

# Women's Poverty and Social Exclusion in the European Union at a Time of Recession. An Invisible Crisis?<sup>1</sup>

Oxfam International and European Women's Lobby<sup>2</sup>

## The research

In October 2009, Oxfam and the European Women's Lobby (EWL), commissioned research to explore and analyse the hidden impact of the current economic recession on women's poverty in EU countries. The research was conducted with EWL member organisations, and supplemented with other research and information available at the end of 2009. Oxfam and EWL conclude that the research gives a snapshot of the current position of women in poverty, reinforcing what is already known about the persistent social exclusion experienced by many women. It also provides some evidence that the impact of the recession is making the inequality faced by women even worse. It is difficult to separate out evidence of women's long-term poverty, from the effect of the current recession – and further research is needed in this area. But the evidence here clearly indicates that the recession is already having a significant negative effect on the lives of women, not only in relation to the labour market, but also, crucially, outside it. However, the impact of the recession – direct and indirect – on women remains largely invisible and further in-depth analysis is urgently required. This report documents evidence of: precarious working conditions;

increasing discrimination in the labour market with a subsequent shift to informal work; rising levels of poverty; reduced access to services; and rising levels of domestic violence, accompanied by cuts in vital support services.

## Women and poverty in Europe

### Existing poverty

All over the world, women remain poor in relation to men. This is true in every Member State in Europe, although differentials vary from country to country. Just under 17% of women in the EU's 27 countries are classed as living in poverty, and across a range of indicators in the labour market and in social protection, the structural causes of poverty have a disproportionate impact on women. The continued existence of women's poverty has long been a concern of the European Union, and a range of measures supporting gender equality and tackling poverty demonstrate the continuing significance of women's social inclusion as an issue. The persistence of poverty in such a rich region of the world is shocking, even before the impact of recession has been considered. This report provides evidence of the continuing and underlying poverty experienced by women in the EU, and adds some evidence of the additional impact of the recession.

Debate about tackling recession among policymakers currently focuses on attempts to regulate the financial sector and on whether governments should withdraw financial stimulus packages (and if so, when). But it is essential not to lose sight of the huge and continuing social impact of the recession, and of the different consequences for women and men – especially those facing poverty and social exclusion.

### Limitations of the data

Existing limitations and gaps in the data on women and poverty make it hard to assess the impact of the recession on women. For example:

- The data available lags behind the reality, reflecting delays in the collection and publication of information. This is especially important given the rapidly shifting nature of the issues involved.
- Women are more likely to change jobs frequently, and to be in temporary and/or informal work. Measures of unemployment

and redundancy therefore often fail to capture adequately their specific experiences.

- There has been far less gender-disaggregated study of increases in economic inactivity, or in informal or vulnerable work, or on the quality of life for women beyond the labour market (e.g., access to quality services and participation in community activities).
- Existing statistics often treat women and men as homogenous groups, and fail to address adequately the differences within each category (according to class, race, age, disability, faith and sexual orientation).

### Impact of poverty on women at a time of recession

At the beginning of 2010, most EU countries had officially moved out of recession. However, recovery from the effects of the banking crisis in autumn 2008 remains very fragile. The massive sums spent by EU governments to bail out the banks and provide support to failing industries, although necessary to stave off widespread economic collapse, have resulted in large public spending deficits. Action to reduce these deficits is likely to fall – or in some cases, is already falling – unfairly, on people in poverty, especially through cuts to health, education and social protection budgets. In Ireland, for instance, a series of budgets have cut child benefits by 10%, public-sector pay by up to 15%, and raised prescription charges by 50%. In Greece, a raft of measures has been announced which will cut the public sector and increase taxes significantly.

The research for this paper was carried out in 10 Member States, and it is important to emphasise that not all countries in Europe have the same starting point in their economic and social development, for example, on gender equality, or the nature and extent of social protection. Drawing on the evidence from EWL members, this research highlights the following themes:

- **Poverty and standard of living:** Greater difficulty in obtaining work (Austria); rising housing, energy, and living costs (Austria and Romania); higher levels of debt and difficulty with repayments, less and poorer quality food (Romania); increasing levels of debt among Roma women (Slovakia); and increasing fears about unemployment and incomes (UK).

1 The material on pages 29–31 is adapted by the publisher from Oxfam International/European Women's Lobby (2010) 'Women's poverty and social exclusion in the European Union at a time of recession'. In: Oxfam International/European Women's Lobby (2010) *An Invisible Crisis? A Gender Works Paper*. Brussels: Oxfam International/European Women's Lobby. Available at: <[www.oxfam.org.uk/resources/ukpoverty/resources](http://www.oxfam.org.uk/resources/ukpoverty/resources)>, with the permission of Oxfam GB, Oxfam House, John Smith Drive, Cowley Oxford OX4 2JY UK, [www.oxfam.org.uk](http://www.oxfam.org.uk). Oxfam GB does not necessarily endorse any text or activities that accompany the materials, nor has it approved the adapted text.

2 The European Women's Lobby (EWL) is the largest umbrella organisation of women's associations in the European Union. The Secretariat is based in Brussels, but EWL has member organisations in all 27 Member States of the EU and 21 European-wide organisations in full membership. EWL aims to promote women's rights, and equality between women and men in the EU. The Lobby is active in relation to a range of issues at EU level, including gender equality policies and gender mainstreaming, economic and social justice for women, women in decision making, violence against women, and gender and immigration/asylum.

- **Changing employment patterns:** Increased precariousness of work and reductions in social protection – particularly for poorer groups of the population. The pressure of reduced income in households means that recession drives people, particularly women who are less able to find other work, to accept jobs below their education and qualification levels.
- **Discrimination against women in the workplace:** Some employers use the crisis as an alibi to exploit women, who are more often willing to work in precarious conditions, for less salary, and without social security. Some employers may be tempted to restrict policies and initiatives that assist women or even to adopt illegal practices (e.g., dismissing pregnant workers) in order to save money.
- **Maternity protection:** Mothers are very vulnerable to changes in the labour market. Many of them depend on social benefits provided by the state during their maternity leave, or on child benefits, which may be subject to cuts in a time of recession. In the UK, there has been pressure from business not to implement previously agreed improvements to maternity leave on the basis that this cannot be afforded at the current time.
- **Unpaid work and care economy:** Reductions in public expenditure are likely to result in the transfer of services such as care back onto women, preventing them from fully participating in all aspects of life. Similarly, the impact of expenditure cuts to support services in socioeconomically disadvantaged communities will result in a greater reliance on women, both within families and in the community.
- **Migrant and ethnic minority women:** The recession is causing a heightened sense of job insecurity for millions of migrant and ethnic minority women, and making migrants more vulnerable to abuse. Migrant women are increasingly providing the infrastructure that enables higher numbers of native-born women to enter paid employment. However, the unregulated, insecure, and privatised nature of many migrant women's work – as cleaners, housekeepers, hotel and tourism staff – leaves migrant women open to abuse and exploitation.
- **Violence against women:** Economic recession puts pressure on families and creates conditions associated with increased domestic/intimate relationship violence. Evidence from the current study reveals increasing numbers of victims of domestic violence (Bulgaria, Estonia, Ireland, the

Netherlands, Romania, Scotland and Slovakia); increases in trafficking in various countries (Germany, Hungary and the UK); and a rise in prostitution and attacks on prostitutes (Germany and the UK).

- **Social benefits:** In response to the crisis, most EU Member States have affirmed their commitment to support the most vulnerable people through their benefit systems. There is evidence, for example, of a temporary relaxing of eligibility criteria for unemployment benefits in some countries (e.g., France, Italy). But in other states (e.g., the UK, Sweden, the Netherlands and Ireland) 'activation policies' and welfare reforms have tightened eligibility criteria in order to compel claimants to take up employment – even though jobs are very hard to come by.
- **Access to essential services (health, education, childcare):** Particular concern surrounds women's access to sexual and reproductive health services during the recession. Sexual and reproductive health services are crucial in giving women control over their bodies, and therefore in efforts to achieve gender equality.  
The impacts of the recession on education are already visible, including: closure of schools (Bulgaria), rising pupil-teacher ratios (Estonia), and cuts to support services for children with special needs and those needing help with the English language (Ireland).  
The number of childcare centres has reduced (e.g., Bulgaria), opening hours have been cut (e.g., Estonia), and the cost of places has increased (e.g., Ireland). Other evidence suggests a reduction in support for books and materials (Estonia), and, in Hungary, subsidies on meals in kindergartens and schools have been cut by two-thirds.
- **Support for women's NGOs:** Women's NGOs have contributed to significant changes in legislation, policy, and public attitudes across Europe, and their campaigning role on behalf of women remains essential at a time of recession. However, the evidence from this research highlights the precarious circumstances of women's NGOs in Bulgaria, Hungary, Ireland, Latvia, Romania, Slovakia and the UK. Budgetary cutbacks as a result of the recession are clearly an important factor.

### Policy responses

#### *National government actions and recovery plans*

Over the past year, most Member States have launched stimulus packages and recovery plans to cope with the financial, economic and social problems created by the recession. The analysis in the report suggests that the actions

taken by Member States may have failed to address gender issues adequately, adding to existing differences in the poverty of women and men. For example, support for industrial sectors and companies appear to have prioritised saving the jobs of car and construction workers, most of whom are men. Given that women are over-represented in temporary and part-time work, it is likely that they will be significantly affected by changes to working time. And whilst some positive, short-term measures to support household purchasing power (e.g., tax reductions, adjustment in social security contributions and income support measures that target low-income households) have been introduced, these are insubstantial compared to the amounts spent on banks and businesses. Moreover, without more detail on the precise measures, it is not possible to discern the gender impact of these policies with any certainty.

All policy responses and recovery plans should recognise the importance of building the resilience of women experiencing poverty. Resilience means the ability to cope with day-to-day shocks, such as using up savings paying for day-to-day foodstuffs, or longer-term shocks, such as the loss of previously available childcare due to public spending cuts and the consequent need to run down social capital in finding substitutes. Policy and recovery plans need to focus on preventing the running down of assets, and focus on building resilience to coping with shocks.

#### *EU actions and recovery plans*

Alongside efforts to restore and maintain a stable financial system, the EU's efforts, with those of Member States, have focused primarily on infrastructure and employment initiatives. As yet, however, it has been less clear what the role of the EU's Social Protection and Social Inclusion process can and should be, and what initiatives are being developed. Expert studies are underway in all Member States of the social impact of the crisis, however, there are currently no plans to make this information publicly available. As a result, public debate about, and oversight of, the impact of the crisis on the most vulnerable is to some extent hampered. One consequence of this is that the impact on women remains relatively hidden.

### Key findings of research

- Policy responses to poverty in general, and to economic recession in particular, need to acknowledge that poverty is gendered. Poverty has a differential impact on women and men, based on their different roles and responsibilities, and on the responses of

governments. Both men and women lose jobs and earnings, but who loses what depends on the structure of the economy, and the extent to which policies are gender-blind or gender-sensitive.

- Existing macro-economic data is not sufficiently sensitive to reveal both existing poverty, and the effects of recession, on women's lives. For example, the data available on the first 'wave' of the recession tends to show a significant loss of jobs in the manufacturing and construction sectors (where more men work). But the impact on women's poverty is less visible, because women are less likely than men to register as unemployed. Women are also more likely to work in part-time and poorly-paid sectors of the economy, which are less well measured.
- The impact of the recession is significant and damaging for both men and women living in poverty. This report tracks the impact for women as a whole, and particularly for members of vulnerable groups, who face multiple disadvantages. The latter are likely to include the young and the elderly, migrants and ethnic minorities, the low-skilled, those with short term contracts, single mothers, women in rural areas, those aged over 45, and women with disabilities.
- Priorities for government action are often based on a norm which prioritises subsidies to, for example, car plants and the construction industry, which tend to employ men, over subsidies to sectors such as textiles or retail, which employ more women.
- Reductions in public expenditure will always have a major – and disproportionate – impact on women's livelihoods, as women are in the majority in the public sector workforce. For example, across the EU, whereas 80% of construction workers are male, 78% of health and social services workers, and over 60% of teachers in primary and secondary education, are female.
- The impact of the recession on women is likely to become more acute over time as the effects of labour market shifts are increasingly felt within households, and cuts in public expenditure affect public services and the many women who work in them and use them.

## Recommendations

### Main recommendations:

1. Governments and public bodies should undertake gender impact assessments of the recession and track subsequent changes over time – especially because women are likely to be disproportionately affected by any future cuts in public spending and services (both as workers and users).
2. Governments and public bodies should use these gender impact assessments to help them focus on building the resilience of poor women to further shocks.
3. Gender-specific indicators in the field of poverty eradication and the promotion of social inclusion should be further identified, adopted and monitored by the European Commission and the Member States, in line with the Portuguese EU Presidency Conclusions on 'Women and Poverty' (Council of the European Union 2007).
4. Monitoring of the gendered impact of the crisis on poor communities should be increased. For example, little or no research has been conducted as yet on the impact of the recession at community/household level (e.g., on informal caring patterns, on family life and domestic violence, on financial assets such as savings or pensions, housing arrears or repossessions, or on the costs and availability of childcare).
5. The current indicators to determine income related poverty should be revised to better reflect gender differences. Poverty figures are based on accumulated household income and assume that income is distributed evenly within households, with the consequence that income-related poverty among women is likely to be underestimated.
6. Gender-disaggregated data should be developed and impact assessments undertaken to explore the changing nature of employment conditions and the effect of this on women's vulnerability to poverty and social exclusion. The following should be monitored: changes of contracts from long to short/fixed term; changes of flexible working hours to part-time work, subcontracts, second jobs and any other forms that undermine standard labour protection laws; and changes affected on return from statutory leave, especially maternity leave, according to different sectors of the economy (including in small and medium enterprises).
7. Gender impact assessment should be undertaken on the impact of changing working contracts and conditions on access to social protection (e.g., unemployment benefits, maternity pay, sickness benefits, disability benefits and pensions).
8. Gender budgeting should be adopted as a standard approach to assess spending on men and women within economic recovery plans and other public budget processes. Alternative accounting measures should also be developed to ensure that women's unpaid activities in the reproductive economy are recognised in systems of national accounts.
9. Women's participation should be ensured in decision-making processes affecting the design, implementation and monitoring of stimulus packages and other measures to aid recovery. Women's groups need to be supported to develop greater participation in economic discussions at both national and international levels.

### Specific recommendations:

1. **Discrimination against women:** The relevant national authorities (statistics agencies, equality bodies, government departments) should compile data on the number of women who have filed complaints on the basis of sex discrimination in the workplace since the recession in 2008, and undertake analysis of the causes on an ongoing basis.
2. **Migrant and ethnic minority women:** Immigration and integration policies should seek to break down structural obstacles to migrant women's full labour market participation so that they are not restricted to part-time and insecure work with few, if any, employment rights.
3. **Violence against women:** Ongoing and systematic monitoring should be established to measure progress in relation to violence against women. In particular, issues of violence against particularly vulnerable groups of women should be addressed.
4. **Social benefits:** Gender-sensitive universal social protection standards (including access to good quality education and healthcare, and income security) should be established in all Member States to address the needs of women, men and children facing poverty and social exclusion.
5. **Access to services:** The gender impact of expenditure cuts on access to high standards of healthcare and education should be assessed. Member State commitments to the Barcelona targets on childcare, fixed until 2010, should be renewed. New childcare targets should be developed which recognise not only numbers and costs, but also the quality of care. ■

### References

- Council of the European Union (2007) *Presidency Conclusions of Brussels European Council of 7/8 March 2007*. Available at: <register.consilium.europa.eu/pdf/en/07/st07/st07224-re01.en07.pdf> (accessed 26 September 2010).