3	9.4	9.3
	15-64	16.0	15.7	14.6	14.4

Source: Conistat database

**Table D10: Changes in employment for employees by gender, age group and type of contract**

type of contract	age group	2008			2009			2010/1			2010/2			2010/3		
		Stable	Short term	Total	Stable	Short term	Total	Stable	Short term	Total	Stable	Short term	Total	Stable	Short term	Total
1: males	15-24	-1,2	2,1	0,1	-11,8	-8,2	-10,3	-9,9	-1,3	-6,3	-3,6	-1,1	-2,5	-2,0	2,0	-0,2
	15-34	-2,8	4,0	-1,4	-5,3	-11,2	-6,6	-5,8	-3,3	-5,3	-1,5	2,5	-0,7	-2,6	3,3	-1,3
	25-34	-3,1	5,7	-1,9	-3,9	-13,8	-5,4	-5,0	-5,1	-5,0	-1,1	5,9	-0,1	-2,7	4,4	-1,6
	35-64	1,6	3,8	1,7	1,2	-3,1	0,9	-0,4	-3,0	-0,6	-1,0	13,3	-0,1	1,4	2,6	1,5
	15-64	0,3	3,9	0,7	-0,7	-8,1	-1,6	-1,9	-3,2	-2,0	-1,2	6,9	-0,3	0,3	3,0	0,7
2: females	15-24	-0,1	5,1	2,3	-13,8	-8,5	-11,3	-3,9	-9,4	-6,5	-4,6	8,0	1,3	-2,6	5,6	1,5
	15-34	0,5	4,6	1,6	-5,3	-7,1	-5,7	-6,2	-5,7	-6,1	-1,3	2,2	-0,4	-1,1	-1,3	-1,2
	25-34	0,6	4,3	1,4	-3,8	-6,3	-4,3	-6,6	-3,7	-5,9	-0,8	-0,8	-0,8	-0,9	-5,2	-1,8
	35-64	4,3	-3,7	3,4	3,6	-6,2	2,6	2,0	-7,0	1,1	1,1	15,6	2,4	-0,2	-5,8	-0,7
	15-64	3,2	0,7	2,8	1,1	-6,7	-0,1	-0,2	-6,3	-1,1	0,5	8,1	1,6	-0,4	-3,4	-0,8
Total	15-24	-0,8	3,4	1,0	-12,6	-8,3	-10,7	-7,7	-4,7	-6,4	-4,0	2,6	-1,0	-2,3	3,5	0,5
	15-34	-1,4	4,3	-0,1	-5,3	-9,2	-6,2	-6,0	-4,5	-5,6	-1,4	2,3	-0,6	-2,0	1,0	-1,3
	25-34	-1,6	5,0	-0,5	-3,8	-9,8	-4,9	-5,6	-4,3	-5,4	-1,0	2,2	-0,4	-1,9	-0,7	-1,7
	35-64	2,7	-0,4	2,4	2,2	-4,8	1,6	0,6	-5,1	0,2	-0,1	14,5	1,0	0,7	-1,8	0,5
	15-64	1,5	2,3	1,6	0,0	-7,4	-0,9	-1,2	-4,8	-1,6	-0,4	7,5	0,5	0,0	-0,3	0,0

This interpretation appears confirmed by the rather articulated Table D10 above. Occupation for employees globally falls 0.9% in 2009 and 1.6% in the first trimester 2010, while remaining stable afterwards. This global change however reflects very diverse dynamics by age group and type of contract. In 2009 all the fall in employees is accounted for by the loss of short term employment. Younger age groups, both males and females roughly in the same manner, are heavily affected, loosing both short term employees (-9,2% for all workers aged 15 to 34) and stable employment (-5,3% for the same group) leading to a total loss of employment for this age group of - 6.2 %. In the first trimester 2010 stable jobs begin to be affected, with a global -1,2%. Again, this affects more heavily the age group 15-34 (- 6%, with no great differences by gender in the group), which also continues loosing short term occupation (-4.5%), with a total loss for the age group of - 5.6%. In the following two trimesters of 2010, while total employment remains roughly stable, there is a shift from stable jobs that continue decreasing for the workers aged 15-34 (-1.4% in 2010/2 and - 2% in 2010/3) to short term employment that begin to increase (+ 2.3% and +1% in the same periods). It is interesting to note also that in the last part of 2010 there has also been a large increase in short term contracts for workers over 35 both male and females. Where employment is recovering then, it takes the form of short term contracts in all age groups.

There is therefore a marked youth dimension in employment loss at this stage (things might change if the lack of sustained recovery will transform temporary lay-offs into unemployment), but for the moment not a marked gender dimension, as was already suggested by the data by branch of activity examined above. Of course it must be

remembered that, however, women in all age groups have a higher proportion of atypical jobs than men of the same age.

#### 8.5.4. Economic policy measures

Despite contrary advice coming from many economists, European countries have at the moment chosen to face the turbulence in financial markets for government bonds by means, among other things, of a coordinated policy of restrictive fiscal policies, the effect of which on labour markets will be felt in the next years. The prevailing line in the Italian Government is at the moment that of "linear cuts", that is of cuts in public expenditure applying in the same measure of 10% to all branches of the public administration and public services. The only consideration that seems possible at the moment about this is that since women are over represented in public administration and public services like health and education, where they represent more than half of the labour force, they will be most affected by such policies.

In education, the Government has passed reforms that will have employment effects the employment impact of which has been estimated in loss of 19700 jobs in 2011-2012 as part of an overall loss of 87 000 jobs in the next three years as a consequence of the passed reform. In addition to this, it is estimated that there will be a loss of 1400 jobs for non-teaching employees in public education (estimations provided by the CGIL education branch). Since employment in education is almost entirely female, most of these employment losses will be borne by female well educated workers. The cuts and reforms in education will also affect services available for conciliation between work and family care, since they forbid the increase in the number of teacher assigned to full time classes in primary school (40 hours per week versus the standard of 24 up to a maximum of 30 hours per week) –a type of time schedule for which there had been increasing demand on the part of the parents of the pupils in the recent past.

#### 8.5.5. Concluding remarks

The overall employment impact of the economic downturn has been already quite heavy: almost 730 000 jobs lost in the third trimester 2010 with respect to the same period in 2008, plus a stock of almost 500 000 full-time equivalent temporary lay-offs on average during 2010. Since neither GDP nor industrial production show signs of fast recovery towards pre-crisis levels it may be expected that these numbers will keep increasing in the near future. For the time being women have been protected, to an extent, by their over-representation in the service sector, less sensitive to fluctuations in aggregate demand. Again, things may change in this respect for the worse, as the continuing contraction of GDP and disposable income is already affecting consumption and may with time determine larger employment losses in the service sector. Another adverse change for women's employment levels is likely to result in the near future from the cuts in Government expenditure. Already passed measures in the field of education are expected to cause a fall of about 100 000 jobs, most of which female.

Although in the national aggregate women appear at the moment to have suffered less than men from employment losses, there are two extremely critical situations: that of the younger age group and that of the labour market in the South.

In the South female activity rates are 25 percentage points below the Northern regions and European values, had been already declining since 2003, and have fallen further after the crisis. Female unemployment rates have been falling before the beginning of the crisis, but discouragement effects have probably had a role in this: one third of non active women in the south explains her inactivity with the impossibility to find an occupation. Now unemployment rates are increasing again, and for younger women (and men) they have rocketed to about 35%.

Young female workers are in a very high proportion employed with short term contracts (45% for the age 15-24 and 20% between 25 and 34). Most of the employment fell after the crisis affected workers in the age group 15-34, partly because short term contract holders were most affected, partly because even the permanent positions were mostly lost in the younger age group.

## 8.6. Greece: caught between labour market and macroeconomic imperatives

By Antigone Lyberaki

### 8.6.1. Introduction

The crisis came to the Greece with a time lag and with vengeance. The problems manifested themselves as an unsustainable public debt situation which translated into a sovereign debt crisis and made crisis management procedures indispensable. Growth stalled and declined in 2010, while unemployment started to escalate from the first quarter of 2009 onwards, and, what is more important, at an accelerating pace.

The Greek economy entered the recession (after numerous consecutive years of fast growth) burdened with three deficits:

1. A serious competitiveness deficit of the real economy
2. A welfare state provision deficit
3. A reform deficit

From a gender perspective, the Greek situation is also characterised by another key deficit: the gender and equality gaps (employment and unemployment gaps, pay gaps, over-represented in precarious and low paid jobs). The gender gaps are tightly intertwined with and reinforce the other deficits: for instance,

- the competitiveness problem of the formal economy nurtures a large informal and grey sector characterized by insecurity of employment and low wages,
- the welfare state provision deficit has necessitated the emergence of a "shadow" or "informal" welfare state whereby care, transfers and solidarity are supplied in the context of the family and where women shoulder most of the effort,
- the perpetual postponement of reform led to the crystallisation of wide inequalities within the labour market. Those types of inequalities, go beyond the usual public-private sector division, and lead to a sharp differentiation between insiders and outsiders.

As a result important divisions between different groups of women gradually built-up. Ambitious labour protection and family rights legislation was only implemented in the public sector and possibly the larger private firms. This 'excessive' protection for insiders, paradoxically, ended up by hurting the people not included in the original understanding. Thus, by privileging 'insider women' it rendered the situation of 'outsider women' *more* vulnerable.

The most disadvantaged group among 'outsiders' consists of immigrant women. They comprise slightly under half of the migrant population and, although their employment rate is higher than that of indigenous women, they are facing an equally substantial employment gap and pay gap along gender lines.

Social expenditure increased whilst keeping the nature of welfare provisions unchanged. Thus, while *total* expenditure (as a % of GDP) rose to be more or less comparable with the EU average, secular rising tendencies in pensions expenditure tend to crowd-out other types of social transfers (such as family benefits and child-care, benefits in kind such as long-term care). Long term care thus ends up *either* provided by the family or 'medicalised' in the Hospital sector.

Active labour market measures were instituted as part of Community Cohesion Financing, leading to an increase in expenditure. However, the effectiveness of such expenditure in affecting macro-indicators remains in serious doubt.

#### 8.6.2. The sovereign debt crisis and the "Memorandum"

Greece had maintained a national debt of just over 100% of the GDP since before 2001. In the period this ratio 2007 this remained stable due to three factors:

- a. high real rates of growth (around 4% average)
- b. low interest rates due to euro entry.
- c. Primary deficits close to the SGP limit.

In 2008 all three conditions were overturned, partly as a result of the financial crisis, though mainly due to an explosion of the primary deficit in 2008-09<sup>21</sup>. Consequently, the behaviour of the national debt became clearly explosive. Admission of misreporting of the deficit in October 2009, in conjunction with a realisation on the part of bond markets that a being a member of the Eurozone did not mean automatic entitlement to debt guarantees, led to a rapid increase in interest rates for Greek debt. After some months of prevarication and increasing austerity, the Greek government was obliged to seek a financial bailout from the ECB, the EU and the IMF, subsequently known collectively as the "Troika".

The 110 billion euros loan was the largest even disbursed by the IMF and was accompanied by a series of commitments for monitoring and structural reforms contained in a lengthy and detailed Memorandum of Understanding (MoU) signed by the Greek government and the Troika and passed as law by the Greek government in May 2010. The MoU foresees quarterly disbursements of funds subject to a satisfactory review process to precede each tranche. The MoU is essentially a medium-term public finance plan, designed to bring Greek debt back into sustainability in order for Greece to be able to re-enter the bonds markets in late 2012. Should an interim public finance target not be met, the MoU foresees the imposition of measures to make up the shortfall. Such was the situation in May 2011, when a further package of 60 billion euros is being negotiated; a new Medium Term Programme correcting shortfalls and hence further austerity is the downside of the deal.

Thus there is a trade-off between austerity measures in the sense of across the board improvements in public finances (whether increases of taxes or reduction in social benefits) on the one hand, and structural reform in the sense of altering fundamental relationships and changing institutions (e.g. closure of redundant institutions and public sector bodies, liberalisation, privatisation) on the other<sup>22</sup>. Delays or procrastination in structural initiatives necessitate relying on austerity to a greater extent in order to reach a particular (and fixed by the MoU) public finance target. The absence of structural reform in the period of 2000 to 2009 was one of the key influences behind the near bankruptcy. The memorandum tried to remedy this by detailing a timetable of structural reforms which had hitherto been postponed. The first of these was the Pensions Reform. However, delays or patchy and

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<sup>21</sup> The latter was helped by non-economic factors: the extensive forest fires of the summer of 2007 and the Athens riots of December 2008.

<sup>22</sup> In the absence of a corrective currency devaluation, structural reform has the key effect of being the most plausible aid to competitiveness of domestic production.

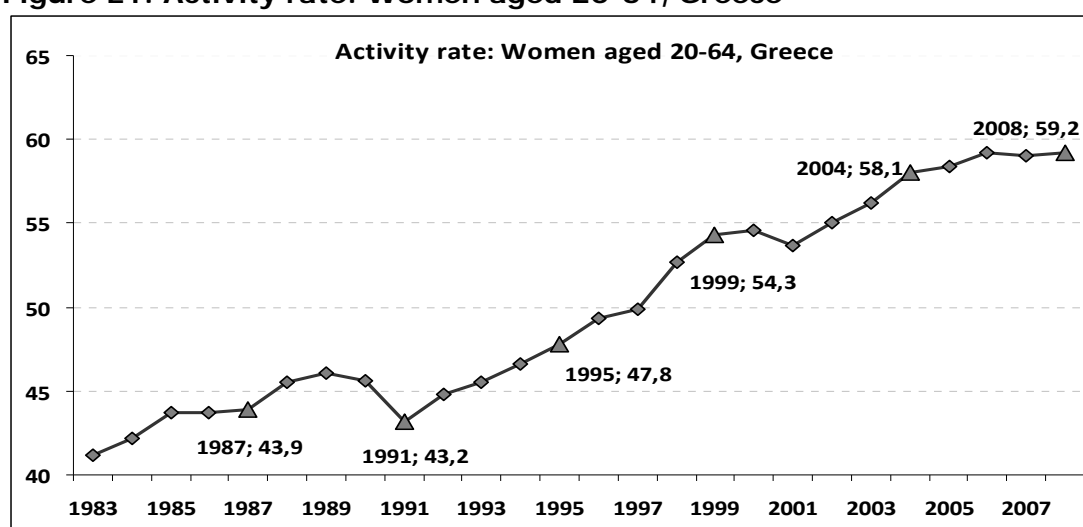


hesitant implementation, as well as lower than expected outcomes (due to the recession being deeper than forecast), led to expenditure overshooting and revenue not meeting its targets in 2011, necessitating a further round of austerity in mid-2011.

**Crisis dynamics:** The recession is proving deeper and more sustained than was originally thought. Output has fallen for 8 consecutive quarters- a fall not encountered for the last generation. This, as was natural, is accompanied by a fall in confidence and a widespread feeling of insecurity. The latter is fuelled by the very persistent and visible commentary on the unsustainability of Greek debt and frequent airing of scenarios involving exit from the Euro Area, devaluation etc. These scenarios carry dire consequences for the Greek banking system and the safety of individual savings, and have important implications for business liquidity and what that may mean in terms of a possible restructuring and even possible exit from the euro. Insecurity and currency imbalances pose a threat to savings and cast a heavy shadow on the prospects of small enterprises dependent on local market and on trade credit.

Thus, direct austerity is compounded by uncertainty and the liquidity crisis. These, through their effect on very large numbers of very small family firms enter family finances. In this way, the mainstay of the shadow or informal welfare state "the small family firm or farm" lives in fear of what the future will bring. This in conjunction with other crisis-related developments, could have important and unforeseen consequences affecting the real social safety nets that people will have to use during the crisis.

**Figure E1: Activity rate: Women aged 20-64, Greece**



The story of the Greek crisis is thus by no means over. The crisis from its starting point has metamorphosed into an acute public finance crisis; it could yet develop into a full-scale liquidity crisis and thence into directions previously unthought of in OECD countries. An optimistic reading could point out that the period to mid-2012 is likely to be the trough of the crisis and the pessimistic projections could prove unfounded.

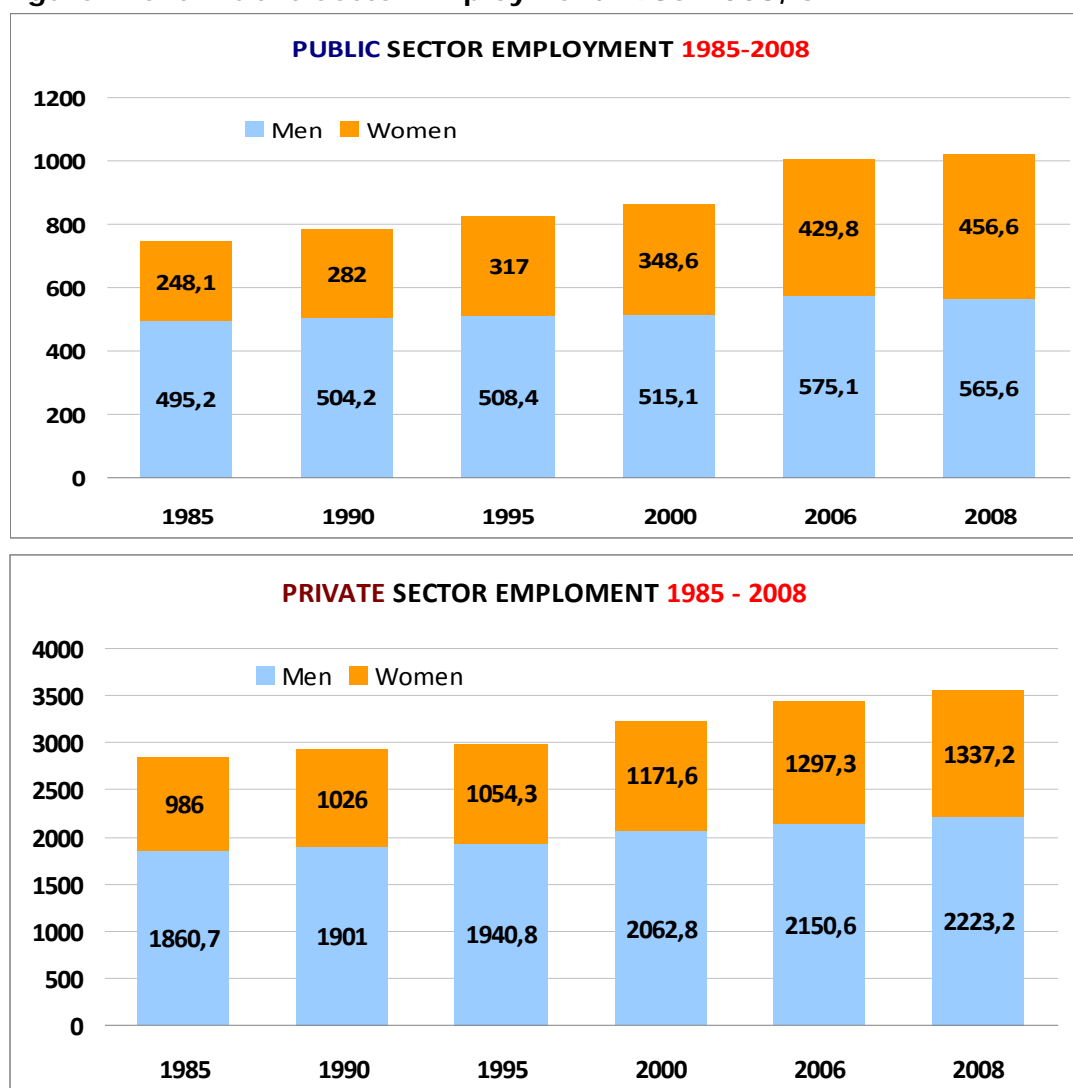
However it may be (and given a long tradition of Delphic ambiguity), much would depend on structural reforms – those postponed to now, those implemented post MoU, those still to be implemented and those still to be designed.

Thus structural reforms in Greece, quite apart from their direct gender effect, have been accorded a pivotal role in the overall macroeconomic strategy. To this effect, we need to look at reforms and the reform process in Greece.

### 8.6.3. Gender and the Labour market

Women remain the most important untapped growth potential, as they represent unutilized labour reserves. Women's employment records witnessed sustained growth between 1980 and 2008 (Figure E1). Although they remain low by EU standards, nevertheless women's labour force participation increase by 50% cumulatively in three decades. At the same time, women's unpaid work in family businesses and farms also declined, making the shift to paid work even more impressive. The flip side of the same story consists of a number of specificities and weaknesses: the main employer for women's work has been the public sector (Figure E2a-b).

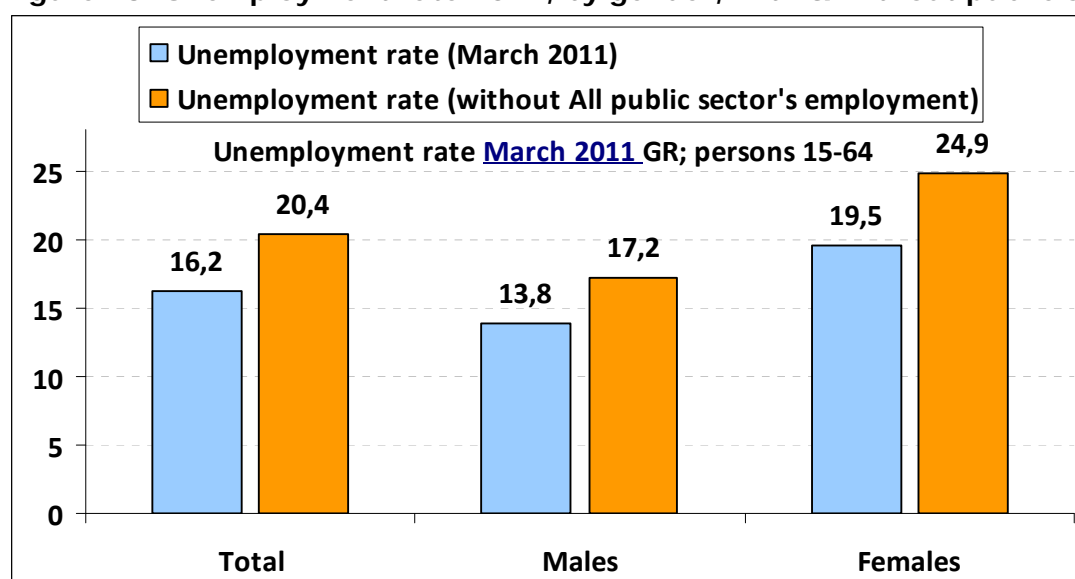
**Figure E2a-b: Public Sector Employment 1985-2008, GR**



Unemployment rates for women remained much higher than men's both at times of high and at times of low growth, in periods when unemployment rates were increasing as well as when unemployment was going down: a large gender gap in unemployment rates has been one of the constant features of the Greek labour market. In view of the fact that one out of four women in employment in Greece hold tenured positions in the public sector, the risk of the 'other women' not in the public sector of becoming unemployed is much higher. To capture this effect, Figure E3 expresses the hazard rate of being unemployed given that one is not lucky enough to be in the public sector (derived simply from the unemployment rate by subtracting public employment from the denominator). For women the latter is 25%.



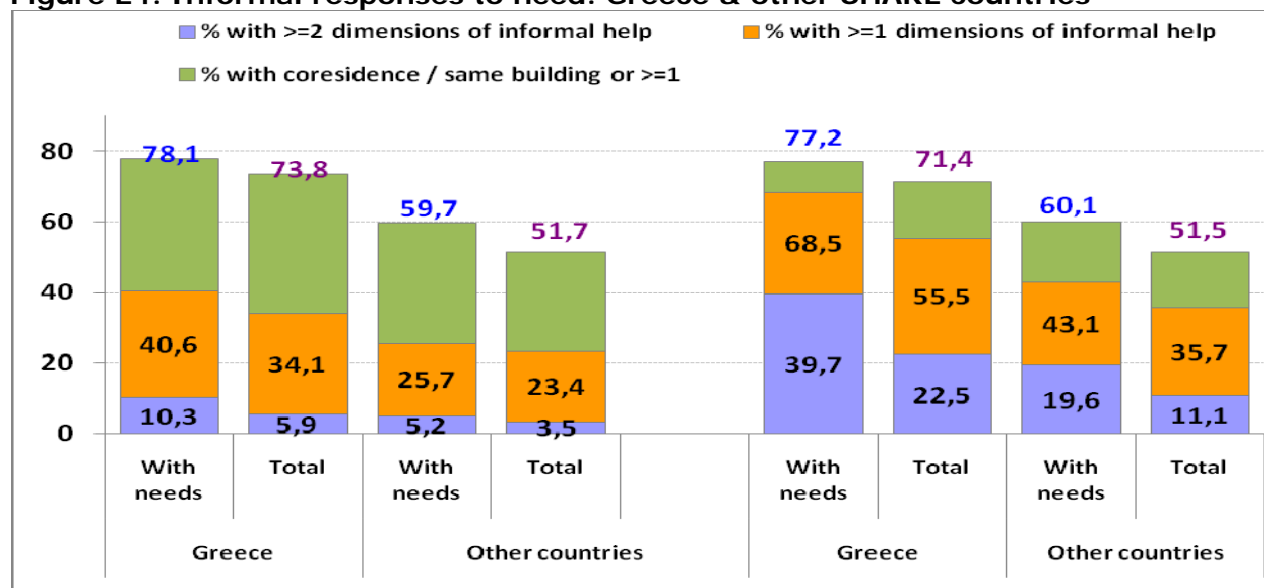
Figure E3: Unemployment rate 2011, by gender, with &amp; without public sector, GR



Source: own calculations bases on Eurostat (LFS) and ILO (public sector employment)

**A fragmented welfare state:** widespread fragmentation (Ferrera 1996, 2005) – where privileged treatment was accorded to a lucky few. The Greek welfare state is extremely stringent as far as replacing income due to loss of a job (unemployed and the long-term unemployed) and in the provision of care.

The inadequacies of the formal welfare state in the face of real social protection needs, led to the emergence of a '**Shadow**' or **informal welfare state** in order to do the 'real work' that was left undone. The informal welfare state thus fills in the gaps left by the formal welfare state and 'shadows' its development. It is based on a system of concentric circles of informal solidarity and can be analysed employing the economics of the family (Bettio & Villa, 1996). Social needs are met through calls of to family and social networks of widening scope. The family might start by drawing on savings, family help, the wider family, etc in a process reminiscent of financing needs of firms in distress. The informal system's finance is aided by tax evasion, social links with villages, family business. Given the central role of personal care in the informal system, women form the lynchpin of the shadow welfare system.

**Figure E4: Informal responses to need: Greece & other SHARE countries**

Source: Author's calculations based on SHARE w2

Figure E4 gives an impression of the significance of informal care, based on SHARE data of people aged 50+. It contrasts people with needs (interpreted as >1 ADL<sup>23</sup> problem, in the poorest 20% or unemployed) with those without. It plots a number of informal help dimensions (regular cash gifts, personal care of various types, as well as cohabitation). It shows that informal help as a complement to social protection is not just a Greek phenomenon – great need elicits greater care in all countries. However, in Greece the effect is far more marked – for both large age groups.

Table E1 codifies a question from the retrospective 3rd wave of SHARE, directed to experiences covering the entire working life of respondents. The question asks in what ways periods out of the labour force in the life of respondents were financed. Predictably, financial support from the spouse or the family predominate in all countries. However, one should not miss the stunning discrepancy between Greece and all other countries (even those of Southern Europe) in the case of 'Benefits from the State' (6% in Greece as opposed to 43%). In the past generation, covering the working life of today's 50+ population, the State had, essentially, been absent. The same remains true today. The most recent LFS data on unemployment (February 2011) suggest that out of 148.000 unemployed individuals below the poverty line, only about 10.000 receive unemployment benefit (Zografakis & Mitrakos, 2011).

<sup>23</sup> ADL= Activities of Daily Needs, derived from a standardised questionnaire and measuring the extent of autonomy of the individual.

**Table E1: Source of Income during past periods of out of work in respondents' lifetimes, SHARELIFE data on people aged 50+ in 2009**

	Sources of income during periods out of work (%)		
<b>SHARELIFE W3</b>	<b>Financial support from spouse or partner</b>	<b>Financial support from family and friends</b>	<b>Benefits from state</b>
<b>SE</b>	54,8	40,3	62,3
<b>DK</b>	52,5	38,6	47,0
<b>NL</b>	72,5	42,7	31,6
<b>'Nordics'</b>	<b>59,2</b>	<b>40,3</b>	<b>49,2</b>
<b>DE</b>	72,2	29,2	50,1
<b>BE</b>	60,9	38,9	48,0
<b>FR</b>	67,7	36,5	41,5
<b>CH</b>	62,1	45,6	15,4
<b>AT</b>	72,3	43,2	55,4
<b>'Continental'</b>	<b>66,9</b>	<b>37,6</b>	<b>43,0</b>
<b>IT</b>	55,4	63,5	7,9
<b>ES</b>	42,0	70,5	23,7
<b>GR</b>	<b>56,4</b>	<b>45,6</b>	<b>5,8</b>
<b>'Southern'</b>	<b>51,4</b>	<b>61,4</b>	<b>12,9</b>
<b>PL</b>	80,1	32,7	29,9
<b>CZ</b>	70,5	29,4	59,9
<b>'Eastern'</b>	<b>75,5</b>	<b>31,0</b>	<b>44,7</b>
<b>All countries</b>	<b>63,4</b>	<b>41,3</b>	<b>41,3</b>

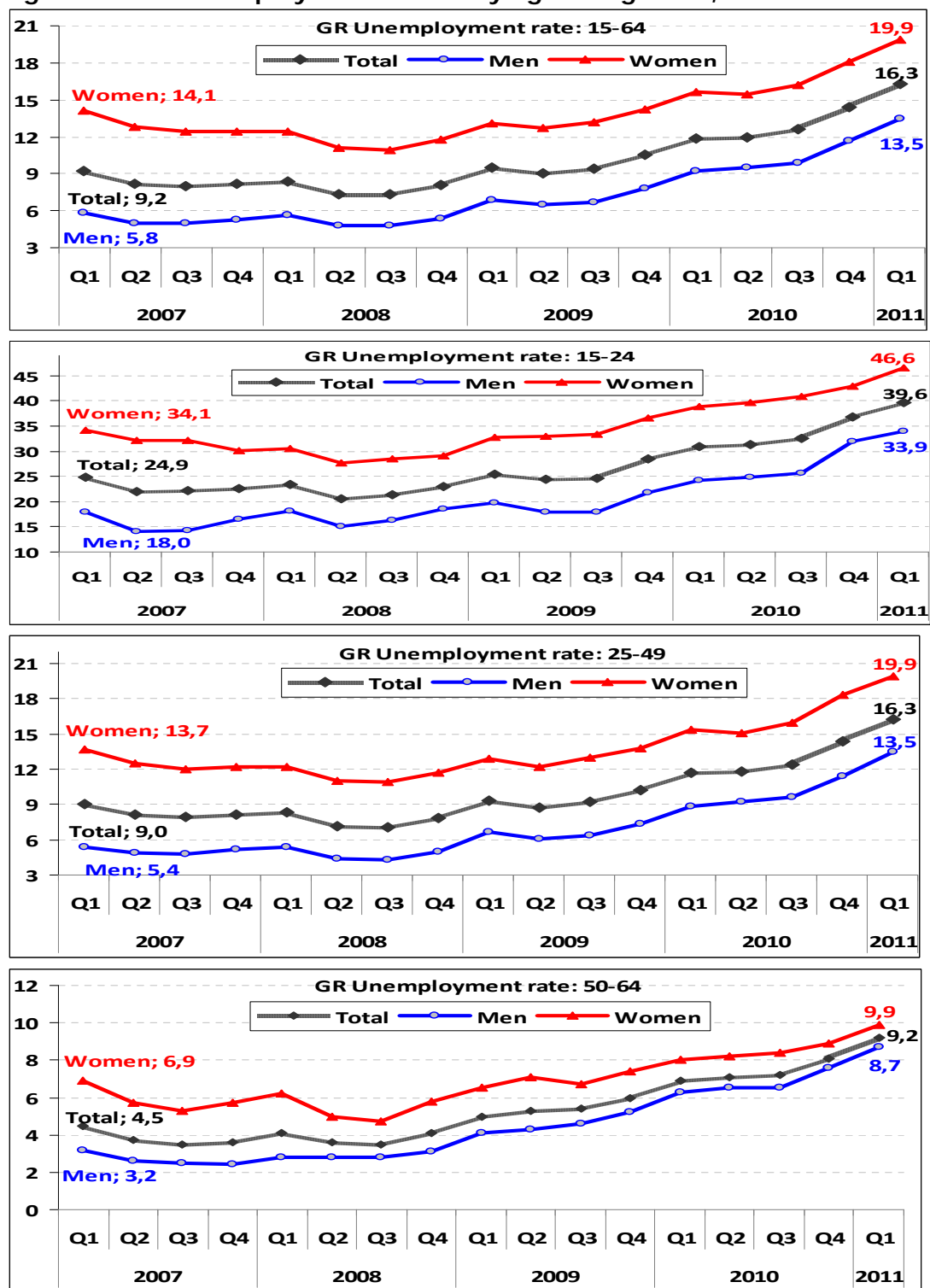
Source: Authors' calculations from SHARELIFE (SHARE W3) data.

#### 8.6.4. Labour Market Trends Before and During the Economic Downturn

Unemployment rates accelerated after the first quarter of 2009 both for men and for women. As a percentage, this was more pronounced for men who started off by having substantially lower unemployment rates compared to women at all age groups (Figure E5a-d). Hence the gender gap in unemployment declined.

Activity rates declined overall, but this disguises opposite trends concerning men and women: while men's activity rates declined, women's participation rates clearly increased (this is true for the 15-64 age group, as well as for 25-49 and 50-64 age categories (see Greece's case study Appendix –section 4.10).

Figure E5a-d: Unemployment trends by age and gender, GR

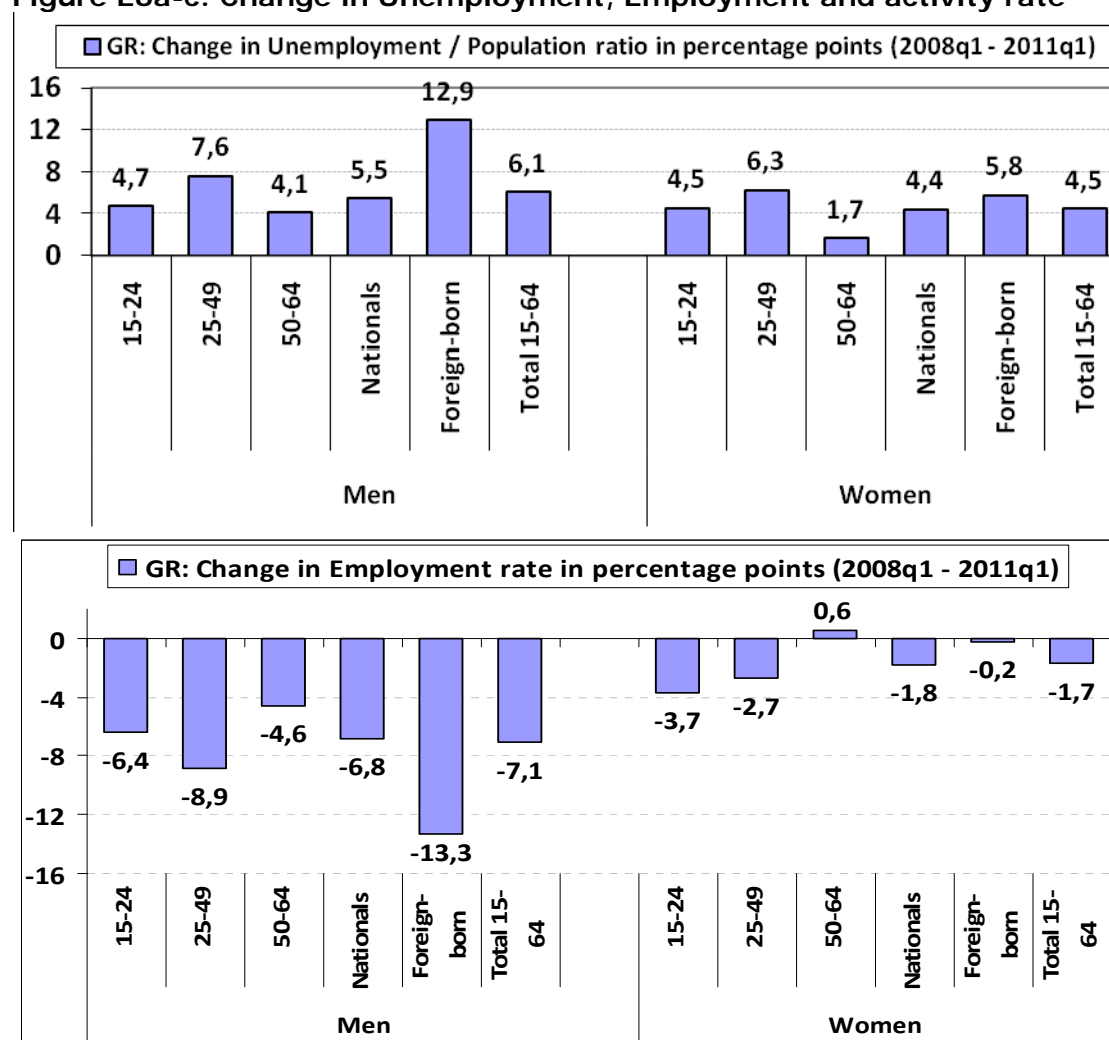


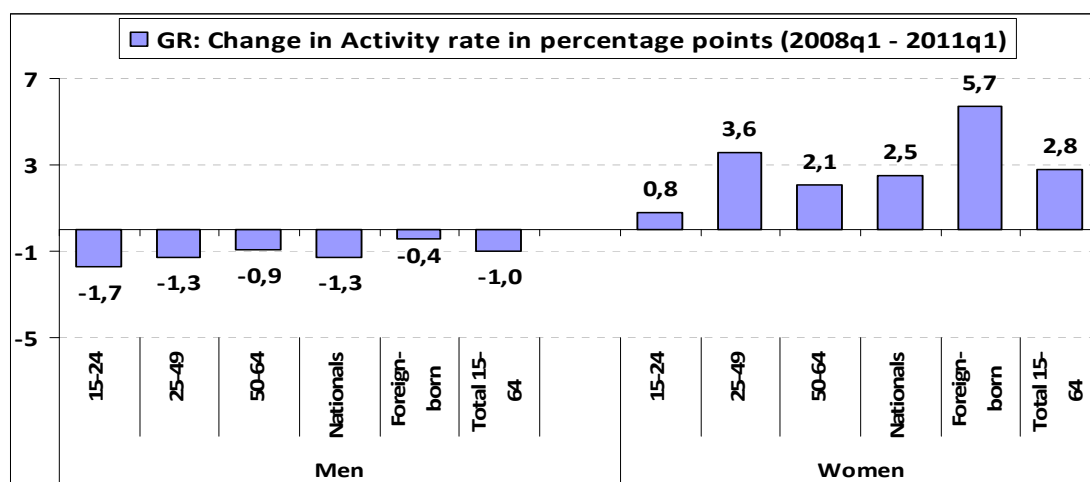
Interestingly, disaggregate data by nationality/country of origin suggest that the main blow of joblessness accrued to foreign born men: for the indigenous population unemployment rates increased symmetrically both for men and for women.

Table E2: Unemployment rate and Gender Unemployment Gap

GR Unemploy- ment rate	Males			Females			Gender gap (W- M)	
	2008Q1	2011Q1	abs. change	2008Q1	2011Q1	abs. change	2008Q1	2011Q1
15-24	18,1	33,9	15,8	30,5	46,6	16,1	12,4	12,7
25-49	5,4	13,5	8,1	12,2	19,9	7,7	6,8	6,4
50-64	2,7	8,0	5,3	6,1	9,9	3,8	3,4	1,9
National	5,7	13,0	7,3	12,4	19,5	7,1	6,7	6,5
Foreign- born	4,5	18,9	14,4	12,9	21,2	8,3	8,4	2,3
<b>Total 15- 64</b>	<b>5,6</b>	<b>13,5</b>	<b>7,9</b>	<b>12,4</b>	<b>19,7</b>	<b>7,3</b>	<b>6,8</b>	<b>6,2</b>

Figure E6a-c: Change in Unemployment, Employment and activity rate





Turning now to the effects of the crisis by type of employment, full-time employment suffered more, mainly for men, while there has been an increase in part-time employment (again more pronounced for men) and a much smaller increase in temporary employment.

**Table E3: Overall changes by age, gender and type of employment**

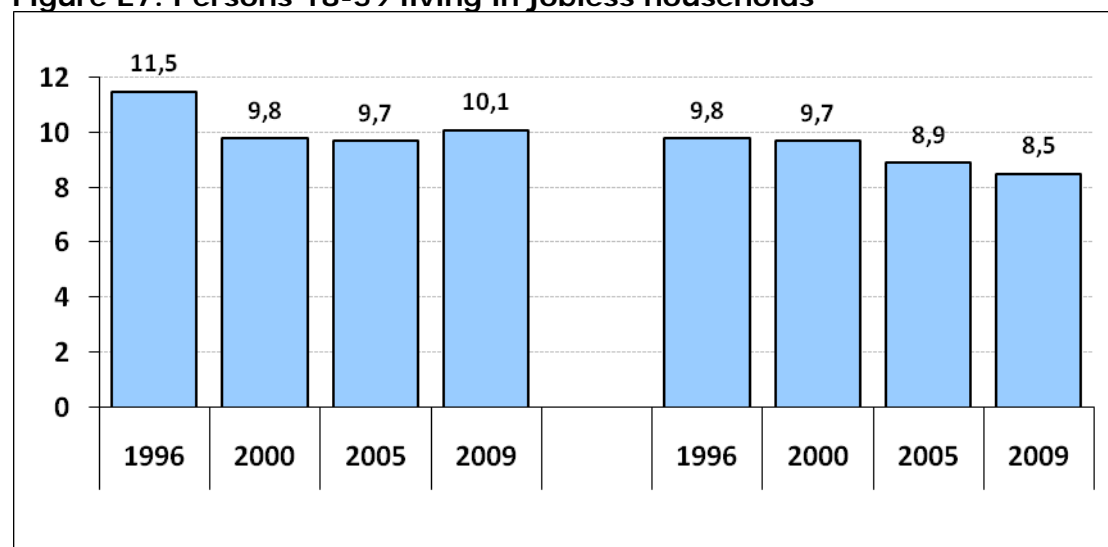
GR Employment in thousands	Males (%)			Females (%)			Gender gap (W-M)	
	2008Q1	2011Q1	change	2008Q1	2011Q1	change	2008Q1	2011Q1
<b>Total</b>								
15-24	160,6	115,6	-28,0	103,1	77,3	-25,0	-57,5	-38,3
25-49	1865,1	1657,5	-11,1	1262,4	1193,4	-5,5	-602,7	-464,1
50-64	669,1	674,3	0,8	364,2	395,3	8,5	-304,9	-279,0
<b>Total 15-64</b>	<b>2694,8</b>	<b>2447,3</b>	<b>-9,2</b>	<b>1729,6</b>	<b>1666,0</b>	<b>-3,7</b>	<b>-965,2</b>	<b>-781,3</b>
<b>Full-time</b>								
15-24	145,3	99,1	-31,8	84,8	58,2	-31,4	-60,5	-40,9
25-49	1828,4	1595,4	-12,7	1145,8	1084,2	-5,4	-682,6	-511,2
50-64	648,6	651,5	0,4	325,7	355,7	9,2	-322,9	-295,8
<b>Total 15-64</b>	<b>2622,3</b>	<b>2346,0</b>	<b>-10,5</b>	<b>1556,3</b>	<b>1498,1</b>	<b>-3,7</b>	<b>-1066,0</b>	<b>-847,9</b>
<b>Part-time</b>								
15-24	15,4	16,5	7,1	18,2	19,1	4,9	2,8	2,6
25-49	36,7	62,0	68,9	116,5	109,2	-6,3	79,8	47,2
50-64	20,4	22,8	11,8	38,5	39,6	2,9	18,1	16,8
<b>Total 15-64</b>	<b>72,6</b>	<b>101,3</b>	<b>39,5</b>	<b>173,3</b>	<b>168,0</b>	<b>-3,1</b>	<b>100,7</b>	<b>66,7</b>
<b>Temporary</b>								
15-24	28,8	21,7	-24,7	27,0	21,6	-20,0	-1,8	-0,1
25-49	100,9	112,2	11,2	112,0	105,5	-5,8	11,1	-6,7
50-64	18,0	19,8	10,0	11,6	17,7	52,6	-6,4	-2,1
<b>Total 15-64</b>	<b>147,7</b>	<b>153,7</b>	<b>4,1</b>	<b>150,6</b>	<b>144,7</b>	<b>-3,9</b>	<b>2,9</b>	<b>-9,0</b>

Interestingly, the public visibility of women's unemployment remains low. The dominant view is that the current recession is 'more dangerous', as it affects 'prime age men' –i.e. breadwinners. It is interesting that the available data **do not** corroborate this view. Though unemployment certainly impacts men more than women, this is differentially so for young and older groups. *For individuals of prime age*, the impact of unemployment is far more balanced. If expressed in comparable units (e.g. as percent of the *population*, rather than

labour force), the change for men is 7.6 points and 6.3 points for women. Given that men started off with a far lower unemployment *rate*, this translates as a larger *percentage* rise for men and for women. However, that is far from saying that unemployment is now hitting 'breadwinners'.

Looking at other age groups, it is apparent that unemployment as before is concentrated on those trying to enter the labour market (both men and women). The sex difference in the two groups entering and leaving the labour market is due to participation effects<sup>24</sup>. Figure E7 shows that for the socially far more important indicator of 'jobless households' the crisis – at least until 2009 – had no effect<sup>25</sup>.

**Figure E7: Persons 18-59 living in jobless households**



Source: Eurostat

The 'jury is still out' on the effects of the crisis. What is undoubted, is that the crisis is taking place in the context of a labour market structure which is very protective of insiders and where reform since 2000 has done no more than instilling 'flexibility at the margins' – i.e. for labour market entrants and specific groups. The reforms promoted as part of the MoU originally aspired to do more; however, even the hesitant provisions included in the pension law were not implemented. As a result, it remains true to say that the forces of the crisis operate through the old institutional framework, with little or no corrective effect of recent legislation.

#### **Female immigrants: the outsiders' rim during the Greek downturn.**

**Low pay:** Recent fieldwork material on Bulgarian domestic workers indicates that they came to Greece easily and at lower costs due to their EU citizens' status (as opposed to the costs facing Third Countries nationals who have to be smuggled into the country). Hence they work for much lower salaries as live-in domestic workers (for wages as low as 400 euros per month, when the minimum wage is 740 euros).

**Informal work and women as main breadwinners:** Ongoing research on Albanian men and women migrants (by far the largest immigrant group in Greece) suggests that Albanian women that followed their husbands into Greece at an earlier stage are becoming the main or only breadwinners in their household. Their partners/husbands' work in the construction sector has been substantially decreased due to the crisis. Moreover working informally rather than formally is more likely to be the case nowadays in any sector. So, a significant

<sup>24</sup> For the younger groups, staying in education. For the older ones, retiring with a pension.

<sup>25</sup> This indicator measures the percent of the population living in a household where no one has a job – a gender neutral generalisation of the unemployment of the 'household head'.

number of Albanian women that have got family reunion stay permits (linked to their husbands' stay permit for work purposes) are drawn into the labour market and work irregularly. These women (together with the other categories who have long been involved in informal work) run the risk of losing their "legality status" as the work permits of their *husbands* expires and no declared work is available. To give an indication of their relative numbers, it should be noted that in a total of 520,000 stay permits (valid in March 2010), there were 220,000 women permit holders, 150,000 of which regarded women that came under the process of family reunion. 110,000 of the women that hold a family reunion stay permit are Albanians.

**Return migration** of a number of Albanian families that had been living in Greece is taking place, albeit at a low pace. Renting a house and paying bills when there is little or no work, exercises pressure on migrant families to return back to Albania.

Renewing the stay permit nowadays would translate in keeping a door open to Greece. This regards not only already circular migrants but also settled migrants in case they return to Albania due to unemployment in Greece. In any case, circular migration is expected to be on the increase in the context of the crisis. In the words of one respondent: "in the current context it is difficult to find permanent work for 1,2,3 or more years. On the other hand, it is not difficult to find work for 1-3 months. Migrants will not be just sitting here [in Greece] without work, eating their savings with the vague prospect of a job that may come up, say, after 4 months" (int.52) (Maroukis, T & Gemi, E. (2011),

The first measure taken as part of the MoU process was pension reform. It is thus informative to examine pensions in some greater detail.

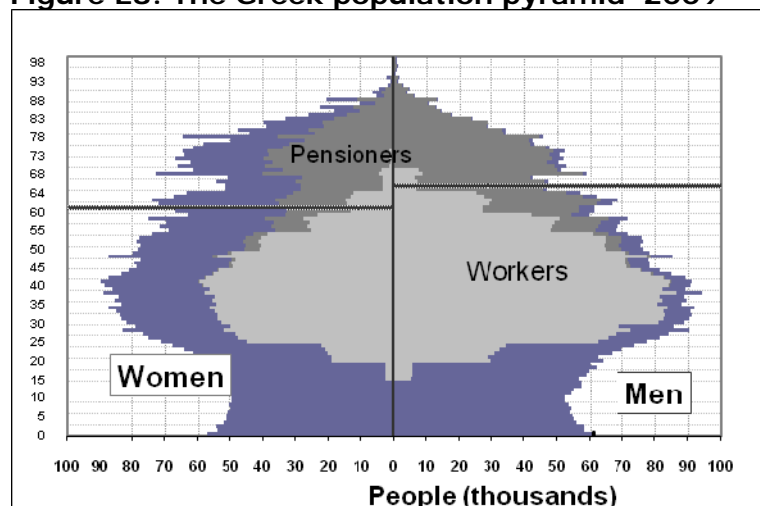
#### 8.6.5. Greek Pensions and the Pension Reform Of 2010

In the first joint report on pension strategy, submitted in the context of the Open Method of Coordination in 2002, the Greek pension system was characterised as:

1. **Costly.** Currently pensions absorb more than 12% of GDP (OECD 2007).
2. **It faces dramatic demographic challenges.** The dependency ratio is expected to deteriorate at the second fastest rate amongst the EU-15, while Greece faces the highest expected pension expenditure in 2060. (CEC 2009).
3. **It is economically inefficient.** A multitude of regimes leads to a patchwork of cross-subsidisation, and high non-wage costs. The private sector and exports shoulder the brunt of the cost while the public sector retains its privileges (Börsch-Supan and Tinios 2001).
4. **It is socially ineffective.** Official reports admit that 'poverty is grey in colour'. Once the population crosses from the vicissitudes of the globalised labour markets to the bosom of the Welfare State, their risk of poverty increases by 50% (Tinios 2010a).
5. **It is resistant to change.** At least since 1990 the pension system had been under the threat of a major reform which was always postponed, in a perennial 'Reform by Instalments' (Tinios, 2005).

Indeed, the Greek demographic structure rivalled that of Italy, while the low participation rate of women added a further twist. The Greek baby boom having come later by 5-7 years from that of Europe means the rapid ageing is expected halfway through this decade.



**Figure E8: The Greek population pyramid 2009**

Source: Tinios 2010a, p. 272

In terms of **gender balance**, many parts of the (extremely fragmented) system embodied an implicit 'traditional' view of women's employment as something to be accorded 'privileged' pension status. Thus minimum pension ages especially in the civil service and the more generous pension funds of banks and public enterprises were considerably lower, in cohorts employed before 1992 retaining the '15 year rule' which entitled women with children to retire at young ages if they had 15 years' service. The private sector was less 'generous', providing for general retirement ages to be 5 years less than men. Importantly, women with underage children in the private sector were entitled to an early pension at age 50. In contrast, women in the rural sector were accorded no special privileges (65).

The result of this so-called 'privileged' treatment was to encourage early exit from the labour market, with the concomitant result of lower pensions, greater poverty risk and the reinforcement of the glass ceiling in the case of women's position in employment (Lyberaki 2010).

Under such a situation, pension reform would promote all three targets: economic efficiency, social equity *and* gender balance. Nevertheless, reform was postponed repeatedly, coming finally as the foremost conditionality of the Memorandum of Understanding signed by the Greek Government with the "Troika" of the IMF, ECD and European Commission (IMF 2010a). Indeed two linked laws (one for the civil service L3865/10 and one for other pension providers – L3863/10) were voted in July 2010, coming to supplement across-the-board austerity measures for pensions passed earlier.

The IMF hailed the reform as a "*Landmark pension reform, which is far reaching by international standards*". Similarly, the preamble to L3863/10 stated boldly that "our objective is to change the system radically" (IMF 2010b). However, the tensions and compromises in its preparation are evident in the length and complexity of the law (99 articles in 55 pages, some vague, some mutually contradictory, some comically in conflict with reality<sup>26</sup>). There is general agreement that the law is far more drastic than its predecessors and is step forward in terms of long-term sustainability. However, opinions differ on whether this law (a) describes *fully* the new pension situation for the long term and no major additions will be needed or (b) it is a decisive first step in a more thorough-going reform that is still to come. Given that very little quantification was made public<sup>27</sup> during and even after the passage of the law, it is hard to produce a definitive view even

<sup>26</sup> E.g. that a year may contain 400 days or more– in the context of 'gradual' increase of retirement ages. Or a provision women who bear children at the age of 48 are entitled to earlier retirement...

<sup>27</sup> The projections released by the EPC Ageing Working Groups (AWG 2009) based on 2007 data were the only projections used.

after 12 months of implementation. Box 1 reproduces the description of the pension reform provided by the IMF itself.

The *first* view –that no more change is necessary– is often voiced by the Ministry of Employment. Evidence for this view can be sought in the following:

- The law increases in a step fashion retirement ages drastically, by rapidly equalising all retirement ages to the 'general retirement age' for men (65). This primarily affects women (up to +5 years), mothers and civil servants and other privileged groups. Even accepting that the majority of 50+ year-olds are exempt, and depending on reactions, this could have a major financial effect in the medium to long term.
- A new two-tier system is introduced after 2015, composed of a fixed '*basic*' pension of €360 per month and a further '*proportional pension*' with a replacement rate varying with length of tenure but equal for all occupations. Pensions will replace career average earnings rather than a 5-year average.

The *second* view interprets the 2010 package as a first step in a longer reform process. The law is interpreted as implementing measures that should have been part of *any* reform – essentially reducing inequalities and curtailing privileges without radically affecting what can be considered the 'norm'. Fine-tuning the latter would follow actuarial and other review (scheduled to take place in 2011), would wait upon better data and would presuppose some evaluation of alternatives. Support for this view (or at least that it remains a valid option) may be sought in the following:

- The post-law situation is essentially a **parametric adjustment** of the existing system. Indeed, if seen in the context of generational equity, it may be seen largely to exempt the baby boom generation, whilst offering few enticements to younger contributors. In other words, the legal changes concentrate on improving the viability of the existing monolithic state-guaranteed 1<sup>st</sup> pillar system based on PAYG. The law is silent on developing a supplementary occupational 2<sup>nd</sup> pillar<sup>28</sup>.
- Important decisions are left untouched: Reform of supplementary pensions, pension fund governance, structure of contributions. The system without further reform would still be monolithic and extremely rigid.
- Finally, even if the system meets the "Troika's" *viability* requirements, the question raised in this paper of how appropriate the system is to the needs of the 21<sup>st</sup> century remains.

Which of the two interpretations will finally prevail is at this time poised on a knife-edge. Critical for the evaluation of the role of pensions in the unfolding crisis are the extensive transitional 'grandfathering' provisions of the law. All individuals vesting rights to a pension by 2010 are essentially exempt, while the possibility of 'franking' periods of full-time employment, military service and child rearing of up to 7 years in places could lead to *falls* in effective retirement ages<sup>29</sup>, of unknown magnitude.

Of especial importance for women close to retirement is the provision of the law changing the position regarding women of underage children. Previously these women were entitled to retire at 50 *should the child still be underage*. In the majority of cases children were past the relevant age, so the provision was only theoretical. Law 3863/10 changed the time for

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<sup>28</sup> In the course of 2011 separate actuarial studies of auxiliary funds may lead discussion in that direction

<sup>29</sup> The lack of quantification precludes judgment of the quantitative significance of these provisions, leaving only anecdotal evidence...

judging eligibility, which is now to be judged when the mother completes 20 years' work<sup>30</sup>. In addition (specifically and exclusively for this case) the law does not foresee any actuarial reduction for earlier retirement. Paradoxically, therefore, an unknown number of women in their 40s and early 50s in banks and large enterprises acquired a *new* right to early retirement they did not have before. This right is being exercised in the public sector and larger enterprises and is facilitating the exit from the labour force (with low pensions) of possibly thousands of women.

Regardless of the particular case of mothers, the grandfathering clauses plus the phased introduction of most changes, imply that Greece will face the longest part of the crisis with the pension system as it was *before* the reforms. That is to say, that the pension system (for those who have a vested pension right) can appear as a 'safe haven' away from the uncertainties of the labour market. This can be expected to lead to an exodus into pension status, which is largely confirmed by expenditure overruns for the pension funds during the first months of 2011.

The case of the pension system serves to illustrate a **key internal contradiction of the Greek stabilisation programme**. It attempts to correct *macroeconomic* imbalances, in the fastest way possible, in order to alter debt dynamics. However, it is constrained to leave – for the crucial time between 2010-2014- the *microeconomic* incentives and structures that created the macroeconomic conundrum intact. Thus conflicting messages are sent out, whilst microeconomic problems remain. The solution – if public finance targets are to be met – is more austerity.

The structure of the pension system – both in terms of gender differences in parameters, but also in terms of built-in incentives – operates to differentially facilitate the exit of *women* in the recession. The provisions of the pension system (as well as the legislation change referring to mothers) are consistent with and encourage the traditional patriarchal view that 'male breadwinners' are ultimately – and especially in the dire times of crisis – 'more important' workers than women, whose role is auxiliary or as 'support staff'...

<sup>30</sup> So a woman whose youngest was born at age 25, and has started work at 20 will be judged at age 40; previously, when the mother was aged 50, the child was overage.

### **The Pension Reform (IMF 2010b, p11, Box 2)**

The reform seeks to improve long-run sustainability of the retirement system, simplify the system, and increase labor force participation. The staff estimates that the proposed changes will substantially slow down the increase in pension spending through 2060, which could come down from 12.5 ppts of GDP to around 4–6 ppts of GDP (the main source of uncertainty relates to costs of supplementary pensions, which require further analysis). Key reform elements are:

- **Accrual rates/generosity:** The old system has different accrual rates across pension plans. The new law proposes one profile of accrual rates for all workers, bringing these down from 2–3 percent a year to a much lower range of 0.80–1.50 percent a year, depending on the years of service. This measure simplifies the pension system and reduces costs. It creates incentives to participate longer as the accrual rate is progressive with working life.
- **Retirement age/years of contributions:** The old system often allowed workers to claim full benefits before age 60. The proposed system sets the minimum age of retirement at 60 for all workers (men and women); requires 40 years of contributions to receive full benefits; and reduces benefits by 6 percent a year for those who claim before age 65 without 40 years of contributions. In addition, the two anchors (60 and 65 years of age) will be indexed to life expectancy going forward.
- **Arduous professions:** The reform requires a revision of the list of arduous occupations to reduce claims in these categories.
- **Calculation of pensionable earnings:** The current system uses the top 5 years of the last 10 years of earnings as the pensionable base. The new law will use the full earnings history to calculate pensionable earnings.
- **Indexation of pensions:** The current system tends to adjust pensions with wage growth. The proposed system caps indexation at inflation.
- **Simplification:** the new law merges some 13 funds into three, roughly corresponding to those for private sector workers, the self-employed, and other remaining categories of workers.
- **Safeguard clause:** if actuarial analysis suggests that the reform falls somewhat short of the final objective to reduce increases in future pension costs to 2.5 percentage points of GDP, then a Ministerial Decision can lower costs further by a combination of adjusting parameters of the system, the basic pension, and supplementary pensions to achieve the final objective.

#### **8.6.6. 'A Reform Avalanche' During the Crisis?**

Under the MoU, Greece is committed to a very wide-ranging programme of structural reforms – the first one of which involved pensions. This 'reform hyper-activity' follows a long period of reform postponement and prevarication. This, by necessity, reduces the time available for maturation, preparation, consultation and (finally) implementation of reforms. These "*Off-the-shelf-reforms*" (frequently presented as 'imposed from above') must draw from an *existing* reform toolbox and could thus contain either a conservative bias (carried over from periods when such reform was unthinkable) or maybe insufficiently geared to future rather than past problems; at worse 'off the shelf reforms' might even risk pushing matters in the wrong direction.

The real fear in a field such as gender equality, which is characterized by fixed mind-frames and deeply ingrained stereotypes, is that this type of 'instant off the shelf reform' may lead to backtracking in gender balance. In other words, the reassertion of stereotypes could be less than the adjustment to the 21<sup>st</sup> century that reform should deliver. We have already seen such a fear partly materializing in the field of pensions.

Structural reform in labour market and in social protection is clearly accorded emphasis in the MoU; those sectors obviously play a central role in the view taken of the crisis generation and articulation. Given the deficit in competitiveness and the impossibility of currency adjustment in the Eurozone, increase in flexibility must assume the key strategic role most conventionally played by devaluation. Flexibility reforms would aid wage cost containment through the reallocation of labour and could lead to a reduction in unit labour costs. They would thus play -in the absence of nominal wage cuts in the private sector - the part of a sort of 'internal devaluation'.

Changes in the labour market, however, came late and very hesitantly. Although the relaxation of rigid protection regimes for some groups of workers and the creation of a more even playing field for all has been repeatedly included in the recommendations of the EU and the OECD over the past 2 decades, the institutional framework and dynamics of the Greek labour market remained basically unchanged until well into the MoU era, with only minor acknowledgement of the need for greater flexibility. The MoU clearly sees labour market flexibility as one of the most pressing areas of reform. Some measures, appended in the pension bill of July 2010 were not implemented, necessitating a second round of labour market changes to come under negotiation. Those measures were announced in June 2011. The most significant of these addresses the high wage cost issues caused by the mandatory extension of collective agreements to non-organised firms. The changes discussed would allow firm-level agreements to set wages below the sectoral/industry floor set by collective bargaining, though wages must still be above the minimum wage of the National General Collective Agreement. In addition: 20% lower wages for hiring young people (below 25 years of age) for up to 2 years some greater (internal) flexibility in time-use, allowing for working-time adjustments without the extra costs involved in overtime rates.

Potentially more important are the measures regulating the *extent* of coverage, i.e. whether agreements arrived at by collective bargaining are binding to *all* the firms of the sector or only those represented to the bargaining process. This is important because so far the spread of negotiated wages was very wide (over twice as many firms as those represented were obliged to conform).

Most changes addressed to labour protection or to the variable geometry of rigidities, are essentially concentrated on the margin -i.e. to the flow of new hires - rather than the stock of employed workers.

In terms of opening closed professions, an initial ambitious statement in 2010 was followed by marginal changes for pharmacists and exemptions for notaries. However, a general provision liberalising all professions not specifically exempted is reportedly to come into force in July 2011; how that will be implemented in practice remains to be seen.

Thus, as the deep crisis unfolds, this hesitant reform process, implies that Greek society must deal with the extreme fiscal challenges of the crisis equipped with a welfare state yet to be reformed. This has two important **side-effects on the informal welfare state**:

1. Some of the public finance impact is counteracted by in-built micro incentives. In particular, those individuals who can rush to cash in long-term guarantees they had been issued (pensions), at the same time as short-term needs (unemployment) explode. Similarly, the resilience of spending structures poses demands on scarce

funds and could crowd out non-cash benefits (day care, family benefits, elderly care).

2. The pressure grows on the informal welfare system. Its liquidity is squeezed (utility bills, pay cuts, problems with SMEs, tax evasion drives, drying up of trade credit, arrears build up), at the same time as it is asked to undertake far more and more onerous responsibilities.

What would these old structures mean for likely gender developments in the labour market? Women in the public sector are certainly more protected. Elsewhere they will be more vulnerable. Partial 'flexibility at the margins' reforms are well known to act to favour the sacking of those 'last in'. In the context of the crisis, there will be few compensating hires, with the result of accumulating problems as the crisis wears on. Thus the position of women in the labour market, especially in the small size private sector, is – by design of the pre-existing structures– vulnerable. A return to the 'traditional view' of who is a breadwinner, or well meaning reactions to saving breadwinners could tip the balance and claw back the progress of past years.

**Health-care reform:** Health care has been singled out as an area where expenditure overruns and rapid cost inflation were particularly marked. This has led to priority being given to rationalisation and retrenchment in health care and in pharmaceutical expenditure. Among other initiatives has been the incorporation of direct services provision in the National Health Service, by the transfer of facilities previously run by the Social Insurance Funds. With the exception of action on pharmaceuticals, major structural change in health care is awaited after mid 2011.

**Local Government reform:** in 2009 there was a major rationalisation of municipalities reducing the total number from over 1000 to less than 400 as well as an extensive reallocation of responsibility as between municipalities, prefectures and the central government. As a result, responsibility for most of social services and social benefits in kind has been transferred to the newly set up larger municipalities. This may create short-term confusion, but should lead to the reaping of economies of scale. Nevertheless, the major reshuffling and transfer of responsibility and finance within the new municipalities creates uncertainties about the future conditions of finance for municipal social services. The reorganisation could lead to large scale reassignments of local authorities workers – and some dismissals of contract staff.

**Privatisations and civil service internal obligatory transfers + hiring of government.** Given the importance of the public sector for women's employment the wave of privatisations announced in 2011 as well as central government retrenchment should have an important negative influence in women's employment in years after 2011, whose effect in the data will not be visible until 2012. This will come primarily through the cessation of new hires and reassignments, given that central government workers are constitutionally tenured.

**The EU National Strategic Reference Framework.** After 2010, the Troika is the sole source of funds for residual government finance. In the context of austerity and drastic cut backs in public investment, the most important remaining source of investment funds in Greece is linked to the National Strategic Reference Framework. This paradoxically, in the context of a dearth of private sector investment, could mean that funds earmarked for gender equality and gender mainstreaming actions may even *increase*!

#### 8.6.7. Effects of austerity and the crisis on income distribution

Income distribution data is derived from sample surveys which are delivered with a considerable lag. At the time of writing the latest available data were those collected in



2008 which referred to 2007 incomes – ie well before the crisis. Nevertheless, it is worth speculating whether austerity and the crisis on welfare and income distribution.

To this extent Matsaganis and Leventi (2011) have used micro data to simulate<sup>31</sup> the distributional effects of austerity measures passed until end-2010 on the distribution of incomes. Their key results are the following:

- Austerity on its own is almost distributionally neutral, the regressive effect of benefit cuts and indirect tax increases being outweighed by progressive taxes on higher pensions.
- A much larger effect comes once an effect of rising unemployment is built into their model.
- As regards relative poverty the fall in incomes of the poor matches the fall in the poverty line (as median incomes decrease). However, if a fixed poverty line is used, then the population under the (2009) poverty line increases from 20,1% to 25,2%, an increase by a quarter.

#### 8.6.8. The Welfare state – formal and informal

The crisis operates by placing severe public finance constraints on the (essentially unreformed) formal social protection system. In this environment the crowding out of types of expenditure is likely to speed up. The lack of reforms imply that social protection structures would operate to *protect* (a) producers – especially if they themselves are in the public sector and (b) *cash* benefits at the expense of services in-kind. Likely victims are family benefits, child care services and long term care services, especially in cases where these are provided by local authorities<sup>32</sup>. These effects will hurt the main kind of 'invisible actor' – women in the family – by necessarily imposing a far greater time and financial burden on them to make up for cuts elsewhere.

A crucial link in the ability of women to work is the market for care (or for personal care services). This market is dealt a blow by the reduction in supply of immigrant women who were the key suppliers (Lyberaki 2011); measures to combat contribution evasion and 'registration drives' for illegal working can only add to this effect making supply of care more difficult to find and less affordable. The second type of invisible actor – migrants-in-the-family – are also affected, making the exit of women to the labour force harder.

However, the most significant – if less appreciated – effect could work through the secondary effects on the informal welfare state (Lyberaki and Tinios 2011). As the crisis persists, the possibilities of families responding to its challenges successfully will become increasingly hard. The time when the informal system can no longer cope cannot be predicted with accuracy, but may happen suddenly and catch policy makers unawares<sup>33</sup>.

The informal welfare state is thus placed in a conundrum – both on the supply side and on the demand side. Should policy remain unchanged – or should it persist with measures designed for other periods – **this conundrum may well be resolved by reverting to calling on a more traditional division of labour - at the expense of women.**

<sup>31</sup> Using the EUROMOD model and uprating incomes from the 2008 SILC.

<sup>32</sup> This type of expenditure is essentially 'invisible' in the sense of being severely underreported even in the ESSPROS data. Post 2004 ESSPROS data show a reduction of expenditures in the family functions and in benefits in kind – most probably due to underreporting (Tinios 2010b, p241).

<sup>33</sup> The equivalent process of calling on ever wider circles of solidarity has been studied in the US for the period of the Great Depression of the 1930s – Rauchway 2008.

#### 8.6.9. Conclusion: Main challenges ahead for women

The main challenges for women in Greece are in the future, given that both the debt crisis and the reform avalanche are ongoing. One can mention a number of factors of major importance:

1. Fiscal consolidation and its effects on women.
2. Negative growth and increasing unemployment.
3. Effect of public sector demine –so far has protected women from unemployment but will be the sector most affected in the medium term. Especially likely to affect young women entering
4. Squeezing of Family finances: tax increases, indirect tax increases, tax enforcement, wage cuts, pension cuts, rising utilities rate, stricter eligibility criteria for certain social benefits, out of pocket health expenses, interest rate rises (mortgages and credit cards) all squeeze family finances, while public finance is reducing the reach of the formal welfare state.

However, because formal welfare state provisions regarding family benefits and care were quantitatively insignificant in playing a major role, their retrenchment is unlikely to count as a major factor.

Will this have an effect on poverty? The direct effect of the removal/cut back of social benefits/social transfers (there is income guarantee only for pensioners) will not be quantitatively large. The crisis is most likely to have its impact via unemployment. So far, unemployment being concentrated at the entrance of the labour market was essentially 'under family control'. The spread of unemployment carries with it the danger of more poverty due to a deficit of work. However, to date, (though unemployment has risen) the latest available statistics on jobless households show no rise in jobless households. An increase in the number of entire households without work is the chief threat as far as social cohesion is concerned.

What is going to happen to migrants? Immigrant women supplying care and other services to households have been instrumental in the increasing participation of Greek women in employment during the 1990s and the beginning of the 2000s. Unplanned supply met with 'silent' demand in a context of expanding family incomes. The current situation is very different. Hourly rates for cleaning jobs have fallen, less so in the case of care provision (inelastic demand?). Some of the earlier cohorts of migrants (from Albania and neighbouring countries) are moving out of the country and are being replaced by a stock of illegal entrants. The geographical and cultural provenance are such that their involvement with the Greek economy is less active than the previous cohorts. They are male to a greater extent and their final hoped-for destination is not Greece. A consequence of the above is that in commentary on social problems the concentration of immigrants in inner cities is ever-present.



## 8.6.10. Synopsis of labour market indicators (GR appendix)

Table E4a-c: Trends in Unemployment, Employment and Activity rate, GR

GR Unemploy- ment rate	Males			Females			Gender gap (W-M)	
	2008Q1	2011Q1	abs. change	2008Q1	2011Q1	abs. change	2008Q1	2011Q1
15-24	18,1	33,9	15,8	30,5	46,6	16,1	12,4	12,7
25-49	5,4	13,5	8,1	12,2	19,9	7,7	6,8	6,4
50-64	2,7	8,0	5,3	6,1	9,9	3,8	3,4	1,9
National	5,7	13,0	7,3	12,4	19,5	7,1	6,7	6,5
Foreign-born	4,5	18,9	14,4	12,9	21,2	8,3	8,4	2,3
<b>Total 15-64</b>	5,6	13,5	7,9	12,4	19,7	7,3	6,8	6,2

GR Employ- ment rate	Males			Females			Gender gap (W-M)	
	2008Q1	2011Q1	abs. change	2008Q1	2011Q1	abs. change	2008Q1	2011Q1
15-24	27,5	21,1	-6,4	17,9	14,2	-3,7	-9,6	-6,9
25-49	90,6	81,7	-8,9	63,2	60,5	-2,7	-27,4	-21,2
50-64	68,6	64,0	-4,6	34,4	35,0	0,6	-34,2	-29,0
National	73,8	67,0	-6,8	47,9	46,1	-1,8	-25,9	-20,9
Foreign-born	85,8	72,5	-13,3	47,8	47,6	-0,2	-38,0	-24,9
<b>Total 15-64</b>	74,6	67,5	-7,1	47,9	46,2	-1,7	-26,7	-21,3

GR Activity rate	Males			Females			Gender gap (W-M)	
	2008Q1	2011Q1	abs. change	2008Q1	2011Q1	abs. change	2008Q1	2011Q1
15-24	33,6	31,9	-1,7	25,8	26,6	0,8	-7,8	-5,3
25-49	95,8	94,5	-1,3	71,9	75,5	3,6	-23,9	-19,0
50-64	70,5	69,6	-0,9	36,7	38,8	2,1	-33,8	-30,8
National	78,3	77,0	-1,3	54,7	57,2	2,5	-23,6	-19,8
Foreign-born	89,8	89,4	-0,4	54,8	60,5	5,7	-35,0	-28,9
<b>Total 15-64</b>	79,1	78,1	-1,0	54,7	57,5	2,8	-24,4	-20,6

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