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The effects of austerity policies on gender inequality in the PIIGS

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Introduction

Our aim is to understand the gender impact of the EUd austerity policies in Portugal, Ireland, Italy, Greece and Spain, or the PIIGS countries.

These austerity policies were a response to the global crisis that began in 2007 with the collapse of the mortgage system in the United States and spread to other countries (Chesnais, 2008). In 2015, its effects are still alive.

The PIIGS governments adopted severe measures in order to solve economic problems, in particularly making cuts in public spending (called austerity measures). The purpose of these measures was to reduce the deficit and at the same time achieve a balanced budget. However, according to several authors, there was no general plan and these measures were not suitable for solving structural problems (Álvarez, Luengo y Uxó, 2013).

Nevertheless our interest is focused on indicators related to gender equality after the austerity measures' implementation.

We use the feminist economics methodological approach, which aims to find the different effects on women and men of economic decisions (Galvez & Rodriguez, 2012). For example, the feminist perspective analyses what kind of investments become facilitators of equity.

In order to understand the link between the crisis and gender politics, we have chosen the countries within the PIIGS group. The reason is obvious: they are (and continue to be) the countries that have suffered most dramatically

from the economic crisis within the EU, and have been forced to implement severe measures to cut public spending and tackle tougher internal devaluation, even reaching their health care systems. In fact, some authors believe that this crisis could be identified as a shock to the health care system.

Perhaps the worst situation is Greece which, since the beginning of 2007, has suffered more severely than all other EU countries. To highlight some figures, we could mention that adult unemployment rose from 6.6% in 2008 to 16.6% in 2011, and debt grew from 104% in 2007 to 143% of GDP in 2010.

The crisis undoubtedly has many consequences, including implications for health. For example, in Spain and in Greece cases of mental disorder and suicide have increased (Bernal, Gasparrini, Artundo and McKee, 2013; Karanikolos et al., 2013). Not only has the health care system been affected, but many other people have health issues as a result of the reduction in the levels of quality of life.

The situation in relation to the crisis was that Greece met with an inability to pay its debt and had to be rescued. This cost, and is costing, dearly because the measures are harsh. Greece experienced austerity measures and tested their effectiveness for subsequent export to other countries with the same problems; Rubini said it was similar to when a canary was sent down a coalmine before the miners to see if the air was contaminated or breathable (Rubini, 2010).

Meanwhile, Italy had emerged from the economic crisis that it too had suffered, but the ineffectiveness of government reforms led to the fall of the prime minister, Silvio Berlusconi, and the parliamentary appointment of a technocrat sponsored by the EU.

Meanwhile, the crisis in Spain has been characterized by the collapse of the real estate and financial sectors and an increase in unemployment to record levels. Spain, together with Greece, has the highest unemployment rates of all EU countries (Eurostat, 2014). In the years prior to the economic crisis, about 50% of borrowing and lending companies were dedicated to real estate and construction, with a significant increase in housing construction without buyers; the bursting of the housing bubble and the financial crisis took place simultaneously, and each reinforced the other (Colom, 2012).

Ireland was also affected by the global financial crisis and its government faced strong internal problems; it was perhaps the first country that came through such difficulties. The Irish housing market boom began in the mid-nineties of the last century and, as in other countries, it ended around 2007. It is important to note that in the years of the housing bubble, about 20% of the

jobs created corresponded to the construction sector, while housing prices increased and net migration rate was close to 10% (Aramburu, 2007).

In this context, we analyse the impact of the economic crisis, and particularly the austerity measures implemented to fight against it, in terms of gender equity.

In order to analyse this phenomenon, we will present some statistics showing how certain indicators have involved gender inequality.

One of the most used statistical tools is the Gender Inequality Index (GII). This is an index made up of several indicators that give rise to a number that is between 0 and 1 showing gender inequality in different countries (with 0 being the least inequality, 1 maximum inequality).

After using the GII index to help summarize gender inequality between countries, we will discuss a number of indicators related to health, time use and the labour market; finally, we will describe the evolution over the years of crisis and austerity policies in the five countries in question.

Theoretical approach to gender impact of economic crises

According to authors who have analyzed these issues, whenever there is an economic crisis, it affects men and women differently. Whenever there is a problem of this kind in terms of the economy, employment rates, activity and other indicators show that women suffer in a different way to men (Galvez & Rodriguez, 2012; King & Sweetman, 2010).

This means that crises have a gender component which we have to examine in order to understand the phenomenon in its entirety. Though we take it for granted, gender has relatively recently begun to be considered as a fundamental analysis variable. This view has gained strength since the 1960s (Carrasco, 2005; Galvez & Rodriguez, 2012). The problem of the responses adopted to the crisis and the bailout of the banks is that hardly any carry rigid equality measures (Galvez & Torres, 2009).

One of the most important consequences affecting women is the intensification of women's work, both in the public and private sectors (Larrañaga, 2009).

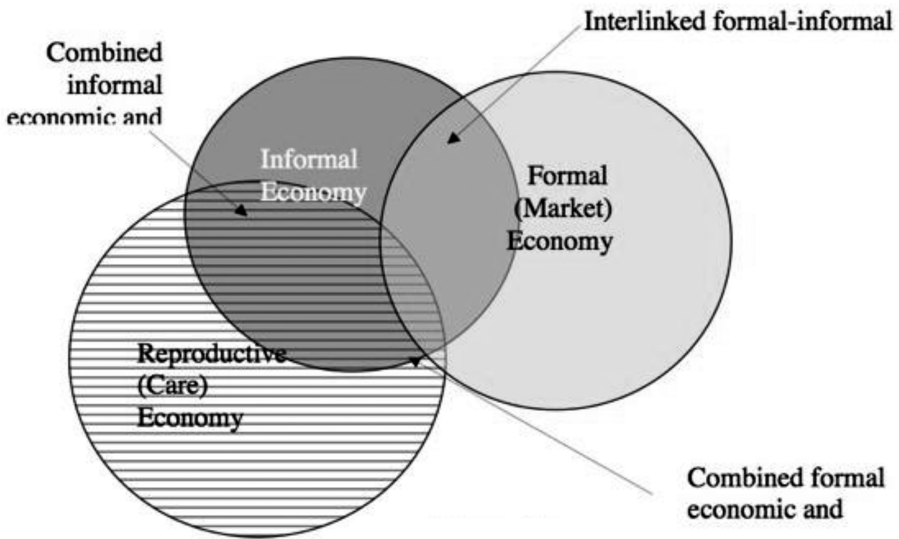
Some authors would assert, from a Marxist perspective, that the women have become the "reserve army of labor work" (Galvez & Rodriguez, 2012) about which Marx spoke in relation to the proletariat.

In this sense, when companies want to cut costs they hire women because they are lower paid and they have fewer job demands than men (Galvez &

Rodriguez, 2012). Thus, it is seen that women come into the labour market during the crisis at the same time that traditional gender roles are intensified. This is possible with an intensification of the working hours in these two areas, with the consequent double work day (Cagatay, 1998). One could argue, therefore, that the crisis has affected women doubly and more intensely (Galvez & Rodriguez, 2012).

Another of the consequences of the crisis for women is that in times of economic recession, the informal economy grows. This affects women more than men because they work more in the informal economy. The figure below illustrates this (Beneira and Floro, 2004: 28).

Figure 1. Dynamics of economics in economic crises



Finally, unemployment in some economic crises grows differently among women than it does for men. This is due to the segmentation of the labour market, which means that in certain cases female unemployment is lower than male (Galvez and Rodriguez, 2012).

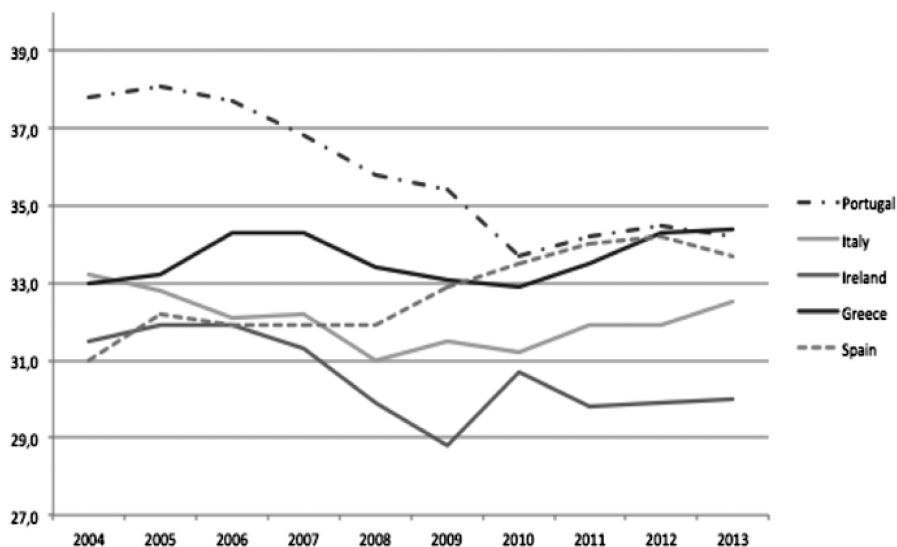
With all of these data on economic crises, therefore, we expect to find that analysis of statistics in this economic crisis will show an increase in the female participation rate; a decrease in female unemployment, although in lower quality jobs; and an increase in the informal economy.

Gender indicators during the economic crisis

Health

The following graph shows GII data on wage inequality, rate of activity, healthy life expectancy, etc. It shows not only how gender inequality has evolved, but also how this could affect certain aspects of the lives of people during the crisis.

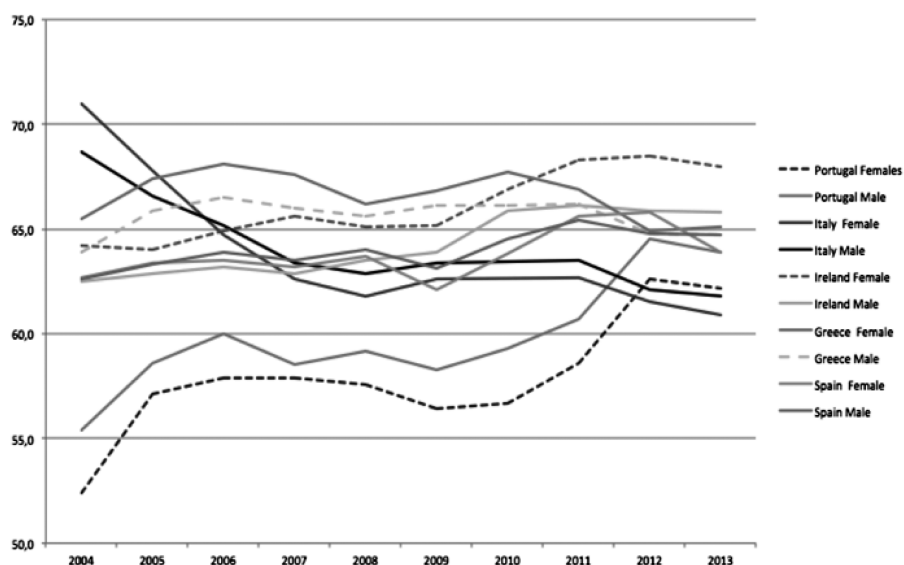
Figure 2. Evolution of the gender inequality index from 2004-2013



The chart shows the evolution of the GII from 2004 to 2013 in five countries. Spain is placed in the best position (zero being the least inequality and 100 the maximum), while the other countries have reduced inequality between men and women.

However, remember that this composite index consists of a number of variables such as the difference between rates of activity, level of education, pay gap, etc. It is necessary to look more closely at the indicators for these data to see if they have behaved in the way that we are describing.

The first conclusion is that in Greece and Italy inequality has increased in the austerity period. In the crisis period all the countries scored badly, and Spain was the only one where the index decreased.

Figure 3. Evolution of healthy life from 2004 to 2013, segregated by gender

Paradoxically, in most countries – with the exception of Portugal – healthy life decreases slightly in the years of greatest economic boom, while in the years at the start of the crisis it increases.

In 2011, quality of life was reduced in the PIIGS countries. This was the time when the above measures or austerity policies were implemented, rather than the economic crisis proper.

However, this affected men and women in different ways. While in Ireland during the years of economic crisis the healthy life of women continued to increase and that of men remained constant, in the years of austerity (or in the case of Ireland, at the end of the crisis) the tendency in women was reversed, while for men it remained stable.

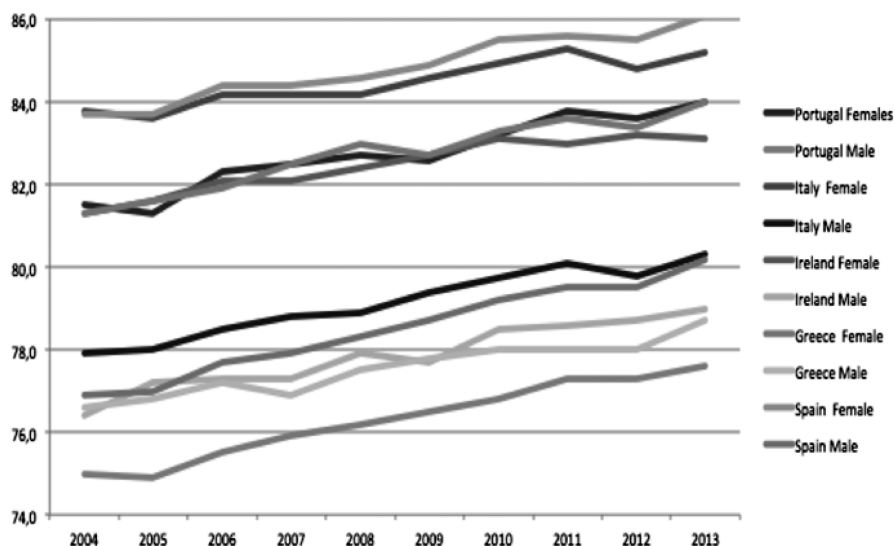
Greece showed similar levels of health in men and women. This would confirm the assertion of Galvez and Torres (2009), who claim that measures to overcome the crisis have only reinforced the vulnerability of certain social groups.

Spanish, Portuguese and Italian women have all shown similar trends. Women generally have a less healthy life than men. However, in Italy at the beginning of the crisis period, women had healthier lives than men. In this sense, the austerity policies have not only worsened living conditions and health for women, but for men, too.

Overall, however, the years of austerity policies have been worse for

encouraging a healthy lifestyle than the years of economic crisis and, at least in the short term, they have not led to an improvement in the lives of people. Again, the thesis of Gálvez and Torres (2009) is confirmed, that the austerity policies are responsible for saving states, but not people.

Figure 4. Evolution of life expectancy for PIIGS, differentiated by sex, from 2003-2012



With life expectancy linked to health, the numbers are not drastically reduced during the crisis; however, compared with the previous indicators of 2011-2012, the figure is worse, because it has reduced life expectancy at birth.

However, in the case of women, life expectancy is reduced further than for men, in whom longevity is not reduced but remains stable.

Much has been said about the cuts that have occurred in health care systems. In Spain, for example, some drugs and some care benefits were taken out of the public health care system, such as dependency aid.

Women in the labour market crisis and austerity measures

We said at the beginning that during economic downturns women intensify their working day because they leave the labour market but, paradoxically, their work in the home increases because revenues are reduced and they do not have paid domestic help.

In the next table we can see the time women spend at home in time-use surveys. Only data for Spain are currently available.

Another problem is that these surveys are not performed every year, and there are only two: 2002-2003 and 2008-2009. So they can only really show what happened with the economic crisis and recession, and not what might happen as a result of the austerity measures, because the data are not available.

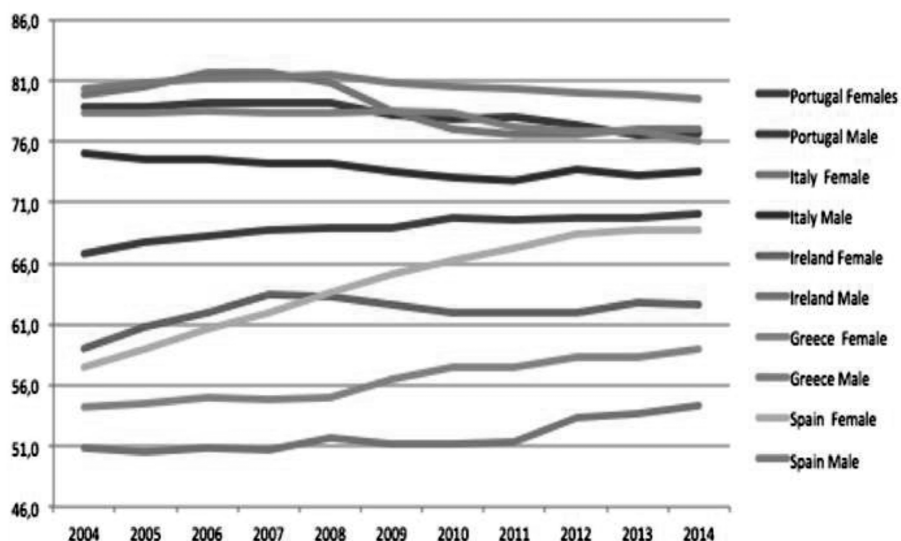
Table 1. Main daytime activity in Spain (Source: INE)

	Total		Men		Women	
	% People	Hours by day	% People	Hours by day	% People	Hours by day
0 Personal care	100	11:30	100	11:33	100	11:26
1 Work	33	7:24	39	7:55	28	6:43
2 Study	12	5:09	13	5:13	13	5:05
3 Family and home	83	3:38	75	2:32	92	4:29
4 Voluntary work	12	1:58	9	2:10	14	1:51
5 Social life	57	1:49	56	1:54	59	1:43
6 Sports	40	1:52	43	2:03	37	1:40
7 Hobbies	30	1:54	36	2:03	24	1:38
8 Media	88	2:57	88	3:06	89	2:49
9 Non specificity	84	1:23	87	1:25	82	1:21

The result of the distribution of housework shows that women dedicate two more hours each day to this activity than men. However, this does not mean that women work, on average, less time away from home than men: the difference in working hours is just half an hour.

In any case, it should be noted that the survey was conducted in 2003, and more recent data show that the sexual division of labour is even more evident, and women spend many more hours on housework than men.

It is also striking in the 2009 survey that men and young women devote the same hours to research activities. We might think, therefore, that among the younger adults the trend of unequal division of labour is likely to change, since the two genders give the same value to hours of academic work.

Figure 5. Evolution of the activity rate by sex, from 2004-2013 (Eurostat)

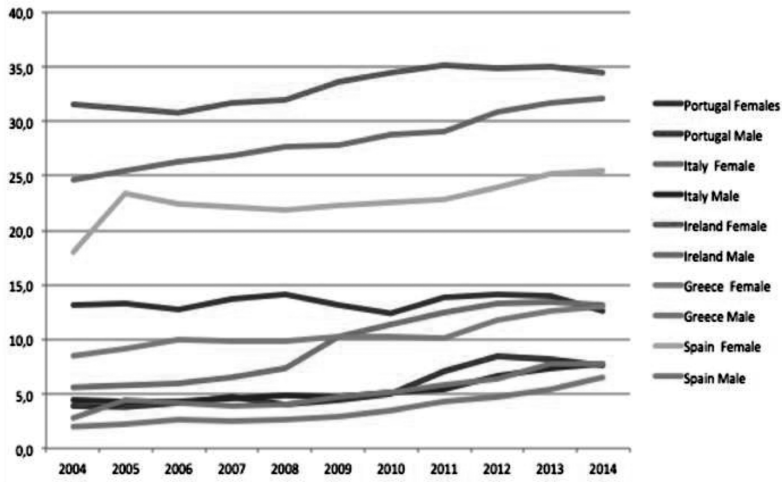
In the chart above, it is possible to check the hypothesis that was proposed at the beginning: while the labour force participation of women is increased, that of men decreases with the crisis. One thing we can say is that women are a reserve army during times of recession. They are an instrument to turn to when the work of men is in crisis. As long as the economy is functioning correctly, the women remain in relative inactivity; however, during recession, women return to the labour market.

In fact, the model shows that men continue as the breadwinners: women's work is subsidiary and is reduced to times when there is economic recession, and even then in most cases is subsidiary work.

In the PIIGS, the trend of the activity rate of men is clearly opposite to that of women. In the five contexts, the male activity rate shows a relative decrease in the final moments of the recession period, coinciding with the austerity measures.

Ireland is the only country which has seen the female participation rate fall, but with years of intensification of austerity measures, it has increased again.

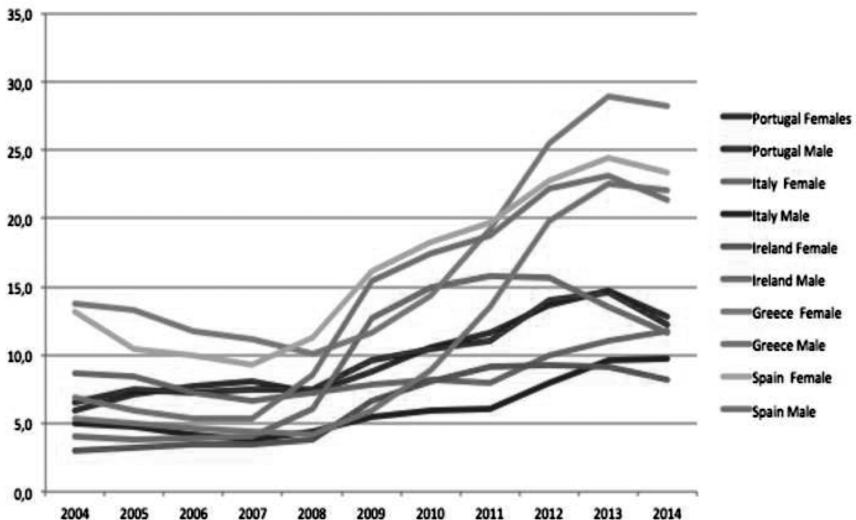
The only activity curves and trends that seem unaffected by the crisis are those of Spain. In Spain, the female employment rate has, since the beginning of the crisis period, seen a growing trend. It was formerly one of the lowest activity rates in Europe (along with the other PIIGS countries). The trend is that more women are incorporated in greater numbers into the labour market, but they still tend to be part-time employees.

Figure 6. Evolution of part-time employment rate by sex, 2004-2014

In all five countries there is a tendency towards bias in the labour market, a phenomenon exacerbated by the economic crisis.

However, we see that Irish men have further increased their percentage of part-time work, and they have the highest rate of PIIGS bias.

Thus, we see that in place of women finding full time jobs, men are actually watching their gender partiality rate increase. This occurs especially in the years of the implementation of austerity measures.

Figure 7. Evolution of the unemployment rate by gender, 2004-2013

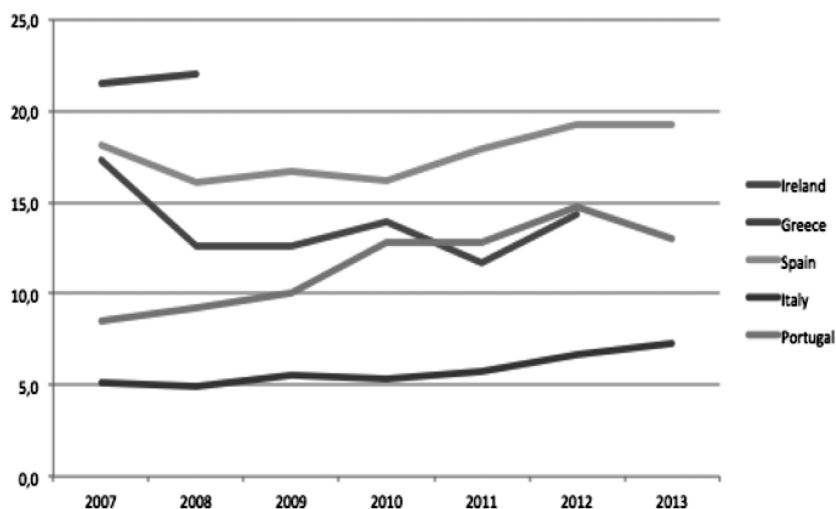
The table shows that in all countries and for both sexes, the unemployment rate has increased since 2008, except for Ireland, where unemployment is reduced for men, and is stable for women.

The country that has biggest increase in unemployment for both sexes is Greece, which also has the highest unemployment rate of both groups.

One effect of the economic crisis has been the reduction in difference in unemployment rates between men and women. While before the crisis there were differences, the latest data show unemployment equality, with the exceptions mentioned.

What is striking about the data is that the austerity measures that sought to combat the economic crisis and unemployment rates, at least in the short term, failed to reduce it.

Figure 8. Evolution of the wage gap



Generally speaking, the economic crisis and the subsequent measures to resolve it produced an increase in the wage gap.

This trend manifests itself mainly in countries like Italy and Spain, and to a lesser extent Ireland and Portugal, where the trend has been less linear.

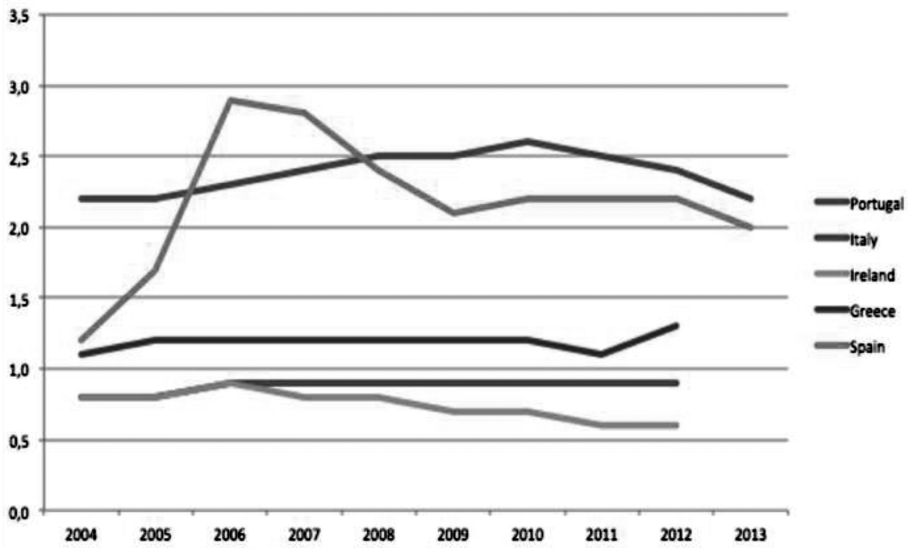
However, we can say that the crisis has brought about a deterioration in wage conditions for employees. Thus, if in general terms the crisis led to a reduction in unit labour cost (Alvarez et al., 2013), we could say that it remains low among women as a result of the wage gap which, far from being reduced in recent years, has increased.

Some social indicators

With the following data, we show some statistics that claim to illustrate certain social issues that contribute to the empowerment of women.

It is useful to start with divorce data, because economic tensions are an important contributory factor to the breakdown of couples. However, the data presented may suggest that the crisis and its associated problems cause women to be less likely to separate from their husbands, or to postpone the decision.

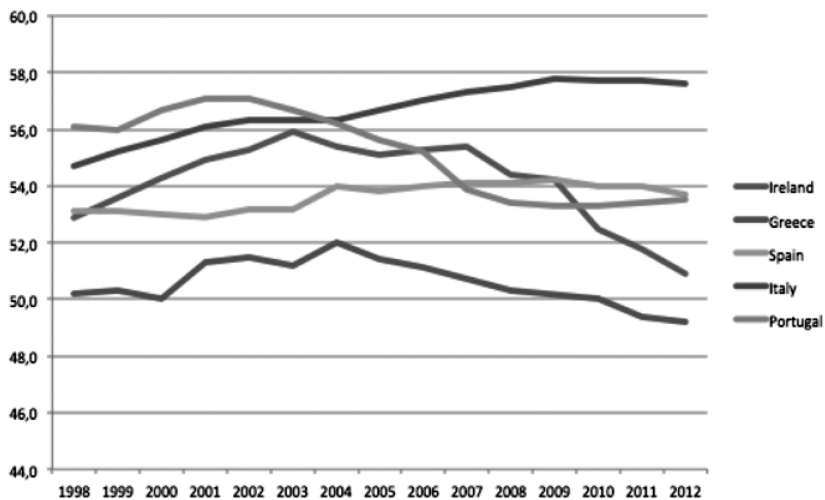
Figure 9. Evolution of the divorce rate, for 2002-2011



Once again, we find that the data cannot show the implications of austerity policies, for the latest year available for the divorce rate is 2011. However, we can infer two trends from the chart above: on the one hand, rates of divorce in Italy, Ireland and Greece remained relatively stable throughout the crisis period, whereas Spain saw the rate reduce in 2007 following a dramatic upturn.

Another factor that can show the level of empowerment of women is the percentage of women in higher education.

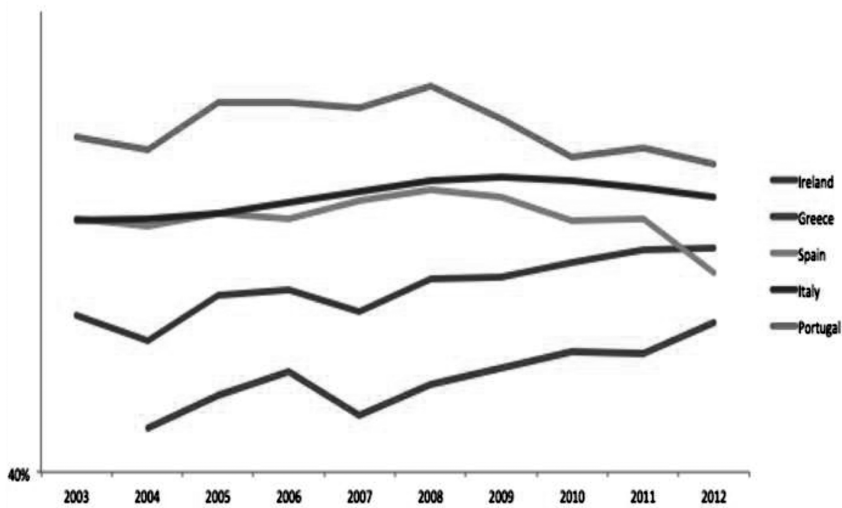
Figure 10. Evolution of the proportion of women among students at level 5, 2001-2012



Clearly Ireland is the country which has seen the greatest decrease in the proportion of women in higher education.

We see that the crisis has led to a decrease in the number of people taking up higher education, and it seems that though austerity measures are solving economic problems, they are not increasing the number of people in higher education.

Figure 11. Evolution of the proportion of women in tertiary education, 2003-2013



With the exception of Italy, in all countries the percentage of women in tertiary education was reduced during the period of the crisis, this could establish a link between the increase in male unemployment and participation rates in tertiary education.

However, we have seen that women earn less, despite having more training and working more part time. This means that, aside from the crisis, they invest in training; however, despite this, many women continue to hold more traditional roles. The lack of independence in women with these levels of salary and part-time work should be explored further.

Conclusions

It is evident that equality is not a “robot” that is automatically activated without requiring attention or review. We must be attentive to gender inequalities because they are deeply rooted in society, and if the context is “confused”, then the situation returns to a state of inequality for women. Unequal societies ultimately offer fewer opportunities to both sexes.

In the midst of this situation of inequality, we must also point out that in the context of a crisis, the most vulnerable are dealt the most difficult hand. Countries with “reasonable” positions in terms of gender inequality have seen their dream of attaining equality vanish. Far from women reaching male levels and conditions of employment, all these conditions and levels have been reduced, so there has been a levelling in the negative.

Therefore, we can conclude that the austerity measures have had an impact on the lives of people, because the healthy life expectancy has fallen in all the countries analysed.

We cannot see a tendency in the data because the cuts have occurred in the last two years, and the statistics only show data collected from the first period. However, they do show a tendency, which is that if the measures continue to be implemented in the same direction, the downward trend that has already begun will also continue in the same direction. We see that improvements in the quality of life are reversing, and it is necessary to wait and see what exactly happens in the long term.

In general, the austerity policies are reinforcing some of the gender stereotypes, and some trends are shattering the equality that was on the agendas of governments. These issues were put to one side because of the crisis. However, we cannot establish general consequences applicable to all countries.

In this sense we must take into account a couple of thoughts: first, we talk about PIIGS as a whole when in fact they have been dynamic, with differences not only in relation to the austerity measures, but also in situations regarding gender; second, beyond gender, it could be argued that the same patterns of activity in the PIIGS economies do not cause the same results (while Ireland is emerging from the crisis, according to some authors, Greece is in a critical situation that continues to expand its debt and need for more funding).

Beyond the gender impact of austerity policies, we see that in fact these types of measure have not resolved the problem of unemployment, and the economy has not advanced. This has been verified in the case of Greece where, with very strong austerity measures, unemployment has grown rapidly.

Lastly, it is very important to consider that the data may take much longer to process. For example, we have seen that many of the statistics used are from 2011, and we need to wait for the further data; this means that we cannot analyse fully the effects of public policies on society. This, in our view, reinforces the sense that the policies administered have had a negative effect on society, because all the measures have been implemented without true knowledge of their potential effects on people.

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