



EUROPEAN WOMEN'S  
LOBBY  
EUROPEEN DES FEMMES

# STATEMENT

September 2009

## European Women's Lobby

### Women, the Financial and Economic Crisis - the Urgency of a Gender Perspective

The European Women's Lobby (EWL), the largest coalition of women's organisations in the European Union (EU), urges policy makers at all levels of decision making to recognise women's role in shaping the post crisis framework which, one year after the collapse of the financial markets, continues to ignore the gender impact of the crisis on the real lives of women and men.

The initial crisis and subsequent recovery plans at different levels – European, national and international (G20) – have failed to acknowledge, understand, analyse and rectify the gender impact of the crisis. Continuous denial of the gender impact of the crisis coupled with the exclusion of women as part of the solution runs the risk of returning to a 'business-as-usual' recovery strategy which, in the long term, will have detrimental consequences on the real lives of women, men, girls and boy as well as the environment in which we all live. Equality between women and men is one of the objectives of the EU – enshrined in the treaties –and must therefore be an inherent part of European, national and international recovery plans as well as the transition towards a longer term holistic vision of the post-crisis era.

The financial and economic crisis is gendered in its nature and in its effects. The global crisis is also impacting on women in other regions of the world with consequences on economies that depend on women's work and income, including remittances. The EWL has the duty to ensure that an informed and balanced awareness of this feeds into policy-makers' elaborations of appropriate responses and that women are included in the recovery and transition phases.

This current economic crisis is unlike previous recessions. One area where this is certainly the case is how this recession has had – and will continue to have – a much higher, albeit differentiated, impact on women. Indeed, the European Commission, in its 2009 *Report on equality between men and women*, asserted that 'the economic slowdown is likely to affect women more than men'. Understanding and dealing with the gendered aspect of the impact of the crisis, in its various dimensions, represents a challenge for European and national policy makers.

In contrast to past periods of economic downturn, women today are the single biggest – and least acknowledged – force for economic growth on the planet. This is no arbitrary claim, but one made by *The Economist*, which suggests that, over the past few decades, women have contributed more to the expansion of the world economy than either new technologies or the emerging markets of China and India. This fact is being completely ignored. Furthermore, the unprecedented numbers of women on the labour-market means that they contribute to household incomes far more than ever before. Their integration into the work-place will mean not only a greater direct impact of the crisis on women themselves, but also on households, where incomes will be significantly affected by female job losses. But more importantly, the economic position of women at the start of the recession was by no means equal to that of men. With employment patterns characterised by gender segregated labour-markets, gender gaps in pay, higher levels of part-time work and high concentration in the so called informal sector with lower earnings and less social protection, women are not in an advantageous position to weather the crisis.



## The multi-layered dimensions of the financial crisis and the impact on women

The global and all-encompassing nature of the current crisis makes reductionist analyses tempting, but it is important to acknowledge the interdependent and multi-layered dimensions of the financial/economic crisis in order to understand the complexity of its impact on women and on gender relations now and in the future.

**Economic crisis:** Media and political attention in dealing with the crisis has largely focused on male-dominated sectors such as the car industry and construction. More generally throughout the economy, the gender dimension of the crisis is also easily overlooked. Official unemployment predictions for example give similar figures for women and for men. These figures nevertheless fail to take into account the over-representation of women in part-time work, an area which is excluded from unemployment statistics. In 2007 the percentage of women working part-time in the EU was 31.2%, four times higher than for men. Women are also the main providers of public services, providing up to two-thirds of the workforce in education, health and social care; it can therefore be expected that female unemployment will rise disproportionately as public sector cuts are made. Furthermore, surveys show that women are more likely to be fired as, when jobs are scarce, men are seen to be the legitimate breadwinners. The World Global Survey in 2005 found that almost 40% of those interviewed agreed that in such a situation, men have more right to a job than women. Pay differentials mean men are also more likely than women to be in an advantageous position in relation to savings and income. The average gender pay gap in the EU is currently at 17.4% – to the disadvantage of women – with figures ranging from 4.4% in Italy to 30.3% in Estonia. In some countries this differential is increasing. Finally, women have limited social protection income replacement benefits due to social security models which are focused on the concept of an uninterrupted career over a 40 to 45 year time-span, a pattern which rarely corresponds to a woman's working life cycle.

**Social crisis:** The greatest risk in the current economic downturn is the development of a two-tier system dividing European populations and widening the gap between women and men. State income and expenditure are gendered; while men tend to be the main contributors to State revenue in terms of taxation due to their higher earnings, women tend to be the prime beneficiaries of State expenditure through the provision of services that are also gendered: childcare, dependent persons care, housing, education and health and in particular sexual and reproductive health. Reductions therefore in public expenditure are far more likely to impact directly on women. Gender impact analysis prior to public spending cuts is crucial to understanding the gender impact of such policies both in the short and the long term. Activation (aiming to lower benefits payments by making employment an attractive option) and active inclusion policies that seek to engage women and men in the labour-market are also gendered as these depend on the provision of subsidised services such as childcare/dependent persons' care. Women represent a majority of those living in poverty: between 85% and 90% of single-parent households are headed by a woman. Reductions in public expenditure will undoubtedly result in the transfer of services such as care back to women, preventing them further from fully participating in all aspects of life. Similarly the impact of expenditure cuts to support services in socio-economically disadvantaged communities will result in a greater reliance on women both within families and in the community.

**The governance crisis:** The financial architecture, made up of financial institutions and practices that govern the creation, circulation and distribution of capital, has thus far operated in a deregulated and opaque environment which is also gendered. Such practices have a direct impact on women and gender inequality, resulting for example in objectifying women's bodies as commodities of the 'sex-industry'. They have also facilitated the criminal laundering of funds, and have a direct impact women and girls trafficked for the purpose of sexual exploitation. Practices characterised by a lack of transparency and governance have also an impact on wealth redistribution mechanisms and the gendered consequences thereof.



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**Banking crisis:** In the context of the financial and economic collapse, women are starkly absent from these decision-making circles. Not one governor of the central banks of the EU Member States is a woman. Only one of the six members of the executive board of the governing council of the European Central Bank is a woman. As governments bail out the banking sector across Europe, they are now in a position to establish transparent ethical codes of conduct that mirror the values for which the EU stands, namely: equality between women and men, human rights, anti-discrimination, democracy, and the rule of law, which includes good governance.

**Ideological crisis:** The economic crisis, if it is allowed to cause a setback in terms of gender equality, risks causing an ideological crisis at the heart of European society. Equality between women and men cannot be a luxury to be addressed only in times of economic growth; it is a legal and moral obligation as well as a founding block of the EU. It is crucial that gender equality be a core guiding principle now and in the future to avoid a setback in terms of the gains women and society as a whole have made over the previous decades.



## Recommendations

**In light of the above considerations, the European Women's Lobby calls for:**

- Political recognition that this recession is a transformative moment in history, a moment of opportunity to reassert that another vision of the world is possible, in which the core values of the EU are inherent encompassing equality between women and men. Accelerating the process of gender equality is vital for sustainable solutions to the crisis.
- Systematic gender-sensitive analysis of the impact of the crisis and the responses thereof including analysis in relation to the multiple identities of women throughout their life-cycle.
- Gender budgeting as a standard methodology of all public budget processes.
- Investment in social infrastructure, particularly in education, health, child and dependent persons care which would have double effect: on the one hand, create jobs in the public sector where a high number of women are represented; on the other hand, ease the disproportionate burden on women to enable them to participate in all areas of life.
- The enhancement and normalisation of employment patterns that are based on women's experience on the labour-market, namely flexible work, job sharing and other part-time arrangements, as a means of preventing companies and organisations from firing women and men employees.
- Revision of the outmoded assumption that men are the 'family breadwinners', which determines labour-market participation and social protection related benefits, in particular pension schemes.
- Sustenance of the European Social Model by broadening the scope of funding for the sustainability of social security systems, which rely heavily on workers' contributions and which, in the current economic downturn coupled with demographic trends, will require new less labour-intensive sources of funding.
- Commitment to a more equal division of caring responsibilities and domestic labour between men and women to help women stem their double burden of family and work.
- The guarantee of a State Pension System, particularly as women's pension levels result in the feminisation of poverty as they age.
- The guarantee of the individualisation of social security and taxation rights in order to break women's dependency on their partners and/or the State.
- Work towards parity democracy, in political and economic decision-making, private companies and in the financial sector so as to harness women's economic potential and ensure the diversity and balance among decision-makers which engenders better governance.

The European Women's Lobby is the largest non-governmental women's organisation in the European Union, representing 2000 direct member organisations in 28 European countries. Working with its members at national and European level, the EWL's main objective is to fight for equality between women and men, ensuring the integration of a gender equality perspective in all EU policies.

*EWL- LEF, 18 rue Hydraulique, B-1210 Bruxelles*

*Tel. +32 2 217 90 20 – Fax: +32 2 219 84 51 - e-mail: [ewl@womenlobby.org](mailto:ewl@womenlobby.org)*

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



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