The economic crisis – challenge or opportunity for gender equality in social policy outcomes?

A comparison of Denmark, Germany and the UK

Janine Leschke and Maria Jepsen

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Brussels, 2011
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Print: ETUI Printshop, Brussels

D/2011/10.574/23
ISSN 1994-4446 (Print)
ISSN 1994-4454 (Online)

The ETUI is financially supported by the European Union. The European Union is not responsible for any use made of the information contained in this publication.
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Abstract

This paper aims to assess the impact of the current financial and economic crisis on gender equality in terms of labour market and welfare outcomes.

As in past recessions, women, due to the gender segregation in employment, have, in the majority of European countries, been so far less affected by rising unemployment and decreasing employment. There are, however, important country differences in this respect. Furthermore, “full-time” unemployment, which is the predominant measure of labour market monitoring in the crisis, may not fully capture the effect of the crisis on labour market outcomes. What is more, women do not participate in the labour market on an equal footing, insofar as they are more likely to be involved in “vulnerable” working patterns such as part-time, temporary employment, informal work, etc.; they earn less and have fewer financial assets; they are often disadvantaged in terms of access to social security benefits; and they are severely underrepresented in economic and political decision-making.

This paper undertakes an in-depth examination of three European countries with differing welfare state configurations and different prevailing gender regimes: Denmark (universal bread-winner model), Germany and the United Kingdom (dual earner/female part-time carer). In a first part, the literature on gender impacts of the crisis is reviewed and the conceptual framework laid out. The second part, using statistical indicators, describes the impact of the crisis on both men and women in terms of labour market and social welfare outcomes. Thereafter we try to assess the short- and medium-term gendered impact of policy responses in the three countries and the extent to which gender impact assessment has been part of policy responses. Short-term, public state-level measures and firm-level measures, as well as longer-term austerity measures, are examined. The article concludes on whether the crisis and policy responses to it have contributed to the long-term agenda of moving towards gender equality or whether these developments are to be viewed as having caused a setback.
EU countries have displayed scant concern for gender mainstreaming in their responses to the current economic crisis. The discourse has focused largely on men being harder hit than women by unemployment (as recorded in labour force surveys and national administrative data), while stimulus packages have in many cases been geared to male-dominated sectors. Furthermore, analysis of the gender impact of public policy reforms and firm-level measures adopted in response to the crisis has so far been scarce. In fact, the strong focus on quick policy solutions to the crisis seems to have crowded out other priorities and has impacted, in particular, upon gender mainstreaming (Villa and Smith 2010).

There are several reasons for placing greater emphasis on the outcomes and implications of the current economic crisis for women. First of all, “full-time” unemployment – which due to timeliness of the data is currently the predominant measure of labour market monitoring in the economic crisis – is problematic; indeed, to capture the full effect of the crisis on labour market participation, it is helpful to make use of additional indicators such as (full-time equivalent) employment rates, inactivity rates and part-time unemployment. 1 Secondly, as compared to the situation during previous economic crises, women are now in many countries contributing considerably to the household income; and in a non-negligible number of cases (e.g. single mothers) they are the sole breadwinner. Thirdly, women do not participate in the labour market on an equal footing, for they are more likely to be affected by “vulnerable” working patterns such as part-time, temporary employment, informal work, etc., while they earn on average less and have fewer financial assets. Furthermore, women are often also disadvantaged in terms of access to social security benefits and are severely underrepresented in economic and political decision-making.

In assessing the gender implications of the current economic crisis, it is important not only to look at short-term impacts but also to take account of the medium- and longer-term impacts. The austerity measures that have now been announced (and implemented) in many countries often contain public sector cuts, and cuts in welfare services, intended as a means of reconsolidating public finances. This will have adverse effects not only on women as the main source of employment in the public sector but also on women as the main users of public services.

1. There is however no comparative data for European countries on part-time unemployment.
Due to very sparse research on how women have been affected by previous crises, the possibilities of comparing the gender effects of this recession with previous ones are very limited. We will therefore focus on the current recession by looking in depth at a small subset of EU countries with different labour market and welfare state configurations, namely, Denmark, Germany, and the UK.

The aim of the article is manifold. Firstly, it will assess the impact of the crisis on both men and women on the labour market and in the welfare system; thereafter it will assess whether or not and to what extent gender impact assessment has been part of short- and medium-term policy responses by the member states; and finally the article will conclude on whether the crisis and policy responses have contributed to the long-term agenda of moving towards gender equality or whether these developments are to be regarded as a setback entailing long-term effects.

Section 1 gives a literature review on gender and crisis and puts forward the analytical framework for the article. Section 2 provides, for the selected countries, an overview of the situation of men and women in the labour market, related welfare state provisions and relevant developments in the wake of and in response to crisis. Section 3 analyses from a gender perspective the stimulus packages and reforms of selected welfare state provisions as well as the austerity measures. Section 4 concludes by assessing, from a gender-equality perspective, the impact of the crisis and the policy responses adopted in its wake.
1. Literature review

1.1 The current crisis and its impact on women

There is as yet only a small number of research papers that focus explicitly on the impact of the current economic crisis on women in European countries. The most comprehensive papers in this regard are Smith (2009) and Villa and Smith (2010). Smith (2009) provides a comparative assessment of labour market developments and policy responses in the current and in previous recessions. Besides giving an overview of developments in employment and unemployment, the author discusses the disadvantages experienced by women that are associated with non-standard employment and informal employment and also assesses the direct and indirect adverse effects that budget cuts in the public sector can have on women. Furthermore, he points out the adverse effects of working time concessions on women who already work fewer hours and have, on average, lower earnings, and he discusses the possibility of the withdrawal of family-friendly working arrangements but also the evidence for more flexible work practices designed to cope with the crisis – such as recession sabbaticals – which may not be gender-neutral. With reference to experiences from previous recessions (examples from CEE countries and Finland), the author also points out that there may be a risk that women will be encouraged to leave the labour market. Villa and Smith (2010) provide a comprehensive analysis of the labour market situation of women and men at the end of 2009, taking account of the gender impacts of the European and national policy responses to the crisis. Their study is compiled on the basis of country reports analysing the National Reform Programmes (NRP) from a gender perspective. According to the authors, whereas 2009 saw many policy developments, the extent of gender mainstreaming remained rather low and in fact less prominent than in previous years, a development which the authors explain in terms of the crisis-related concerns “crowding out other priorities”. The authors report on 505 employment policy initiatives in 2009. From the standpoint of gender mainstreaming, about 60% of these policies lacked any gender mainstreaming element whatsoever, while 22% were assessed as adequate in this respect and 17% as partially adequate. With regard to gender

2. This paper has been commissioned by the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission.

3. The country reports are written by national experts of the European Commission’s Expert Group on Gender and Employment. The study was commissioned by the European Commission Directorate-General Employment, Social Affairs and Equal Opportunities.
impact assessment, only about 32% of all policies were considered to have a positive impact, whereas 24% were considered to have a neutral impact and 9.5% were assessed as having a negative impact insofar as they reinforced existing inequalities. For the remaining 34.5% no assessment was possible because of lack of information and/or mixed effects.

The other comparative papers that explicitly analyse the current recession from a gender perspective either deal exclusively with developing countries with a focus on poverty and vulnerable, in particularly informal, workers (e.g. Walby 2009; Antonopoulos 2009) or they are short research notes elaborating on the topic in either a comparative (e.g. Nyberg 2009) or a more general manner not illustrated in any structured way by country examples (e.g. Maier 2010; Rubery 2010; Michalitsch 2009). The latter papers, among others, point out that it is not sufficient to focus on unemployment when assessing the gender impact of the crisis but that the unequal labour market position of women has to be taken into account (e.g. contract form, occupational segregation, lower wages). They point out also that current policy responses are not gender-neutral, warn of cut-backs in services, and call for more encompassing gender-neutral social policies. There are also a number of papers that analyse the gender outcomes of the economic crisis for specific countries; these papers vary greatly in their detail but usually refer to unequal gender outcomes in terms of women’s position in the labour market, their disadvantages in access to social security and the gender implications of the stimulus packages and of specific policy measures (on Germany see Reiner 2009; on Canada see Townson 2009; on the UK see Rake 2009; on France see Milewski and Périvier 2009). There is, furthermore, a range of more political papers that analyse the crisis from a gender perspective and formulate specific recommendations (e.g. Advisory Committee on Equal Opportunities for Women and Men 2009; European Women’s Lobby 2009; TUC 2009a). In many regards, the analysis in these more political papers is in line with the (short) research papers described above; in terms of specific recommendations they point particularly to the need for gender impact assessment and gender-sensitive analysis of the crisis; they call for account to be taken of the situation of non-standard and vulnerable workers and for improvement of the financial situation of women.

A second group of papers analyses the labour market outcomes of and policy responses to the current economic crisis on a European and national level and thereby raises a number of issues that are of relevance to gender outcomes of the crisis; the gender implications of the crisis are not, however, touched upon in any direct way in these papers (e.g. OECD 2009; Eurofound 2009a and 2009b; Glassner and Galgóczi (2009); Cazes et al. 2009 Leschke and Watt 2010). The structure of Section 3, which will deal with the short-term impacts for gender equality of reforms and policy measures in response to the crisis, has been inspired by these papers and they are one of the sources of information on policy responses to the crisis in Denmark, Germany and the UK. The research and policy papers that deal with the deficiencies and adaptability of European and single-country social policy schemes such as unemployment benefits and labour market policies in the crisis will serve a similar purpose (e.g. Council of the European Union 2009; Döring et al. 2009; Busch 2009).
1.2 Evidence from previous crises with a focus on women

There is only limited evidence concerning the labour market and social security situation of women in developed countries in response to previous economic crises, one reason for this being that two to three decades ago women were not yet as important a force in the labour market as they are today and that, at the same time, the concept of the male breadwinner continued to hold considerable sway. However, the crisis of the early 1980s has been analysed from a gender perspective for example by Martin and Wallace (1984) for the UK and by Rubery (1988) for the UK, France, Italy and the US. Also Dumont (1987) traces the evolution of social security since the first oil shock in 1973/1974 with examples from a range of developed and developing countries, albeit without an explicit focus on women.

The most comprehensive study on women and recession, Rubery (1988), assesses the impact of the recession on women’s employment by bringing forward and testing three hypotheses which are inspired by different theories such as human capital or the dual labour market perspective:

1) flexible reserve or buffer hypothesis (women are drawn into the labour market in upturns and expelled in downturns);
2) job segregation hypothesis (rigid sex-typing of occupations – employment trends will be related more to trends in sectoral and occupational structures than to cyclical factors);
3) substitution hypothesis (counter-cyclical trends for women’s employment in that the recession intensifies the search for “cheaper labour” such as women)

It is concluded that the three hypotheses should be regarded as complementary from a historical perspective. The British case study on women’s employment in and following the recession of the early 1980s shows that female employment has been protected and expanded because of the continued existence of disadvantages (more flexible employment (e.g. part-time), lower wages, etc.) which makes women an attractive source of labour in a recession but does not necessarily lead to secure or adequately paid employment.

Going beyond employment, Rubery (1988) also takes into account state welfare provision and labour market regulation. She points out that ‘women in all countries share a relatively disadvantaged labour market position based on the assumption of income dependency, often reinforced by unequal access to social security, and their prime responsibility for domestic tasks. The extent to which this ‘disadvantage’ is modified in the labour market is crucially related to the system of labour market regulation.’ Furthermore, she asserts that, ‘The role of women in the labour market restructuring that is associated with recessionary conditions will be dependent on the type of labour market regulation that is being fostered by government policy’ (p. 272). Examples in this regard are minimum wage policy, regulation of non-standard employment,
and legalising certain forms of employment, as well as the role of trade unions in preventing very low wages for women.

The book by Martin and Wallace (1984) on the outcomes of the crisis on women is based on repeated interviews of British women in five different areas of the manufacturing sector who were made redundant in the 1981-1982 recession. The authors focus on three areas: employment, redundancy and unemployment. The chapter on women and unemployment does touch upon the financial situation of women at unemployment but the topic of social security of women in the recession and their disadvantages as compared to men is given only minor treatment. The book also looks at the situation of women after re-employment – pointing out the lower standard of new jobs in terms of, for example, wages and, in many cases, form of contract. However, since only women were interviewed, no direct comparisons with men are possible in this regard.

The article by Dumont (1987) looks at a range of social policy fields, family benefits, pensions, sickness benefits and contributions, and traces their developments after the oil shock of the mid-1970s by way of examples from developed and developing countries. He identifies three distinctive phases in social security policy reaction to the crisis: first, continued policy of social growth for a number of years with the aim of strengthening demand and boosting the economy; secondly, the imposing of stringent controls or cuts in social expenditures in order to improve the financial situation; and, thirdly, as the crisis continued, the application of thorough austerity policies in most countries. Yet despite these measures, the national social security schemes in most industrialised countries have experienced repeated and growing deficits.

1.3 Analytical framework

In order to assess the impact of the crisis on gender equality, a gendered analysis of labour market and welfare state provisions, as well as of stimulus packages and austerity measures, will be carried out, allowing us to draw some conclusions concerning the effects on gender equality of the crisis and subsequent policy reactions.

The study is based on a standard analysis of both the labour market and welfare state provisions. Indeed, to gain an understanding of the impact of the crisis on the labour market, it is far from sufficient to base the assessment solely on employment and unemployment rates; in order to understand the impact on both women and men, it is necessary to include the development of inactivity rates, working time, non-standard employment, gender pay gaps and division of household work (see literature review). This analysis is conducted taking account of the latest developments in access to labour-market-related welfare-state provisions. It thus incorporates a gendered analysis of the welfare state reforms introduced as part of the stimulus packages and the welfare cutbacks that formed part of the austerity measures.
The structure and choice of indicators for the analysis is based on the European Union Gender Equality Index (EUGEI) developed by Platenga et al. (2009). The structure will allow us to make an inter-country comparison of the impact of the crisis on gender equality and on the extent to which, in this context, progress has – or has not – been achieved in the promotion of equal opportunities over the short as well as the medium term.

As the EUGEI is based on the universal caregiver model developed by Fraser (1997), the analysis in this paper is based on the same analytical framework; hence the choice of countries is based on observed differences in their relation to the universal caregiver model.

Fraser (1997) argues that there is no single-track approach to gender equality. She emphasises that gender equality can be achieved through a number of different principles and that these differ essentially in their organisation of care work. The ‘universal breadwinner model’ tends to favour a pattern whereby family care work is brought to the market and the state, and hence generally promotes a vision in which women take on the same role as men, namely as breadwinner. The second model is the ‘caregiver parity model’, according to which care work remains within the family. This informal care work is acknowledged and re-valued, implying that public funding, for example in the form of a caregiver allowance, is foreseen. Under this model, while care is acknowledged and valued, the gender division is nonetheless preserved; however, it becomes costless in terms of loss of income from paid work. The last model, the universal caregiver model, promotes the idea that women’s life course pattern becomes the pattern of both sexes. To this end, it remolds the gender contract in such a way that it becomes based on shared roles in both care and breadwinning. During the 1980s and 1990s, the universal caregiver model steadily gained acceptance and credibility as coming closest to how gender equality might be understood in contemporary society.

Each model or concept will lead to very different ways of organising, for example, childcare, parental leave, or flexible working time. The differing concepts will, very often, co-exist within the same country. Borschorst (2008) classifies the welfare provisions in Denmark, Sweden and Norway according to the three concepts, convincingly demonstrating that while one concept will dominate the discourse and policy provisions in any one country, it is usually possible to observe that the different social policy provisions are underpinned by a mix of the three sets of ideas and approaches.

Likewise, in most European Union member states, there have been reactions to women’s need to combine work and care and the resulting strategies are heavily influenced by the differing roles attributed by each culture to women within the family and on the labour market, in other words by the underlying concepts or models that serve to shape discourse and policy solutions.
The extent to which the crisis and policy responses take into account the gender dimension, and the impact that these policies will have on gender equality, might be expected to vary according to the country position in Table 1. If the dominant pattern in a country is directed towards the caregiver parity model, then one could expect the crisis to have less impact on the labour market situation of women, insofar as women in such a country are less present on the labour market and are regarded as secondary earners in the economy; on the other hand, the policy responses in such a country might well be less favourable to gender equality. In countries that have a dominant model characterised by the universal caregiver model, on the other hand, one could expect a more significant impact on the labour market situation, and hence a stronger emphasis on a gendered approach to the stimulus package and welfare state provisions.

The choice of countries aims at presenting a selection representative of the abovementioned models, albeit based on the awareness that most countries will exhibit a mix of two or all three models. In the second cell from the left, we find countries where, as in Germany and the UK, the majority of mothers provide care, while participating in the labour market to the extent that this does not impede them from performing the caring task (‘caregiver parity model’). This means, among other things, that mothers of small children are often not on the labour market. As indicated in Table 1, there is a certain overlap with the ‘universal breadwinner model’. The third cell from the left illustrates the gender pattern found in the Nordic countries, namely, an overlap between the ‘universal breadwinner model’ and the ‘universal caregiver model’. The latter (top cell to the far right) is currently not observed in a pure form in any European Union country, although we might classify Denmark as approaching this objective while yet being still very much based on the universal breadwinner model.

Table 1  Gendered division of labour

<table>
<thead>
<tr>
<th>Caregiver parity model</th>
<th>Universal breadwinner model</th>
<th>Universal caregiver model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany, UK</td>
<td></td>
<td>Denmark</td>
</tr>
</tbody>
</table>

Source: Authors’ table based on Fraser (1996).
2. Women and men on the labour market and in the welfare systems – developments during the crisis

The following section will look at developments during the crisis in the position of women on the labour market, including the division between wage, household and care work. Furthermore, women’s access to unemployment benefits and active labour market policies, as compared with men’s, will be examined. Last but not least, the gender differences in terms of moving between employment, unemployment and inactivity will be assessed. Where possible, a time period immediately before the crisis is compared with the latest available data; in some cases developments during the crisis are also highlighted. The labour market figures are largely based on the European Labour Force Survey data, which allows direct comparison between countries, whereas for the developments in benefit receipt, access to active labour market policies and labour market transitions we had to use country-specific administrative data that is not strictly comparable from one country to the other.

2.1 The position of women on the labour market

2.1.1 Employment and working time

Over the last three decades we have seen a strong increase in female labour market participation in European countries. Already in the early 1980s, Denmark had comparatively high female employment rates, only about 10 percentage points below the male ones, whereas the gender differences were 30 percentage points in Germany and close to 25 in the United Kingdom (Figure 1). By 2008 both Germany and the United Kingdom had succeeded in narrowing the gender gap to about 10 percentage points, whereas the gender gap in Denmark with its considerably higher female and male employment rates is about 7 percentage points. With the exception of women in Germany, employment declined for all groups and all countries between 2008 and 2009.

When comparing employment rates for 2009, Denmark fares best by far in terms of female employment rates, the yearly average for 2009 being 73.1%. The corresponding female employment rates are 66.2% for Germany and 65.0% for the UK. All countries thus perform considerably better than the EU27 average of 59%.
Assessing gender differences in recent changes in employment triggered by the economic crisis, it is observed that men were on EU average more affected by declines in employment (not measured in full-time equivalents!) than women (Figure 2). Among the countries considered here, this is true of both Denmark and the UK where male employment rates have decreased continuously since the second quarter of 2008. In Germany male employment rates are close to constant. Female employment rates were growing slightly in Germany, whereas Denmark and the United Kingdom saw declines, albeit considerably less marked than among men.

Data source: Eurostat, online data base (Labour Force Survey). Note: Age 15-64.
* Data on Germany includes ex-GDR from 1991
Looking at changes in working time (data on full-time equivalent employment rates not being available on a quarterly basis), we see that between 2008Q2 and 2010Q2 the average number of actual weekly working hours in the main job fell for both women and men, with the exception of Denmark where working hours of women are back to their 2008 value (Table 2). The working time of men decreased slightly more than that of women.

### Table 2 Developments in average number of actual weekly hours in main job by gender, 2008Q2 and 2009Q2

| Sex     | Denmark Males 2008Q2 | Denmark Males 2009Q2 | Denmark Males 2010Q2 | Denmark Females 2008Q2 | Denmark Females 2009Q2 | Denmark Females 2010Q2 | Germany Males 2008Q2 | Germany Males 2009Q2 | Germany Males 2010Q2 | Germany Females 2008Q2 | Germany Females 2009Q2 | Germany Females 2010Q2 | United Kingdom Males 2008Q2 | United Kingdom Males 2009Q2 | United Kingdom Males 2010Q2 | United Kingdom Females 2008Q2 | United Kingdom Females 2009Q2 | United Kingdom Females 2010Q2 | EU27 Males 2008Q2 | EU27 Males 2009Q2 | EU27 Males 2010Q2 | EU27 Females 2008Q2 | EU27 Females 2009Q2 | EU27 Females 2010Q2 |
|---------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Males   | 37.3                 | 35.7                 | 36.7                 | 31.2                   | 30.4                   | 31.2                   | 40.4                 | 39.1                 | 39.9                 | 30.1                   | 29.5                   | 29.9                   | 40.0                 | 39.4                 | 39.4                 | 30.3                   | 30.2                   | 30.0                   | 40.4                 | 39.6                 | 40.0                 | 33.2                   | 32.7                   | 33.0                   |
| Females | 31.2                 | 30.1                 | 30.3                 | 32.7                   | 32.7                   | 33.0                   | 40.4                 | 39.4                 | 39.4                 | 30.3                   | 30.2                   | 30.0                   | 40.0                 | 39.4                 | 39.4                 | 30.3                   | 30.2                   | 30.0                   | 40.4                 | 39.6                 | 40.0                 | 33.2                   | 32.7                   | 33.0                   |

Data source: Eurostat, online data base (Labour Force Survey). Note: Age 15-64.

#### 2.1.2 Unemployment

The EU average female unemployment increased by about 2 and male unemployment by about 3 percentage points over the two-year period, reversing the pre-crisis trend of higher female than male unemployment in the majority of countries including Germany and Denmark (see Figure 3). Growth in unemployment was steeper among men than women, on the EU average as well as in both the UK and Denmark, but increases in unemployment among women were also marked. Germany saw unemployment declining particularly among women but in the second phase also among men.

### Figure 3 Developments in unemployment rates for women and men, 2008Q2, 2009Q2, 2010Q2

Data source: Eurostat, online data base (Labour Force Survey). Note: Age 15-64.
2.1.3 Inactivity

A third indicator of relevance for assessing the situation of men and women on the labour market is inactivity. Women are in all countries much more likely to be inactive than men, a fact attributable mainly to their still predominant role in household and care activities (in 2010Q2 on the EU average 35.4% of working-age women are inactive, compared with 22.2% of men). During the economic crisis EU average female inactivity rates have been declining slightly, while male inactivity rates have remained more or less stable. Particularly in Denmark and to a lesser degree in the UK, inactivity among males is rising.

Figure 4  Developments in inactivity rates for women and men, 2008Q2, 2009Q2, 2010Q2

Data source: Eurostat, online data base (Labour Force Survey). Note: Age 15-64.

2.1.4 Sectoral division of labour

Insofar as the unequal impact of the crisis across the different economic sectors is a well established phenomenon, it seems important to assess the gendered changes in the labour market against the background of sectoral developments (Leschke and Watt 2010).

Figure 5 displays changes in employment between 2008Q2 and 2010Q2 separately for men and women in a choice of sectors: manufacturing, construction, wholesale and retail, public administration and education. A common trend over all countries depicted here is that construction and manufacturing (heavily male-dominated sectors) have been the sectors most affected by the crisis. The UK and Denmark saw greater employment losses in these two sectors than did the EU as a whole, whereas Germany too experienced losses but considerably smaller ones. Women were in all three countries more affected than men by employment losses in these two sectors with the sole exception of manufacturing in Denmark. However, as the gender distribution in these sectors is very skewed in favour of men, this does not translate into more losses for women than men in overall employment losses,
but it does imply that in these sectors women were proportionally more impacted than men. For the other sectors shown here, no common trends are evident. On the EU average wholesale and retail and public administration, sectors with relatively equal shares of men and women, saw slight losses in the former case) and had relatively stable employment (in the latter), while education (a female dominated sector) continued to see some slight growth. Denmark saw employment losses for men and women in public administration, gains in education for both groups, though higher for women, as well as losses for men and gains for women in wholesale/retail. The UK saw losses in wholesale/retail and public administration that were stronger for women than for men and considerable gains in education that were more pronounced for men. Wholesale was relatively stable in Germany; public administration was growing slightly and more so for men; and employment in education was slightly increasing for women and decreasing markedly for men. We have to keep in mind that Figure 5 relates to the pre-austerity measure period – with the measures announced now we can expect employment losses particularly in the public sector and education (see Section 3.3 and Theodopoulous and Watt 2011).

Figure 5 Developments in employment 2008Q2 to 2010Q2 for selected sectors by gender (08Q2=100)

Data source: Eurostat, online data base (Labour Force Survey) and European Commission (2009a).
Note: Age 15-64.

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4. A potentially more illustrative comparison between the time periods 2007 and 2010 is not possible due to the revision of the NACE classification in 2008.
2.2 Non-standard employment

Women are over-represented in forms of non-standard employment. This is particularly true of part-time employment (31.6% of working women as against 7.9% of men in 2010Q2) due to the still predominantly unequal gender distribution between household, care work and lack of institutions to facilitate combination of work, family and private life, as well the nature of the labour demand emanating from female-dominated sectors such as cleaning and retail. While it is still rather uncommon for men to be engaged in part-time employment, in Germany, the UK and Denmark (in decreasing order) more than one third of total employment of women consists of part-time work (Figure 6).

Gender differences are much less pronounced in terms of temporary employment (fixed-term contracts and temporary agency employment) but women (14.7%) were on average somewhat more likely than men (13.3%) to hold a temporary contract in 2010Q2 (Figure 7). Overall shares in temporary employment are largely influenced not only by the differing national regulations applicable to this form of employment but also, in particular, by the employment protection legislation applicable to regular jobs as well as by the effect of the business cycle (see OECD 1999 and 2004 and Venn 2009).

Both part-time employment and temporary employment tend to be more precarious not only in terms of job security (particularly temporary employment) but also in terms of earnings, social benefit coverage, access to further training or life-long learning measures and representation (compare e.g. Eurofound 2003; Leschke 2007 and 2008; Vandaele and Leschke 2010).

Figure 6  Developments in part-time employment by gender, 2008Q2, 2009Q2, 2010Q2

Data source: Eurostat, online data base (Labour Force Survey). Note: Age 15-64.
As for developments during the crisis, there has been a further increase in part-time employment (following the trend of the Lisbon Strategy period) for both men and women in the EU27. This is replicated in the UK. Denmark has seen pronounced increases among women, particularly in the later crisis period, and slight increases for men between 2008Q2 and 2010Q2. Germany recorded a slight increase for women, whereas male part-time employment remained stable (Figure 6).

In line with expectations – given the rules on hiring and firing – temporary employment in the EU27 decreased for both men and women during the first phase of the crisis, whereas lately it has been growing once again (Figure 7). Of the three countries under examination here, this trend is replicated in Germany alone. In Denmark male temporary employment has been growing slightly over the whole period, while female temporary employment increased strongly during the first phase of the crisis, only to drop back even more strongly at a later stage. The UK saw pronounced increases for men over the period as a whole and an increasing trend for women during the most recent period.

2.3 Gender pay gap

The gender pay gap persists. Even when looking at men’s and women’s gross hourly earnings, and thus not taking account of lower earnings capacity due to lower average hours, differences between women’s and men’s earnings are evident. The gender pay gap is comparatively highest in Germany, followed closely by the UK (Table 3). In Denmark the gender pay gap is close to the EU average. The continuing gender pay gap is not only attributable to discriminatory practices and the like but can be explained also to a large extent by sectoral and occupational gender segregation (see above). Due to a break in
the data series, the data from 2009 is not directly comparable with data from 2007 and 2008; however the country ranking does not change.

### Table 3  Gender pay gap\(^5\) in unadjusted form in % - 2007, 2008 and 2009

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU27</td>
<td>17.6</td>
<td>17.5</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>17.7</td>
<td>17.1</td>
<td>16.8</td>
</tr>
<tr>
<td>Germany</td>
<td>23</td>
<td>23.2</td>
<td>23.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>21.1</td>
<td>21.4</td>
<td>20.4</td>
</tr>
</tbody>
</table>

Data source: Eurostat, online data base (earnings).

### 2.4 Equal sharing of time?

The unequal distribution of household and care work between men and women has an important influence on female employment outcomes in terms of quantity (working time) and quality of employment (pay gap, non-standard employment, etc.). The distribution of household and care work is largely influenced by values and traditions such as the predominance of the so-called male bread-winner model which has, in the past, created incentives (e.g. through derived rights in social security systems, tax splitting, etc.) for women, and particularly mothers, to stay at home for prolonged periods or to participate only marginally in the labour market. For a more in-depth analysis of transitional arrangements between private household activities and employment and within employment, including childcare, parental leave rules and working time flexibility, see Leschke and Jepsen (2009).

Table 4 allows us to compare men’s and women’s weekly hours spent on the combination of paid and unpaid work in 2005 and 2010. The numbers of hours are most equal in Denmark and least so in the UK. In all countries men are overrepresented in the 40-70 hours category, whereas women are overrepresented in the more than 70 hours category. Unfortunately, this data is not yet available separately for paid and unpaid work. As for the comparison between 2005 and 2010, in all countries the numbers of hours spent on paid and unpaid work seem to be on the increase. The changes are most marked in Denmark where a much lower share of women (but also a considerably lower share of men) is found in the category “less than 40” in 2010 than was the case in 2005, whereas the shares in the “more than 70” category have increased by about 14 percentage points for both women and men.

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5. The pay gap is defined as the difference between men’s and women’s average gross hourly earnings as a percentage of men’s average gross hourly earnings.
The above indicators indicate that employment losses were relatively higher for men than for women across the three analysed countries, this being mainly driven by the type of sectors hardest hit by the crisis, i.e. construction and manufacturing. However women were proportionally harder hit than men in terms of employment losses in the two hardest hit sectors. In terms of the impact on the quality of employment, women seem to have experienced a continued increase in part-time work in Denmark and Germany, while this is the case for men in the UK only. Due to the break in the data series on the pay gap, it is difficult to assess the impact of the crisis on the development of the gender pay gap.

More data is still needed to assess whether we are experiencing a “silent” and growing negative impact of the crisis on the labour market situation of women, confirming the trends observed from previous crises, with women being less affected in terms of the quantity of employment, but more affected on quality of employment, or whether women are in the long run less affected due to the sectoral effects of the crisis with the result that gender equality in the labour market will improve. The above analysis seems to confirm the former hypothesis.

### 2.5 Access to and level of social security benefits

Social insurance systems tend to favour workers with “standard employment contracts” (full-time, permanent, dependent) and often take into account the household situation through means-testing. Insofar as these systems are thus

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6. This index is based on “Working hours per week in main paid job” (q18), “Working hours per week in other job(s) (q22), Commuting time (q33) and: “Voluntary activity”, “Political activity”, “Caring for children”, “Housework”, “Caring for adults”, “Training and Education” (ef2/ef3a-f).

7. Due to lack of harmonized data set this section is based on national data sources and hence the data cannot be compared across countries. However the conclusions drawn from the national comparison can be compared across countries.
likely to reproduce the gender inequalities displayed by labour market participation, women, due to their specific household and labour market position, can be disadvantaged when it comes to entitlement to and level of unemployment benefits.

The following features built into the design of unemployment systems can contribute to inequalities between men and women in relation to access to and level of unemployment benefits: hours or earnings thresholds; minimum contribution periods; means-testing and the proportionality between earnings and benefits. The first two features can restrict access to benefits. Means-testing can have an influence on both access to and level of benefits. Proportionality between earnings and benefits influences benefit levels. Firstly, hours or earnings thresholds below which employers and employees do not pay contributions and employees do not receive benefits are detrimental to women’s entitlement to benefits because the share of women in forms of marginal part-time employment is much larger than the share of men. Secondly, in some benefit systems part-time workers are required to work for a longer period than full-time workers before gaining access to benefits. What is more, women tend to change more often between employment and other activities such as household/carer activities and may therefore find it more difficult to fulfil the minimum contribution requirement within the specific reference period. Thirdly, the income of a partner can lead, via computation of the household income, to the abolition or downsizing of unemployment assistance benefits. And fourthly, in many benefit systems benefit levels are calculated as a proportion of past earnings, which means that part-time earnings but also the gender pay gap are likely to be reproduced in the unemployment benefit system.

The United Kingdom is the only country in our analysis which operates a flat-rate benefit system as from the onset of unemployment; additional means testing sets in after 6 months. Both Denmark and Germany calculate unemployment insurance (UI) benefits as share of the former wage (while applying different ceilings). However in Germany a flat-rate basic allowance is paid to those not eligible for UI or whose eligibility has expired. Up to the age of 50 years unemployment insurance is paid for a maximum of one year, the actual period varying with the contribution record, after which the means-tested flat rate basic allowance is paid (European Commission 2010MISSOC, situation on 01/07/2009). Denmark, with a uniform four-year period, used to have the longest duration of non-means tested UI benefits. However, very recently the maximum benefit period has been reduced to two years (see Section 3.3.3). Unemployed persons that are not insured can apply for social assistance.

Germany

Table 5 shows that somewhat fewer unemployed women than men receive either unemployment insurance (ALG I) or the basic allowance (ALG II) in Germany. The difference between men and women has somewhat decreased between 2007 and 2009.
Figure 8 shows that men have over the last 15 years been somewhat more likely than women to receive unemployment insurance and, until 2004, unemployment assistance. Since the Hartz reforms the situation of women as compared to men seems to have improved somewhat. However, in line with the shorter duration of insurance benefit payments after the reforms, coverage with insurance benefits (ALG I) has gone down for both men and women who are now more likely to receive means-tested flat-rate basic allowance (ALG II). During the crisis, the share of insurance recipients has gone up again, increasing from 29.6% in 2008 to 36.5% in 2009 for men and from 26.4% in 2008 to 29.6% in 2009 for women.

Table 5  Beneficiary rate at unemployment for men and women – developments since 2007

<table>
<thead>
<tr>
<th></th>
<th>Beneficiary rate (ALG I and ALG II) %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
</tr>
<tr>
<td>October (2007)</td>
<td>87</td>
</tr>
<tr>
<td>October (2008)</td>
<td>89</td>
</tr>
<tr>
<td>October (2009)</td>
<td>89</td>
</tr>
</tbody>
</table>

Data source: BA Februar 2010a; BA Februar 2009 and BA Februar 2008.

Figure 8  Men and women receiving “Arbeitslosengeld” (unemployment insurance) and “Arbeitslosenhilfe” (unemployment assistance) as share of all unemployed men and women: 1991-2009 (annual averages)

Source: Statistik der Bundesagentur für Arbeit.

8. Unemployment assistance which was calculated as a share of the former wage was in place until 2004 when it was replaced by the new basic allowance.
While men used to be somewhat more likely to receive unemployment assistance benefits, the new basic allowance introduced with the Hartz reforms is paid at a flat rate to all employable persons and can also be paid to non-employable members of their household. The basic allowance is subject to means-testing. In the transition process from unemployment assistance to the new basic allowance, the share of women who fell out of the system due to stricter means-testing was double that of men (Weinkopf et al. 2009: 80).

That there are slightly fewer non-employable women than men in receipt of basic benefits is likely to have to do with the structure of the household and in this respect no changes have been recorded during the crisis period. With regard to employable men and women (only 42% of whom were registered as unemployed in August 2010) (BA December 2010b: 16), we saw a shift from more male recipients before the crisis to more female recipients during the crisis. The absolute numbers have decreased since 2006 for both groups. To sum up, in the crisis the share of men receiving unemployment insurance benefits based on their former earnings (as compared to all unemployed) has increased more strongly than the share of women, while employable women were more likely than men to receive the flat-rate basic allowance. This difference could be a hint that women who become unemployed in the crisis have more problems complying with the eligibility criteria for unemployment insurance benefits.

**Figure 9** Employable and non-employable men and women receiving “ALGII” (basic allowance), 2005-2009 (annual averages)

The benefit level is calculated as a share of the former wage up to a comparatively high ceiling – it is therefore not surprising that the average unemployment insurance benefits of men are more than 200 euros higher than

9. Partners and children of basic benefit recipients who are older than 65 years or younger than 15 or who have health impediments and thus are non employable can receive the basic allowance.
those of women. In December 2009, men on average received 874 euros monthly in UI benefits while women on average received 643 euros; this compares to 837 (men) and 618 (women) euros one year earlier (Statistik der Bundesagentur für Arbeit).

Mini-jobs (with earnings of less than 400 euros a month) do not give access to unemployment insurance benefits. In June 2009 close to 64% of mini-jobs were exercised by women. Whereas for the large majority of women in marginal employment (66.8%) the mini-job was their only job, this was true of only 33.2% of men; men are thus more likely to exercise a mini-job as a second job and thus usually gain eligibility to unemployment insurance via their first job. During the crisis (comparing June 2009 and June 2008) mini-jobs among women increased by 1.4%, whereas among men the increase was slightly higher at 1.9%. At the same time the share of women in regular employment (liable to social security) increased by 1.3% whereas for men it decreased by 1.6% (BA 2010a).

United Kingdom

In August 2009, only 28% of total claimants of the Jobseeker’s Allowance (JSA) were women despite the fact that women accounted for about 42% of all unemployed (Table 6). From August 2007 to 2008 the female beneficiary rate slightly decreased further, stabilising subsequently. The most problematic feature of the JSA is the early means-testing (after 6 months). This over-proportionally affects women who, moreover, are also more likely to have insufficient contributions for receiving contribution-based and thus non-means tested benefits in the first place and are more likely to have earnings below the earnings limit for contributions (marginal employment) (TUC 2010: 16).

Both contribution-based (first 6 months) and income-based JSA are flat-rate benefits. Due to means-testing in the latter, the average weekly amount of JSA is somewhat lower for women than for men; gender differences in benefit levels have remained more or less equal during the crisis (Table 7).
Denmark

The Danish unemployment insurance system has a particular feature as it is not subject to compulsory contributions. Individuals subscribe to and pay into an “A-kasse” (unemployment insurance fund) of their choice; these funds are mostly managed by trade unions. While for many years about 90% of employees took out such insurance, over the past decade of tight labour markets a worrying trend has developed, insofar as employees experienced very easy access to employment with the result that increasing numbers of them have chosen not to take out an unemployment insurance so that currently about 20% of the labour force has no unemployment benefit entitlement and about 90% of these do not qualify for social assistance either (Dalskov and Moelgaard 2010). Recent studies show that about two thirds of the non-insured are men and that many of these are highly skilled workers and professionals, e.g. medical doctors.

Hence, in view of the recent developments, unemployed women have on average better access to benefits as a higher proportion of them are insured. Furthermore, the Danish unemployment insurance is characterised by relatively easy access (52 weeks of work over the past 3 years) and, until recently, by a relatively long duration of entitlement to unemployment benefit (4 years within a 6-year period) (European Commission 2010)\(^\text{MISSOC 209}\). From 2010, however, the maximum duration of unemployment benefit has been reduced to two years.

Figure 10 shows the development of the number of persons in receipt of unemployment benefits (dagpenge ydelse). More women than men received unemployment benefits until 2008, whereafter the situation was reversed, as 70,000 more men and only 20,000 more women received unemployment benefits in 2009. This change is itself the reflection of the reversal in the unemployment rate: whereas until the end of 2008 the unemployment rate of women had been higher than that of men, since 2009 the unemployment rate of men has been higher than that of women. As such, it would appear that men and women have relatively equal access to unemployment benefits, in spite of a worrying tendency for men to have less access because of their greater tendency not to sign up with a “A-kasse” (see above).

Table 7  Average weekly amount of JSA benefit (in pounds sterling)

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2007</td>
<td>50.19</td>
<td>56.78</td>
</tr>
<tr>
<td>August 2008</td>
<td>52.21</td>
<td>57.88</td>
</tr>
<tr>
<td>August 2009</td>
<td>55.84</td>
<td>61.18</td>
</tr>
</tbody>
</table>

Data source: DWP statistical tabulation tool.

Denmark
The means-tested social assistance ("kontanthjælp" and "starthjælp") that also functions as unemployment assistance for uninsured persons and unemployed having exhausted their unemployment benefit does not reflect the gendered difference in unemployment rates in favour of men (until recently) and gender differences in inactivity rates. Women thus seem to have less access to means-tested social assistance than men (Figure 11). This confirms observations from other countries where women have less access to means-tested assistance due to the composition of earnings and wealth in the household. However, the recent upsurge in male (and to a lesser extent female) unemployment is perceptible from the data from the fact that in 2010 there were 10,400 more women and 24,500 more men in receipt of social assistance than in 2008.

Figure 10  **Average annual number of persons receiving "dagpenge ydelese" (unemployment insurance)**

![Graph showing unemployment insurance from 2004 to 2010 for men and women.](source)

Source: www.jobindsats.dk 02.05.2011

Figure 11  **Average annual number of persons receiving kontanthjælp or starthjælp (social assistance)**

![Graph showing social assistance from 2004 to 2010 for men and women.](source)

Source: www.jobindsats.dk 02.05.2011
2.6 Access to active labour market policies

Another area in which women have traditionally been disadvantaged are active labour market policies (ALMPs). One reason for the traditionally lower access of women to ALMPs is that they are less likely to receive unemployment benefits or even to register as unemployed and thereby qualify for activation measures. Another reason may be that they are more constrained than men when it comes to full-time participation in active measures since they do not always have recourse to adequate childcare facilities.

Germany

Table 8 shows the share of German women in unemployment (stocks) for the last three years and the respective share in participation in different active measures. In 2007 and 2008 women had been over-represented in measures supporting job placement and, as compared to their share in unemployment, they had about equal shares as men in qualification measures. In all the other measures (employment incentives, public works, etc.) women were at this time underrepresented.

With the crisis the share of women in unemployment has decreased to about 46%. Regarding their participation in active measures, in 2009 they were only slightly over-represented in job placement measures whereas in all the other measures – now also including qualification measures – their participation was lower than their share in unemployment.

Evaluation research of the Hartz IV reforms also shows that gender mainstreaming has until now not been sufficiently incorporated into the processes of the job centres that deal with recipients of the basic allowance (ALG II). Among couple households which receive the basic allowance, activation is often geared to the man while women are merely offered mini-jobs or regular part-time positions. In 2007 for example, in many regions about

<table>
<thead>
<tr>
<th></th>
<th>Share of women in unemployment (stocks)</th>
<th>Measures supporting job placement</th>
<th>Qualification</th>
<th>Measures supporting employment (employment incentives, self-employment support, etc.)</th>
<th>Measures creating employment (public works, etc.)</th>
<th>Other</th>
<th>Sum of all instruments with one-off treatment*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007 (November)</td>
<td>2008 (November)</td>
<td>2009 (November)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of women in unemployment (stocks)</td>
<td>50.5</td>
<td>49.1</td>
<td>45.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measures supporting job placement</td>
<td>55.4</td>
<td>55.5</td>
<td>46.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualification</td>
<td>50.1</td>
<td>49.6</td>
<td>43.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measures supporting employment (employment incentives, self-employment support, etc.)</td>
<td>40.1</td>
<td>39.7</td>
<td>38.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measures creating employment (public works, etc.)</td>
<td>41.5</td>
<td>42.4</td>
<td>41.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>45.6</td>
<td>44.6</td>
<td>41.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sum of all instruments with one-off treatment*</td>
<td>43</td>
<td>43.8</td>
<td>41.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*job placement voucher, support for job placement, mobility allowance, etc.
Data source: BA 2010a and BA 2009a.
40 out of 1000 male long-term unemployed received an employment bonus (Eingliederungszuschuss) while among women the rate was often less than 20. Also 40% of the placement centres had not yet put in place a person responsible for gender issues and failure to reach the statutory quota of activated women did not usually have any repercussions (HBS 2009).

**United Kingdom**

In line with the severe under-representation of women in the Jobseeker’s Allowance (see above), women are also less likely than men to participate in the obligatory active labour market measures (Table 9).\(^{10}\) Their share in the New Deal 25 plus for the long-term unemployed is only about 19%, whereas they make up more than 40% of the unemployed (but only 28% of JSA claimants). Their share in the New Deal for young people was around 27% in 2009. Women are much better represented in the Employment Zone measures. These are used in areas with consistently high levels of long-term unemployment and pool funds for training, Jobcentre Plus support and

<table>
<thead>
<tr>
<th></th>
<th>Aug* 08 Thousands</th>
<th>Aug* 08 % in total</th>
<th>Aug* 09 Thousands</th>
<th>Aug* 09 % in total</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSA caseload (male)</td>
<td>628.69</td>
<td>72.4</td>
<td>1072.97</td>
<td>72.2</td>
</tr>
<tr>
<td>JSA caseload (female)</td>
<td>240.04</td>
<td>27.6</td>
<td>412.35</td>
<td>27.8</td>
</tr>
<tr>
<td>New Deal 25+ (male)</td>
<td>45.46</td>
<td>81.3</td>
<td>31.46</td>
<td>81.4</td>
</tr>
<tr>
<td>New Deal 25+ (female)</td>
<td>10.48</td>
<td>18.7</td>
<td>7.21</td>
<td>18.6</td>
</tr>
<tr>
<td>New Deal for partners (male)</td>
<td>1.33</td>
<td>30.9</td>
<td>1.5</td>
<td>30.4</td>
</tr>
<tr>
<td>New Deal for partners (female)</td>
<td>2.97</td>
<td>69.1</td>
<td>3.43</td>
<td>69.6</td>
</tr>
<tr>
<td>New Deal for lone parents (male)</td>
<td>4.74</td>
<td>4.8</td>
<td>4.56</td>
<td>4.8</td>
</tr>
<tr>
<td>New Deal for lone parents (female)</td>
<td>92.4</td>
<td>94.0</td>
<td>89.65</td>
<td>94.8</td>
</tr>
<tr>
<td>New Deal for young people (male)</td>
<td>56.69</td>
<td>73.4</td>
<td>63.87</td>
<td>73.4</td>
</tr>
<tr>
<td>New Deal for young people (female)</td>
<td>22.83</td>
<td>26.6</td>
<td>23.86</td>
<td>26.6</td>
</tr>
<tr>
<td>Employment Zones (male)</td>
<td>16.02</td>
<td>51.6</td>
<td>8.61</td>
<td>46.2</td>
</tr>
<tr>
<td>Employment Zones (female)</td>
<td>13.73</td>
<td></td>
<td>8.08</td>
<td></td>
</tr>
</tbody>
</table>

* The reference month for Employment Zones is October.

Source: DWP Statistical Tabulation Tool.

Note: from October 2009 the so-called flexible New Deal is phased in and is expected to have an artificial impact on the New Deal figures.

\(^{10}\) As part of an encompassing welfare reform agenda, planned before the economic crisis, the Jobseekers Allowance (JSA) and the New Deal programmes are currently being revised. As far as the active measures are concerned, from October 2009 the Flexible New Deal was phased in, establishing a new unified individualised and personalised approach for all job-seekers with barriers to finding work (DWP December 2009: 36). The programme is mandatory after 52 weeks of unemployment and consists of a package of work preparation and job-search support (for more information, see DWP 2010).
benefits with the aim of helping long-term unemployed people (whose participation is mandatory) to re-enter employment. Not surprisingly, women have considerably higher shares than men in the New Deal for partners and the New Deal for lone parents. Both programmes are voluntary and, compared to the New Deal 25+, New Deal for young people and the Employment Zones, interventions are less intensive consisting merely of advice and assistance with job search or interview skills or child-care assistance.

As regards the impact of the crisis, no clear trends in the gender distribution are evident between August 2008 and 2009 – in this period the share of women in unemployment had decreased from 42.4 to 40%. The share of women decreased somewhat in the New Deal for young people while showing some increase in the Employment Zones, as well as in the New Deals for partners and lone parents. In absolute terms, participation in the New Deal 25 plus and the Employment Zones has decreased considerably within the one-year period while participation in the New Deal for young people (which sets in at an earlier stage of unemployment than the New Deal 25) increased, particularly for men.

Denmark

The second dimension of the unemployment system, namely the activation arrangements, has also seen a significant increase in numbers of beneficiaries. In Denmark activation is compulsory before 13 weeks of unemployment for those below 30 years of age, and after 39 weeks of unemployment for those above 30 years of age. Table 10 displays the share of unemployed that have received their first offer of activation according to the duration of the unemployment spell. Two conclusions can be drawn from these figures: firstly since 2007 there is a general trend towards a greater share of the unemployed being activated at an early stage during their unemployment spell with about 80 per cent of unemployed with an unemployment spell of 12 months having received their first activation offer, see January 2007 to January 2010. Furthermore, with the heavy inflow of newly unemployed workers into the system, the figures also seem to indicate that the activation system is keeping up the degree of activation. Hence neither the crisis, nor the profound change in the activation system whereby it has been decentralised to the municipal level and at the same time a new single-channel system, seems to have slowed down the still earlier activation of unemployed. Since 2005 a serious effort has been made to continuously activate the unemployed at a very early stage in order to have an efficient activation system.

In accordance with the government’s agenda on full employment, the requirements for lone parents to work are strengthened by successive reduction of the age of the youngest child that entitles a lone parent to claim income support (IS) as lone parent. The changes have been phased in since November 2008 and it is proposed that from October 2010 lone parents will be able to claim IS only until the youngest child is seven. Lone parents who are no longer eligible for IS can claim JSA while they seek work (DWP 2010).
A second observation that can be made is that there is very little difference between the share of women and the share of men that are activated at the different junctures. While the figures for January 2009 and January 2010 could indicate that there might be a slight advantage for women in terms of a faster activation, this remains to be verified. Furthermore, women are systematically activated for a longer period than men with an average activation period of 7.4 weeks for men and 11.8 weeks for women in the period January-August 2009 (www.jobindsatsen.dk).

Hence, although there seems to be a slight difference in the activation rates and access to unemployment benefits and assistance, there seems to be no greater indication of differing treatment between men and women at least with regard to the quantitative aspect. However, these conclusions could change as 500,000 individuals on the labour market have not insured themselves against unemployment, and some 9 out of 10 of these will not qualify for social assistance either. This change in behaviour could call into question one of the fundamental pillars of the Danish flexicurity model, namely the validity of the income-security hypothesis. This issue seems to concern men more than women as two thirds of the non-insured are men.

Table 10  First activation offer by unemployment spell duration by gender

<table>
<thead>
<tr>
<th></th>
<th>January 07</th>
<th>January 08</th>
<th>January 09</th>
<th>January 10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share receiving the first offer of activation</td>
<td>Share receiving the first offer of activation</td>
<td>Share receiving the first offer of activation</td>
<td>Share receiving the first offer of activation</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Same day as unemployed</td>
<td>1.0</td>
<td>1.5</td>
<td>1.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Within a week</td>
<td>1.4</td>
<td>2.0</td>
<td>1.4</td>
<td>2.3</td>
</tr>
<tr>
<td>Within a month</td>
<td>3.3</td>
<td>6.6</td>
<td>4.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Within 2 months</td>
<td>6.6</td>
<td>15.5</td>
<td>11.4</td>
<td>15.3</td>
</tr>
<tr>
<td>Within 3 months</td>
<td>11.1</td>
<td>23.9</td>
<td>18.9</td>
<td>26.1</td>
</tr>
<tr>
<td>Within 6 months</td>
<td>29.4</td>
<td>49.4</td>
<td>46.1</td>
<td>52.4</td>
</tr>
<tr>
<td>Within 9 months</td>
<td>60.5</td>
<td>77.0</td>
<td>80.1</td>
<td>85.3</td>
</tr>
<tr>
<td>Within 12 months</td>
<td>79.2</td>
<td>88.8</td>
<td>93.7</td>
<td>96.1</td>
</tr>
<tr>
<td><strong>Men</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Same day as unemployed</td>
<td>0.6</td>
<td>0.9</td>
<td>0.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Within a week</td>
<td>0.9</td>
<td>1.2</td>
<td>0.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Within a month</td>
<td>2.1</td>
<td>4.4</td>
<td>2.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Within 2 months</td>
<td>4.3</td>
<td>11.2</td>
<td>7.0</td>
<td>10.1</td>
</tr>
<tr>
<td>Within 3 months</td>
<td>8.4</td>
<td>19.7</td>
<td>13.2</td>
<td>21.8</td>
</tr>
<tr>
<td>Within 6 months</td>
<td>25.6</td>
<td>46.8</td>
<td>43.3</td>
<td>52.0</td>
</tr>
<tr>
<td>Within 9 months</td>
<td>62.1</td>
<td>82.1</td>
<td>80.1</td>
<td>84.7</td>
</tr>
<tr>
<td>Within 12 months</td>
<td>81.8</td>
<td>93.5</td>
<td>94.1</td>
<td>96.6</td>
</tr>
</tbody>
</table>

Source: www.jobindsats.dk, 02.05.2011
2.7 Transition patterns

With regard to the gendered impact of the crisis, employment transitions are of particular importance as evidence from previous crises indicates that while relatively fewer women encounter unemployment spells they do, on the other hand, remain longer in unemployment and have a greater probability of moving into inactivity (Smith 2009: 9).

Germany

In Germany, women are less likely than men to exit unemployment; in the period March 2009 to February 2010 the male share in all transitions was 57% and thus almost 3% higher than a year earlier (BA April 2010b). Table 11 shows the transitions of women and men from unemployment to employment, qualification measures and non-employment as a share of all transitions and the elapsed duration of unemployment at the time of transition. Looking at the most recent time period (March 2009 to February 2010), among men the share of transitions to employment in all transitions is considerably larger than among women (39.3% versus 31.9%) while the reverse is true of transitions to non-employment (29.8% versus 36.7%). In transitions to qualification measures, by contrast, there were hardly any differences. On all destinations elapsed duration of unemployment at the time of transition was higher for women than for men.

Table 11 Transition from unemployment (destination) and duration of unemployment at transition by gender

<table>
<thead>
<tr>
<th>From unemployment to...</th>
<th>Women</th>
<th>Men</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share in all transitions</td>
<td>Share in all transitions</td>
<td>Duration of unemployment at transition</td>
<td>Duration of unemployment at transition</td>
</tr>
<tr>
<td>Employment</td>
<td>Mar 2007 to Feb 2008</td>
<td>33.2</td>
<td>43.5</td>
<td>33.7</td>
</tr>
<tr>
<td></td>
<td>Mar 2008 to Feb 2009</td>
<td>32.5</td>
<td>41.8</td>
<td>31.9</td>
</tr>
<tr>
<td></td>
<td>Mar 2009 to Feb 2010</td>
<td>31.9</td>
<td>39.3</td>
<td>26.9</td>
</tr>
<tr>
<td>Qualification</td>
<td>Mar 2007 to Feb 2008</td>
<td>17.5</td>
<td>17.1</td>
<td>35.7</td>
</tr>
<tr>
<td></td>
<td>Mar 2008 to Feb 2009</td>
<td>20.9</td>
<td>20.5</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>Mar 2009 to Feb 2010</td>
<td>25.3</td>
<td>26.2</td>
<td>31.4</td>
</tr>
<tr>
<td>Non-employment</td>
<td>Mar 2007 to Feb 2008</td>
<td>38.5</td>
<td>30</td>
<td>60.6</td>
</tr>
<tr>
<td></td>
<td>Mar 2008 to Feb 2009</td>
<td>37.4</td>
<td>30.1</td>
<td>57.1</td>
</tr>
<tr>
<td></td>
<td>Mar 2009 to Feb 2010</td>
<td>36.7</td>
<td>29.8</td>
<td>49.1</td>
</tr>
<tr>
<td>Destination unknown</td>
<td>Mar 2007 to Feb 2008</td>
<td>10.8</td>
<td>9.2</td>
<td>43.9</td>
</tr>
<tr>
<td></td>
<td>Mar 2008 to Feb 2009</td>
<td>9.3</td>
<td>7.6</td>
<td>39.9</td>
</tr>
<tr>
<td></td>
<td>Mar 2009 to Feb 2010</td>
<td>6.2</td>
<td>4.7</td>
<td>41</td>
</tr>
</tbody>
</table>

As concerns the impact of the crisis, a smaller share of both women and men now enter employment with somewhat larger losses among men. On the other hand, both women and men are now more likely to enter qualification measures (an increase of around 8.5% since 2007). Additionally, women are somewhat less likely to enter non-employment than before. Interestingly, the elapsed duration of unemployment at transition has decreased over the 2-year period, regardless of destination, for both men and women.

Weinkopf et al. (2009: 182-186), in their evaluation of the basic allowance (ALGII) from a gender perspective, come to similar results. In 2007 and 2008 75% of men and 52% of women who no longer received the basic allowance had entered employment. Women in couples with children in receipt of the basic allowance were more likely to enter non-employment or unemployment instead of employment (40%) on expiry of benefit receipt. In contrast, 80% of men in couple families with children had entered employment when their benefit entitlement expired.

United Kingdom

The share of women leaving JSA receipt (for any destination) has traditionally been somewhat higher than that of men (about 2 to 4 percentage points). In February 2010 the claimant off-flow as a share of the stock was 19% among men and 20.5% among women – the gender differences have thus somewhat decreased (Table 12).

The data on off-flows from the Job Seekers Allowance (JSA) shows that the majority of both men and women move to employment (Table 12). However, a higher proportion of men than women enter work (70.8% versus 63.6% in February 2010). Also men are more likely than women to enter training, whereas women are more likely to leave JSA to claim another benefit (e.g. incapacity benefit or income support).

Comparing 2007 and 2010 transitions shows that for both men and women the flows to employment have become more frequent, whereas particularly claiming benefits such as income support or incapacity benefits has become less frequent, as have outflows to government-supported training. This is likely to be an impact not of the crisis but of ongoing welfare-to-work reforms. The gender difference in transitions to employment has slightly increased in favour of men, whereas the gender difference in transfers to government-supported training has decreased.

Women on average spend somewhat less time than men in unemployment before becoming employed. The median unemployment duration at transition to employment was 11.5 weeks for men and 10.6 weeks for women in February 2010 and thus around 2 weeks longer than in 2007 for both groups. Median unemployment at off-flows to government-supported schemes was 31.3 weeks for men and 29.1 for women in 2010 (Office for National Statistics, Nomis).
From 2006 until 2009 the proportion of claimants that did not return to the unemployment benefit system within a one-year period increased steadily, especially among women. While a higher proportion of women returned to unemployment benefits during the period 2006-2007, the trend was reversed in 2008 with a higher proportion of men returning to the unemployment benefit system, thereby reflecting the worsening labour market conditions especially for men at this point (Table 13). However, 2009 displays the worsening of the labour market situation for both women and men with respectively only 24.3% and 21.7% not returning to unemployment benefits within 12 months.

Table 12  Claimant off-flow as share of stock of claimants and reasons for off-flow by gender 2007-2010

<table>
<thead>
<tr>
<th></th>
<th>2007 (Feb)</th>
<th>2007 (Feb)</th>
<th>2008 (Feb)</th>
<th>2008 (Feb)</th>
<th>2009 (Feb)</th>
<th>2009 (Feb)</th>
<th>2010 (Feb)</th>
<th>2010 (Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Claimant off-flow as</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>share of stock of</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>claimants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Found work</td>
<td>60.9</td>
<td>55.5</td>
<td>59.9</td>
<td>55.2</td>
<td>61.3</td>
<td>59.4</td>
<td>70.8</td>
<td>63.6</td>
</tr>
<tr>
<td>Claimed Income</td>
<td>2.5</td>
<td>7</td>
<td>2.4</td>
<td>6.9</td>
<td>1</td>
<td>4.9</td>
<td>0.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Support</td>
<td>7.1</td>
<td>7.6</td>
<td>6.4</td>
<td>7.1</td>
<td>1.5</td>
<td>1.7</td>
<td>1</td>
<td>1.4</td>
</tr>
<tr>
<td>Claimed Incapacity</td>
<td>2.3</td>
<td>3.7</td>
<td>2.4</td>
<td>4</td>
<td>1.5</td>
<td>3</td>
<td>1.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Benefit</td>
<td>14</td>
<td>9.6</td>
<td>17</td>
<td>12</td>
<td>17</td>
<td>11.1</td>
<td>10.8</td>
<td>8.2</td>
</tr>
<tr>
<td>Claimed another</td>
<td>2.4</td>
<td>4.2</td>
<td>2.5</td>
<td>4.1</td>
<td>3</td>
<td>4.6</td>
<td>3.2</td>
<td>5.2</td>
</tr>
<tr>
<td>benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to</td>
<td>10.9</td>
<td>12.5</td>
<td>9.5</td>
<td>10.7</td>
<td>14.7</td>
<td>15.2</td>
<td>11.8</td>
<td>13.5</td>
</tr>
<tr>
<td>government-supported</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceased claiming</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Other reason*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*includes e.g. back-to-work bonus, prison, gone abroad, gone to full-time education, etc.
Data source: ONS, Nomis, download on 31 March 2010.

Denmark

From 2006 until 2009 the proportion of claimants that did not return to the unemployment benefit system within a one-year period increased steadily, especially among women. While a higher proportion of women returned to unemployment benefits during the period 2006-2007, the trend was reversed in 2008 with a higher proportion of men returning to the unemployment benefit system, thereby reflecting the worsening labour market conditions especially for men at this point (Table 13). However, 2009 displays the worsening of the labour market situation for both women and men with respectively only 24.3% and 21.7% not returning to unemployment benefits within 12 months.

Table 13  Claimants off-flow by year and gender in Denmark (2006-2009) as percentage of all claimants *

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No benefit</td>
<td>Benefits</td>
<td>No benefits</td>
<td>Benefits</td>
</tr>
<tr>
<td>Women</td>
<td>31</td>
<td>69</td>
<td>36.4</td>
<td>63.6</td>
</tr>
<tr>
<td>Men</td>
<td>38.2</td>
<td>61.8</td>
<td>38.4</td>
<td>61.6</td>
</tr>
</tbody>
</table>

* Individuals are defined as having left the benefit system if, after not having received unemployment benefits for one day, they do not return within a 12-month period.
Source: www.jobindstatsen.dk, 02.04.2010
Table 14 shows that men leaving unemployment tend to have a higher probability than women of being in employment or receiving social assistance 12 months after having quit unemployment benefits. Only in 2008 did women have a slightly higher probability than men of making a transition into employment. In 2009 the situation reversed again mainly due to an increase in the probability of men being in employment, while the probability for women continued to decrease. This reversal reflects the changing nature of the crisis, from being confined to construction and manufacturing to spilling into the service and public sector.

Women, on the other hand, had a higher probability of being on unemployment benefits in 2006, a situation that was reversed in 2007, 2008 and 2009. Women are also more likely to be in the category “other” which includes death, migration, homemakers, maternity and parental leave and students.

Despite the advantage for male transition into employment, one cannot conclude that there are large differences according to gender in Denmark.

The above gendered analysis of the unemployment system displays a varied picture across the countries analysed. While women are underrepresented in receipt of unemployment benefits in Germany and the UK, but not as regards basic benefit receipt in Germany, and the crisis is reinforcing this trend, the
opposite seems to hold true in Denmark where more women qualify for unemployment benefits, while they are less present in social assistance. This divide is also observed in the activation system. In the UK women are by far less activated, and on average they are offered less intensive activation schemes. In Germany women are (slightly) overrepresented in job placement schemes, but underrepresented in genuinely active measures. In Denmark there does not seem to be a qualitative difference between men and women and, furthermore, women remain longer in activation schemes.

In all three countries women have a lower probability of entering employment from unemployment. In Germany the probability of non-employment is higher; in the UK women have a higher probability of entering other benefits; in Denmark women have a higher probability of remaining on benefits. In Denmark and the UK the inequality in transitions between men and women seems to be somewhat reinforced by the crisis, despite the fact that the crisis has affected male sectors to a greater extent.
3. Short-term and medium-term impacts of reforms and policy measures in response to the crisis for gender equality

The following section will first look at the country-specific stimulus packages, viewed from a gender standpoint. In the subsequent two sections we will look first in more detail at recent reforms and adaptations of public policies as a response to the crisis. These will include passive and active labour market policies as well as social services provision and parental leave and support schemes. We will take, secondly, an in-depth look at changes during the crisis in firm-level policy areas and will assess the implications of the recent reforms on women. The firm-level analysis places the emphasis on short-time working and leave schemes which have been popular response measures with a view to retaining employment. Thirdly we will look at the austerity measures that have recently been put in place and are currently being phased in. Here we focus on cuts in social and labour market services and in public sector employment and its implications for women.

3.1 Short-term responses – the stimulus packages

The stimulus packages introduced in different European countries varied considerably in terms of value and content. The differences in the size of the stimulus are influenced by, among other things, the magnitude of the downturn but also justified by the size and strength of automatic stabilisers. The stimulus packages are usually a mix of tax cuts (e.g. to individuals, businesses, on consumption, social contributions) and direct government expenditure (e.g. public investment programmes, transfers to households, businesses and sub-national governments). The UK has largely focused on the revenue side, while Denmark has somewhat favoured the expenditure side and the German measures were relatively balanced (Watt 2009). Around 39% of the European stimulus has been directed towards supporting households’ purchasing power (including vulnerable groups), 16% to supporting labour markets, 20% to investment activities and 25% to supporting businesses (European Commission December 2009c).

12. In the international policy documents which give an overview of the various forms of response to the crisis, policies are reported as being anti-crisis measures although in reality they were in many cases planned or initiated before the crisis set in. We try to focus here on measures that have been introduced or on reforms that have taken place in direct response to the crisis although in certain cases we also report on reforms decided before the crisis.
In terms of a possible gender impact of the stimulus packages, the Advisory Committee on equal opportunities for women and men (June 2009) points out that stimulus packages may target some sectors more than others and that this will directly affect women’s and men’s employment. Also, in the medium term, reduced tax revenues and budget cuts (see Section 3.3) may lead to reductions in public services (e.g. education and social care) which will affect women as users of and employees in this sector. Another worry that is voiced relates to the predominance of the male-breadwinner model in a number of countries insofar as this may lead to a situation in which men’s jobs are prioritised and women are relied upon as a social safety net and regarded as informal carers. According to the Advisory Committee (2009: 8), the majority of member states characterise the interventions to the downturn as being “gender-neutral” but few report that they are carrying out a gender impact assessment when developing new policies. However, in a more indirect way, several countries will assess the impact of the downturn and implemented policies on equality issues. On the basis of a survey of national experts on the stimulus packages, Watt (2009) concludes that European governments, in the design of their stimulus packages, seem to have taken only limited account of income inequality and support for those actually losing their jobs.

3.1.1 The German fiscal stimulus package

The German fiscal stimulus was worth about €82 billion spread over two years. The total discretionary stimulus amounted to approximately 2.6% of GDP with somewhat more expenditure in 2010 than 2009 (Watt 2009). The first stimulus package from November 2008 included, among other things, money for infrastructure projects (particularly roads), tax relief for firms and private households (e.g. relief on car tax) and a number of labour market initiatives. The second stimulus package of January 2009 included infrastructure investments with, for example, a focus on education facilities, a car-scrapping premium, employment and training measures and income tax cuts for workers with low and medium earnings, reductions in contributions of workers and firms to health care insurance as well as transfers to families (BMWI 2010; for details on the financial value of the single measures see IMK 2009: 13).

Reiner (2009) assesses the German stimulus packages from a gender perspective. She criticises, among other things, the facts that the upgrading of the short-time working allowances benefits, for the most part, men (about 80% of beneficiaries), that there has been a strong focus on the car industry (car-scrapping premium, public and media support for securing employment at Opel) and not on, for example, services employment. Reiner (2009) also states that, due to tax exemptions, workers with very low earnings will not benefit from the tax cuts. Furthermore, in absolute terms those with higher earnings (more likely to be men) will derive greater benefit from the tax cuts. The author also directs her criticism at the fact that the value of family-related stimulus measures in the second package is less than half that of the car-scrapping bonus. As to the investments in education facilities, these will not be used to employ additional staff (women are over-proportionally employed in this
sector) as the focus is on the building infrastructure (benefitting jobs carried out for the most part by men). Meanwhile, the tax deficits expected for the coming years are likely to affect (female) jobs in the public sector.

Schambach (2010), in a report commissioned by the Hans Böckler Foundation, also analyses the gender impact of the employment-relevant aspects of the stimulus packages. She estimates that, due to the focus of the stimulus on particular sectors, male employment benefited from these measures in about 72% of cases and female employment in about 28% of cases. She points also to the fact that part-time work and marginal employment in female sectors may have risen during the crisis with negative future implications. In this regard, it is interesting to note that one of the few female-dominated sectors to have benefited from the stimulus packages (albeit less so than, for example, the automobile or the construction sector) is the domestic – or “neighbourhood” – services sector, a sector largely characterised by marginal employment. Last but not least, it is also suggested that female-dominated sectors will be hit with a time lag, particularly when austerity measures are being put into place (on this see Section 3.3).

3.1.2 The UK fiscal stimulus package

The UK fiscal stimulus package, to a value of about £20bn, was announced in November 2008; further limited measures were announced in the 2009 budget including training measures for young unemployed and a car-scrapping scheme.\(^{13}\) The total discretionary stimulus was about 1.5% of GDP with the bulk in 2009. The most important measure of the UK fiscal stimulus package, accounting for roughly half of the expenditure, was a temporary cut in the standard VAT rate from 17.5% to 15%. The expectation was a powerful effect on demand by encouraging consumers to bring forward spending (HM Treasury 2009). This measure is beneficial for all groups of workers and benefits both men and women in equal terms. Another measure targeted at those with lower earnings is the permanent increase in the personal income tax allowance for basic-rate taxpayers. Those with very high earnings (above £150,000) are meanwhile facing an income tax increase. Furthermore, public investment spending has been brought forward to 2009/2010 in order to improve transport infrastructure, science research facilities, school buildings and primary healthcare facilities. There have also been increases in child benefits and small increases in the child tax credit and a one-off payment to pensioners. Furthermore, according to the HR Treasury (2009: 88) about 355,000 households which have seen a drop in income have benefited from the responsiveness of the tax credits system in that they are receiving more tax credits than they would otherwise have done. The same is true of low-income households.

\(^{13}\) For more information on the additional measures see HM Treasury (April 2009).
3.1.3 The Danish fiscal stimulus package

The Danish stimulus package amounted to 2.2% of GDP to be spent over 2009-2010. The package consists of a fiscal reform on the revenue side and additional public investment in infrastructure and public buildings on the spending side. The expected fiscal effects is 0.6% in 2009 and 0.6% in 2010. However, the fiscal reform accounting for half of the stimulus package was planned in advance of the financial and economic crisis and not as a response to it. The reform is aimed at decreasing taxation on income from work and slightly increasing taxation on in-work benefits in kind. The fiscal reform has a gendered impact insofar as it provides tax relief for the higher-income section of the workforce. Estimates show that women stand to gain 1.4% of the income in tax relief (2,400 DKR) while the same gain is 2.5% for men (4,500 DKR), hence in total figures nearly double. This is mainly due to the fact that men earn more than women and hence benefit to a larger extent from the reform. In more general terms, Schytz Juul (2009) has computed that the 10th decile will benefit from 40% of the fiscal reform, the 5th decile from 66%, and the 1st decile from only 1.4%. The main rationale is that the tax relief will stimulate internal demand. However, as the above figures show, it tends, firstly, to discriminate against, among others, women, as it is directed towards high-end earners; secondly, the efficiency of such a measure is somewhat questionable as research shows that fiscal measures are more efficient when directed towards liquidity-constrained households rather than those with higher income, since the latter tend to save a higher proportion of additional income. As the spending side is directed towards the construction sector, it will tend to favour employment creation or maintenance in male- rather than female-dominated sectors.

3.2 Reforms of public social policies

Over the last one and a half decades many member states have seen reforms in their unemployment benefit systems (e.g. New Deal reforms in the UK, Hartz reforms in Germany). Eligibility criteria have been made stricter in several countries; some countries have lowered their benefit levels and/or shortened the duration of non-means-tested benefits. Another common strategy has been timelier and/or more intensive activation which has often been combined with improving the effectiveness and efficiency of public employment services. The tendency to offer more (individualised) job-search assistance has often been used as a means of increasing the monitoring and sanctioning of the job readiness of the unemployed (compare e.g. Chronique de l’IRES 2008). In contrast to the rhetoric on flexicurity and the ardent promotion of flexible forms of employment, unemployment benefits have usually not been made more inclusive over the last decade but rather have become more restricted in terms of coverage (Leschke 2008).
3.2.1 Passive unemployment benefits/social assistance

With the economic crisis, a considerable number of European countries adopted temporary or permanent measures to adapt the design of their unemployment benefit systems by increasing either the level or duration of benefits (e.g. Estonia, Spain, Portugal, Lithuania, Poland and Romania) or, alternatively, their coverage (e.g. Estonia, France, Portugal, Finland). Similar reforms have been introduced in terms of social assistance or various forms of support in kind. The necessity for reforms in passive benefit systems varies strongly between European countries, with some countries having much more encompassing and generous systems than others.

In terms of unemployment benefits neither Germany nor the UK made any changes to the rules governing the access to, level or duration of regular unemployment insurance benefits. In Germany, however, as part of the basic allowance for job seekers (ALG II), benefits for children aged 6 to 13 years were temporarily raised and, moreover, contributions to unemployment insurance were reduced from 3.3% to 2.8% for 2009 and 2010 and to 3% for 2011 (Council of the European Union 17 November 2009: 64). Importantly, the short-time working allowance that played an important role in upholding employment during the economic crisis in Germany is financed largely through the unemployment insurance (see below).

While most of the measures that have been undertaken in Denmark were not put in place as a response to the crisis but rather decided during the period of tight labour markets and with unclear gender implications, there are two reforms that do have a clear gendered dimension, namely the reform of the part-time unemployment benefit (supplerende dagpenge) and social assistance for married couples that came into play during the crisis. In June 2008 the Danish government voted a reform that limited the duration of part-time unemployment benefit from 52 weeks to 30 weeks and extended the reference period from 70 till 104 weeks. This reform has resulted in a halving of the stock of beneficiaries over the past year; whereas in 2007 nearly 13 per cent of unemployment benefit recipients received part-time unemployment benefits, in 2009 this figure was only 7% (Arbejdsmarkedstyrelsen 2009), thereby driving down the unemployment statistics at the same time (Villa and Smith 2010). More detailed figures show that in the past especially public sector employees – such as childcare and social assistance staff and nurses – have benefited from the part-time unemployment benefit; these are also the employment groups that have experienced the largest drop in number of beneficiaries (Arbejdsmarkedstyrelsen 2009). On the other hand, there has been an upsurge in the number of beneficiaries from the more male-dominated unemployment funds such as the metal workers’ and construction workers’

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15. According to OECD (2009a: 69) 15 OECD countries closed certain gaps in unemployment benefit coverage and in addition 17 countries expanded social assistance or support in kind.
funds due to the take-up of work-sharing (see below) (Ugebrevet A4 2010). Three observations can be made: firstly, it is surprising that this type of unemployment benefit mostly concerns public sector staff; secondly, this reform mostly affects women; thirdly, while across Europe many part-time unemployment schemes were extended and enhanced during the crisis period, the exact opposite took place in Denmark based on an assessment of tight labour markets linked to the pre-crisis period.

The eligibility criteria for social assistance have also been tightened for married couples. In March 2006 a first reform required that married couples receiving social assistance should be able to prove at least 300 hours of work each over a two-year reference period. This implies that, in the case where both partners in a couple receive social assistance, they should both be able to prove at least 300 hours of work or one of them would lose the right to social assistance. The aim was to “make-work-pay” (Bjerregård Bach and Larsen 2008). Bjerregård Bach and Larsen (2008) evaluate the effect of the reform and conclude that women predominate among those excluded from social assistance and, furthermore, that the excluded women were less likely than men to be employed after exclusion.16 In July 2009 the criteria were tightened and the work hours requirement was raised to 450 hours over a two-year period. There is still no evaluation of the impact of the reform; however, in view of the results from the previous reform, it may be expected that more women than men will be affected and, furthermore, it is likely that, in view of the current labour market situation, the excluded women will again be less likely to enter paid employment but rather will withdraw from the labour market altogether.

3.2.2 Active labour market policies

Due to acyclic ALMP spending, in previous recessions, resources per unemployed person declined strongly as unemployment rose. This implies that, in the current recession also, public employment services may face difficulties in providing encompassing and adequate services to the rising number of unemployed (OECD 2009a: 22). However, scaling up of ALMPs seems to be stronger in the current recession, with all OECD countries having taken action to expand ALMP measures. According to OECD (2009a: 68) and based on questionnaires sent out in January and May 2009, most countries (21 out of 29) have strengthened job-search assistance (e.g. several countries, among them Germany, employed new PES staff), whereas 10 countries, including Denmark, have tightened activation requirements for the unemployed. The majority of countries have expanded training schemes particularly for vulnerable groups of workers. New short-time working schemes have been introduced in 8 countries, while 14 countries have modified and reinforced their already existing schemes (see Section 3.3.1 below). Measures that support labour demand (e.g.

16. The strongest finding to emerge from Bjerregård Bach and Larsen (2009) is that 95% of the excluded and 90% of those in danger of being excluded were not born in Denmark and, furthermore, one third did not speak Danish.
reductions in non-wage labour costs, job subsidies and public sector job creation schemes) and that are often targeted at disadvantaged groups or apprentices (e.g. in the UK) have also been introduced in many countries. Despite the scaling up of ALMPs in all countries, the additional funds in many cases do not match the rise in unemployment. Notable exceptions among the OECD countries are Greece, Japan, Poland, Portugal, Spain and Sweden where recent discretionary increases in spending correspond to an annual increase of between approximately 0.15% and 0.45% of GDP (OECD 2009a: 71). Also in a few countries, such as Denmark and Switzerland, the national budget for ALMPs is adjusted automatically with rising unemployment.

About 20% of the German fiscal stimulus package is spent on employment measures. A large bulk of this is used for extending the short-time working allowance (see below). In terms of labour market initiatives, the first stimulus package included the prolongation of the short-time working allowance, an increase in job centre staff and a boosting of the qualification programme for elderly and low qualified workers who are employed in small and medium-sized enterprises (BMWI 2010). The employment agency pays the fees for the training and also a supplement for further costs related to the training. Workers receive an education voucher which gives them free choice among the certified training offers. During the training measure, the employer receives part of the wage costs and of the social security contributions (BA 2010e). The second stimulus package also included a range of employment and qualification measures. The short-time working allowance has been extended further including also incentives for training during short-time work. Additional funds have been invested in activation and qualification and further job centre staff have been employed (BMWI 2010).

Employment measures make up only about 5% of total expenditure on the UK stimulus package (Khatiwada 2009). £1.7 billion were set aside for the Department for Work and Pensions to better manage the higher numbers of individuals currently claiming JSA benefits. £158 million were allocated to provide skills support to people who received a redundancy notification or who became unemployed (2-8 week personalised support). The onsite support for employees in finding a new job before they become redundant and the Local Employment Partnerships were expanded. A National Employment Partnership between Government and major employers was created to develop strategies to bring people back to work. The level of statutory redundancy pay was increased and employers who reemploy and train longer-term unemployed (>6 months) could receive £2500 (HM Treasury 2009: 95). Further measures were implemented for long-term unemployed, e.g. work placement or work-related skills training for long-term unemployed youth and funding for creating socially useful activities and creating employment opportunities in the care sector (HM Treasury 2009: 96).

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17. This excludes two types of measure which play an important role in a number of countries, namely, spending on large-scale temporary public works and revenue cost of cuts in employer social security contributions. Also, initiatives taken via collective bargaining are excluded.
Denmark is one of the few countries where ALMP expenditure automatically rises with unemployment, greatly limiting the need for discretionary measures. (OECD 2009a: 71). In general, it would be wrong to state that social policies in Denmark have not reacted to the crisis in the labour market; it would, however, be equally wrong to qualify the reaction as breaking the previous trend of reforms. The reforms or rather modifications that have taken place in the social policy area are driven by two main issues: firstly, the deep restructuring of the Danish governance system and municipalisation of the unemployment insurance and assistance system (see above) that took place during Autumn 2009; secondly, the strengthening of the activation system and pursuit of increasing the labour supply. Many of these policy changes were planned in the period before the massive increase in unemployment and implemented during the period of rising unemployment. For instance, in March 2009, the government concluded an agreement with the social partners on a faster access to further training for those threatened by unemployment, the establishment of a national support system to offer support as early as possible, an increase in the monitoring of the labour market and finally more flexible rules with regard to accessing the work-sharing scheme (see below). The unemployed are required to offer proof of their job search with at least 4 job applications per week; the availability criteria are to be made clear to the unemployed from day one; and a 3-month job search plan should be drawn up at the first meeting with the PES. Workers below 30 years of age are to enter activation after a maximum of 3 months of unemployment, compared to 6 months previously. Furthermore, more stringent criteria will be applied to reduce the number of long-term recipients of sickness benefit, encouraging them to participate in ALMP to a greater extent. This policy was planned before the crisis and is currently being implemented.

Most modifications in terms of active labour market policies should not have any direct gender implications. However, as section 2.6 suggests, women are often at a disadvantage in access to ALMPs and this is more often the case for some than for other programmes. This will be illustrated below in relation to the short-time working allowance.

3.2.3 Social services provision

In terms of social services provision, women are the main beneficiaries since they still do the bulk of the care work and thus have to rely on public services such as child and elderly care in order to participate fully in the labour market. Furthermore, the large majority of employees in this sector are women; cutbacks in social services will thus affect female employment and unemployment rates more than male ones. In the first phase of the crisis many countries have invested in social services infrastructures such as childcare, health care and

18. For the EU as a whole the share of women in health and social work as well as education is 78% and 71%, respectively (Smith 2009: 5).
social housing. This is intended to boost the construction sector and thereby generate labour demand while at the same time improving access to social services.

Germany has adopted additional investments in educational infrastructure; this field is to receive two thirds of the overall planned expenditure which amounts to €14 billion by the federal level and approximately €4 billion by the Länder (Council of the European Union 2009: 31). Denmark is shifting forward money reserved for future public investments instead of increasing public spending. Plans for renovations of schools and kindergartens as well as investments in the health infrastructure have been launched (Council of the European Union 2009: 31).

3.2.4 Parental leave/parental support schemes

Parental leave and parental support schemes are another area where cutbacks or, in the longer run, a standstill can be expected in an effort to decrease public deficits. First examples of cutbacks can already be seen in the Baltic countries. There is also a danger that forms of longer-term leave that, in some countries, are being encouraged in the crisis will contribute to fostering the traditional division of labour.

In 2005 the UK labour party had planned to extend statutory maternity pay from 39 to 52 weeks by the end of this legislative period. These plans have now been shelved due to financial constraints in the recession. The right to additional paternity leave will come into force in April 2011, one year later than planned (Labour Research Department 2009). In Germany, the initial plan of the coalition government to increase the partner months in the parental leave allowance from two to four and thereby increase the full duration of parental leave from 14 to 16 months is on hold due to financial constraints.

3.2.5 Direct cash transfers to households, changes in taxes and contributions

In response to the crisis some countries introduced tax rebates or increased the tax thresholds for tax exemptions on low-income groups or other specific groups. Furthermore, one-off payments have been used to temporarily improve the situation of the most vulnerable households. Another measure to relieve the situation of vulnerable households has been an increase in the housing allowance.

Germany increased the income threshold for tax exemptions in two steps by €170. The marginal tax rate has been reduced from 15% to 14% from 1 January 2009. The contribution of the government to the statutory health insurance was increased in 2009 and 2010, thereby allowing a reduction in employer and employee contributions to the scheme (IG Metall 2009).
In the UK the standard VAT rate was temporarily reduced from 17.5% to 15%, supporting all households and businesses. The personal income tax allowance was permanently increased starting with financial year 2009/2010. Furthermore, the child element of the child tax credit has been increased by £75 above indexation with a likely further increase of £25 as from April 2010. (Council of the European Union 2009: 142).

As already described above, an important part of the Danish stimulus package was tax reform. However, this reform was planned before the crisis and benefits high-end earners to a larger extent than low wage earners and hence benefits men more than women on both an absolute and a relative measure.

In terms of one-off payments and increases in the housing allowance, in Germany all families entitled to child benefits received a one-off payment of €100 per child. Also the housing allowance was increased from 1 January 2009 (Council of the European Union 2009: 64). In the UK 15 million vulnerable people (e.g. pensioners, disabled persons and carers) received a one-off payment of £100 and the Christmas bonus was temporarily increased from £10 to £70. Cold weather payments for the elderly have also been temporarily increased (Council of the European Union 2009: 26), while a package of support for homeowners came into effect in January 2009.

3.2.6 Policy measures at the firm level: short-time working vs. leave schemes

Several countries have in the current crisis adapted their short-time work or temporary lay-off schemes (e.g. Germany, Denmark, Austria, Belgium, France, Sweden, Netherlands). At the same time, a range of central and eastern member states introduced such schemes for the first time (e.g. Bulgaria, Hungary, Romania, Slovenia) (Eurofound 2009a; Eurofound 2009b). An interesting development is that, in a number of countries, not only have eligibility criteria for unemployment benefits been relaxed (see above) but also short-time work and temporary lay-off schemes have been extended to workers on fixed-term contracts and/or temporary agency workers and/or part-time workers who, in many cases, had formerly been excluded (Eurofound 2009b). Opening up these schemes to non-standard workers is generally positive for women who are considerably more likely to work part-time and slightly more likely to hold a temporary contract; however, the important question is whether the change in the rules will have an impact on the practice. A recent comparative study on OECD countries shows that the positive impact of short-time working schemes was limited to workers with permanent contracts and

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19. From the 2010-11 tax year the personal allowance is reduced where the income is above £100,000.
20. For more encompassing information on these schemes and their effectiveness refer to OECD 2010 and Arpaia et al. (2010).
thus tended to further increase labour market segmentation between workers with temporary and permanent contracts (OECD 2010: 56–75).

The predominance of short-time working in industry sectors such as manufacturing, and the ongoing segregation of employment, has an important impact on the proportions of women and men who participate in short-time working schemes – with men in most countries being considerably overrepresented (Villa and Smith 2010: 65f; Glassner and Galgóczi 2009). Short-time work, even though it is usually partially subsidised by the state or the firm, means a loss in earnings which on average will in many cases be more problematic for women who usually already work fewer hours and earn less than men.

Career breaks or sabbaticals are a functional equivalent to short-time work and usually have a longer-term perspective (often one to five years according to Eurofound 2009a: 78). This period can, for example, be used for training or family and caring tasks. It is more often used in the services sector (e.g. banking) but there are also examples from manufacturing (Eurofound 2009a: 79). Usually workers on career breaks or sabbaticals are paid a certain amount of their previous wage (depending on the duration of leave but sometimes also on the activity that is exercised during the leave). Schemes that stipulate leave to take care of children or relatives are likely to not be gender-neutral. Career breaks and sabbaticals risk producing gender-unequal outcomes in that women may be more inclined to use this break for care activities whereas men may be more inclined to pursue further training.

Germany
The rules regarding the use of the German short-time working allowance have been modified and simplified several times since the crisis started to allow easier and less bureaucratic access and make the allowance available for broader groups of workers (including fixed-term workers and temporary agency workers). Importantly, the maximum duration has been increased from 6 to 24 months. The new rules, which are part of the economic stimulus package, were originally put in place until the end of 2010 but most of them have been extended to March 2012. From September 2008, when about 50 000 workers received the short-time working allowance, large increases in notifications and benefit recipients took place. Short-time employment peaked in May 2009 at 1.5 million workers (BA 2010). On the 2009 average about 1.143 million workers were on short-time work, the average working time reduction being about one third. Notifications were by far highest in manufacturing, followed by construction (BA 2009).

21 A particularly problematic scheme in this regard is the one introduced by the Spanish branch of the BBVA, a financial group that offers, among other things, up to two years’ special leave during the crisis to take care of children or relatives or to pursue post-graduate studies. Whereas employees who make use of the study leave (only possible after at least 3 years of service) are paid €6 000 a year, family leave (possible after one year of service) is unpaid (Eurofound 2009a: 79).
Men and women are represented very differently in short-time work. Of the 1.416 million short-time workers in June 2009, 78% were male and 22% female. About 7% of all regular (subject to social security) male employees and about 3% of all regular female employees worked short-time in June 2009 (BA 2009: 9-12). In the past decade the female share in short-time work has not surpassed about a quarter of the total and has in fact been lower in 2007 and 2008 than in 2009 (Figure 12).

The gender difference is largely due to the variation in the use of short-time work between the different sectors that display large variations in their gender composition. In manufacturing more than every fifth worker was on short-time work; 75% of workers in this sector are male. In the sectors that are dominated by women, such as education and health and social work, not even one in 100 workers was on short-time work. An interesting point, however, is that the share of men in short-time work as compared to women, in the sectors of health and social work and wholesale and retail trade for instance, is considerably larger than what would be expected from their overall share in these sectors. Similarly, women’s share in short-time work in manufacturing is smaller than their overall share in the sector (Figure 13 from BA 2009). There is thus a mechanism that goes beyond the sectoral segregation. It is likely to have to do with the specific occupations within the sectors and the specific tasks that men and women perform.

Before the crisis the rules on the use of short-time work stipulated that temporary contracts could not be prolonged during short-time work. This regulation has been temporarily suspended and the allowance can also be paid to fixed-term and temporary workers and their contracts can be prolonged.
during application of short-time work. While regular part-time workers were already eligible for short-time work before the crisis, marginal employed workers who are not eligible to contribute to or benefit from unemployment insurance are not eligible for short-time work as before the crisis (Bundesagentur für Arbeit 2010e).

**United Kingdom**

In the UK there is no state-subsidised short-time working scheme in place. However, Wales has launched the ProAct short-time working scheme which combines support for employees undertaking training with wage subsidies in firms affected by the economic downturn. The budget is £48 million and the programme was initially running until April 2010 but was prolonged in a modified version to March 2011 with training to be completed by July 2012. The allowance is granted for a minimum level of 20% (or one day a week), and the working time reduction for approximately 40 days within a 12-month period (Eurofound 2010). Not only regular but also part-time and temporary workers can participate, although few applications seem to have been submitted by part-time staff (Eurofound 2010: 8). Between January 2009 and April 2010, 218 organisations and 9743 persons have been supported by the scheme. To our knowledge there are no gender-disaggregated figures available. However, up to February 2010 78% of beneficiaries came from the male-dominated automotive, construction and manufacturing sectors (Eurofound 2010: 18).

UK workers who are temporarily laid off or placed on short-time work may be eligible to claim unemployment benefits (Jobseekers Allowance) (ACAS May 2009). In fact, the TUC recession report (2009a) points out that, in contrast...
to the 1990 recession, during this recession few companies have spare capacities to cut and thus short-time working and sabbaticals (accompanied by pay freezes) have increased as a means of retaining skilled workers. Cuts in working time and thereby wages are especially problematic for workers with low wages, particularly so when there is no state compensation in place.

A functional equivalent to short-time working schemes are temporary closures, voluntary leave schemes and paid or unpaid sabbaticals. These measures have been used by a number of firms, particularly in the automotive sector. British Airways, for example, has asked its staff to volunteer for unpaid work or leave for up to one month to save jobs; the lost salary will be spread over a period of between three and six months (Labour Research Department June 2009; BBC News (16 June 2009)). As most of these schemes are implemented at company level and no official statistics keep track of the schemes, it is currently not possible to assess the gender implications.

**Denmark**

In Denmark the work-sharing measures are laid down in collective agreements. The rules of compensatory payments, however, are under the law on supplementary unemployment benefit (*supplerende daagpenge*). The maximum duration of supplementary unemployment benefits under the work-sharing provision is 13 weeks, which can be spread over 26 weeks. Sectoral agreements allow the companies to apply to the Regional Employment Council for a prolonged period of work-sharing of up to 26 weeks spread over a period of 52 weeks (Arbejdsmarkedsstyrelsen 2009).

The number of participants in short-time working schemes has strongly increased in the first part of the crisis (see Table 15) but the maximum duration is very short compared to the German arrangement. Also, the Danish government has been much less inclined to respond to the call by companies and social partners to modify the rules on short-time work. The work-sharing regulations have been made somewhat more flexible as of March 2009 but the maximum duration is still the same and periods of short-time work are still counted as supplementary unemployment benefit (Eironline 1.6.2009) that have been reduced. The change in March 2009 introduced the possibility of working 2 weeks followed by unemployment for 1 or 2 weeks as well as the possibility to cancel the nightshift and compensate this by unemployment every 3rd week.

As displayed in Table 15, the working time reduction scheme mainly concerns male-dominated sectors such as construction and manufacturing. At any given period around 90% of concerned workers are employed in the industry, extraction and supply industry, the next biggest category are ‘other’ and ‘wholesale, retail and transport’. Unfortunately, figures on work sharing are not available by gender. However the consistency in the sector distribution leads us to conclude that mainly men are included in this measure. The figures clearly display a strong downward trend in the use of the scheme, despite the fact that unemployment is not decreasing.
3.3 Medium-term responses: austerity measures

With the first signs of stabilisation of the economy, the majority of European countries had put austerity measures in place by the second half of 2010 and thus at a point in time when economies and labour markets had all but recovered. In many cases, considerable spending cuts were focussed on social benefits and labour market policies; additionally, many countries announced job cuts or freezes in the public sector (see Theodopoulous and Watt 2011). Particularly job cuts in the female-dominated public sector are likely to affect women more than men. Moreover, women are also in many cases more likely than men to use social services and in this regard may also be over-proportionally affected by cuts in this field. The following sections will look at the austerity measures in Germany, the UK and Denmark in more detail and try to draw some conclusions on the likely gender implications of the measures. In order to do so a short review of the most affected groups will be conducted.

3.3.1 The German austerity measures

The amount of savings that will progressively increase from year to year is €81.6 billion between 2011 and 2014. The focus of the austerity package is clearly on the expenditure side, for the tax structure is not touched upon. More than one third – €30.3 billion – of all savings will come from cuts in social benefits and, particularly, labour market policies. Public administration will have to cut back between 10,000 and 15,000 jobs (depending on the source); the envisioned savings until 2014 are €13.4 billion (ver.di 2010; DGB-Bundesvorstand 2010). In comparison, the business side will have to contribute with about €19.2 billion, the focus being on the nuclear energy sector and the financial sector. Additional savings of €9.5 billion will occur by
abolishing subsidies on energy and introducing an ecological charge on air traffic, €4 billion through the military reform and €5.4 billion through other measures (compare Bundesregierung 2010b).

By far the largest savings are planned to arise from cuts in the field of passive and active labour market policies. A strong focus in this regard is placed on the basic-benefit recipients who will lose their government subsidy to pension insurance, while the transition allowance that was paid for a limited period to those moving from unemployment insurance to basic allowance will also be abolished. With regard to active labour market policies, those ALMPs that are currently accorded as of right\textsuperscript{22} will be converted into measures to be offered at the discretion of the PES officer (Bundesregierung 2010a; Bundesregierung 2010b). Another low-income group hit by the austerity measures are those who receive housing allowance; they will no longer receive the heating allowance that had been introduced on 1 January 2009.

In the social field the target for savings is the parental leave benefits. The most drastic effect is on recipients of the basic benefit (ALG II) who will lose their right to the parental allowance of €300 Euros a month payable for 12 months. About 13\% of employable recipients of the basic allowance are lone parents, by far the majority of whom are women. For wage-earners the parental allowance is paid as a share of the wage; for persons earning more than €1200 net per month the net replacement rate is reduced progressively from 67\% to 65\%; however, the ceiling of €1800 remains in place so that those with high monthly earnings (more than approximately €2700 net) are not affected by the savings. As a response to severe criticism about the distributional impact of this measure, the government decided to abolish the parental leave benefit also for those who pay the highest tax rate (tax for the rich). However, as this is only applicable at extremely high annual earnings of €250,000 (single) and €500,000 (married couple), it will be of relevance to only a very marginal group (HBeglG 2011). The planned increase of the ‘partner months’, which are usually taken by the fathers, from two to four, and the doubling of the duration of partial parental leave benefits for parents working part-time, are put on hold.

As regards the savings in the social and labour market field, the government uses a strong rhetoric on incentives and improvements in efficiency.

The groups particularly affected by the austerity measures are recipients of the basic allowance. The share of women and men who receive basic allowance is relatively equal. It is, however, noteworthy that more than 40\% of all lone parents receive the basic allowance (BA 2010b: 48). It is not clear whether there will be a gender imbalance in the cuts in active labour market policies; we do know, however, that women have in the past been disadvantaged in access to active measures. Public administration that is expected to see job

\textsuperscript{22}. Of the measures to which the unemployed are currently entitled as of right, those entailing the highest volume of expenditure are rehabilitation measures and subsidies to take up self-employment.
losses has a relatively equal distribution between men and women. Persons with higher earnings, with the sole exception of the very rich, were not a target of the savings measures. The draft law of the government contains a very short assessment of gender implications which concludes that the changes are not expected to have any consequences for equal treatment of men and women (HBeglG 2011: 47).

3.3.2 The UK austerity measures

The UK Spending Review (HM Treasury 2010a) details the announced cuts of £81 billion by the business year 2014-2015. Savings are to occur in nearly all departments with the notable exception of the Department of Health. Savings are particularly high in community and local governments and also in the (higher) education field (e.g. university and further training budgets). Total welfare savings are announced to amount to £18 billion in 2014-2015. This will be brought about, among other things, through a radical reform of means-tested benefits and tax credits for working-age people which will gradually be replaced with the so-called Universal Credit (HM Treasury 2010b). The list of announced cuts in the welfare field is long and includes reduced benefits and mobility allowance for some groups of disabled people, caps on total household welfare payments, a number of changes to the working tax credit, withdrawing child benefits from families with a higher rate taxpayer, cuts in generosity of housing benefits and a number of cost-saving reforms to state pensions and public sector pensions (for detailed information see HM Treasury 2010b: 1-6 and HM Treasury 2010a). The core budget of the Department for Work and Pensions will be reduced by 26 per cent by 2014-2015, among other things by replacing the welfare-to-work programmes for the most disadvantaged with a new Work Programme which will use private and third-sector specialists who will be paid according to the additional benefit savings they secure (HM Treasury 2010b: 46-47). Besides the spending cuts, VAT has been increased from 17.5 to 20 per cent.

As concerns the public sector, the June Budget announced a two-year pay freeze from 2011-12 for public sector workers earning over £21,000, with those earning less than this receiving at least £250 in each year. Moreover, the UK office of Budget Responsibility initially estimated 490,000 public sector job losses associated with the cuts by 2014-15. (HM Treasury 2010a: 37-38). However, in the revised November 2011 forecast, this figure was down to 330,000 (Webb 2010).

The UK spending review contains a one-page preliminary note on possible impacts of the savings and other reforms on (gender) equality. While it outlines positive impacts of the few measures where improvements were made for specific groups of disabled, women and lone parents, it does not mention in this section the much larger group of measures that are affected by cuts and their likely implication on different labour market groups including women (HM Treasury 2010a: 31).
As in the German case, work incentives (“make work pay”) and reduction of fraud and error, as well as rationalisation (efficiency), are put forward to justify changes in labour market policies and particularly the introduction of the universal working age benefit.

The UK Spending Review contains for the first time a distributional analysis on change in departmental expenditure affecting public services and that affecting changes to taxes, tax credits and benefits. However, in contrast to independent studies, it excludes about a third of the proposed benefit changes, notably some of which will hit the bottom half of the income distribution more than the top half. According to this analysis, the impact of the consolidation on households, as a percentage of 2010-11 net income and benefits in kind, is negative on all income groups but largely progressive (compare HM Treasury 2010a: 99, 100). Not only does this analysis not mention that even a small loss in net income and benefit in kind can be a big problem for those with the lowest incomes whereas it is negligible for those with the highest incomes, the results have actually been challenged by two independent studies, one by Browne and Levell (2010) for the Institute for Fiscal Studies (IFS) and one by Horton and Reed (2010) commissioned by the TUC. The study by Browne and Level (2010) comes to the conclusion that tax and benefit changes are regressive over most of the income distribution with the notable exception of the richest 2% of the population who are hardest hit. 23 According to this analysis, cash losses are smallest for the seventh, eight and ninth income deciles groups, and are very similar for all of the bottom seven expenditure deciles groups. Moreover, families with children lose out most within each tenth of the income distribution and those groups that are most reliant on benefits (single unemployed, lone parents and zero-earner couples) are disproportionately affected compared to households with little or no benefit entitlement and those with multiple workers. The study by Horton and Reeds (2010) tries to additionally take account of the impact of the public spending cuts. The mere analysis of the spending cuts on households turns out to be highly regressive with lower-income households losing a far larger value of spending relative to their household income than higher-income households. With regard to household types, lone parents and single pensioners are particularly affected (ibid. 47-51). Combining the impact of the Government’s proposed spending cuts and the impact of the tax and benefit changes, leads to a highly regressive distribution with the poorest income deciles losing income and services equivalent in value to 23.5% and the four richest income deciles losing between 5 and 6% (ibid. 58 and 59). As all three studies have to work on the basis of different assumptions, one has to be cautious in interpreting the results.

23. In contrast to the Treasury analysis, the IFS analysis has excluded the changes in tax and benefits already announced by Labour before it left office – these were progressive as they included a new top rate of income tax of 45 percent – and focuses solemnly on the changes announced by the new coalition government in October 2010 (see Lansley 2010; Lansley provides a concise description of the three distributional impact studies mentioned above).
3.3.3 The Danish austerity measures

In May 2010 the Danish government presented its fiscal consolidation plan, “Genopretningspakken”. The plan started out with the assertion that the stimulus packages proposed during 2008 and 2009 had been successfully implemented, but that this success had had a knock-on effect on the fiscal deficit. The government thus proposed to cut spending by DKR 24 bn (€3.2 bn) by 2013 and DKR 31 bn by 2015 (€4.1 bn), amounting to 2% of GDP. Initially, the cuts and savings were to be made in the public sector (60% of the savings) and by freezing the indexation of tax-brackets and postponing tax cuts for the highest incomes. Further cuts are still under discussion.

The austerity measures in the public sector will consist of a suspension of 4 billion DKR savings by municipalities, an increase of 5 billion for healthcare, and 5 billion for education. There will be a general re-orientation of public spending to make it more efficient, and the labour market will also be subject to reform. Public spending during the period 2011-2013 will increase only to the tune of price and wage developments (savings of 13.5 billion) with an additional 0.5% savings in ministries – e.g. better use of consultancy (savings of 1.8 billion). Municipalities are not requested to make savings but merely to index their expenditure on prices and wages (no savings). There will, however, be a restructuring of the allocation and determination of spending, entailing, for example, savings on assistance for foreigners (interpretation), child allowances, etc., making more money available for health care and education. These areas, meanwhile, are to focus on becoming more efficient, placing more emphasis on competition (31.5% of services should be tendered), aiming to introduce smarter regulation, and enhancing their productivity.

In the sphere of income tax, the freeze on the indexation of tax brackets should produce savings of 6.5 billion DKR in 2013, while the promised increase in tax brackets for the highest tax level – introduced as part of the earlier stimulus packages – has been suspended until 2014, enabling additional savings of 1.7 billion a year.

The universal child allowance has also been reformed, with the introduction of a ceiling limiting the maximum amount payable through this form of transfer to 35,000 DKR per family per year, irrespective of number of children. In order to phase in the negative consequences on families, there will initially – and until 2019 – be a ceiling on the maximum negative impact of the measure. The proposal will save DKR 1 billion in 2013.

According to calculations made by Baadsgaard (2010), the reform will exacerbate existing levels of inequality within Danish society. In 2020 the poorest 10% will lose (on average) 0.99% of their income, while the richest 10% will lose an average of just 0.03%. In 2013 the poorest 10% will lose an average of 0.78% and the 10% richest of 0.03%. It is estimated that some 9000 additional persons – mostly immigrants and descendants of immigrants – will fall below the poverty line due to the reduction.
A major aspect of the labour market reform relates to the duration of unemployment benefit which has been cut from four to two years. This change will apply to all unemployed persons as from 1 July 2010; those already unemployed on this date will receive a further two years of benefit as from this date. The reasoning behind this measure is that the crisis is expected to be over and that Denmark will once again be in a situation of tight labour supply; furthermore, it aligns Denmark with the rest of the European Union. In essence, this measure aims, therefore, at increasing the labour supply. It is coupled with an initiative directed towards the long-term unemployed, e.g. education, and should increase the number of persons in employment by 11,000 persons while also providing for savings of around 1.5 billion DKR by 2013.

The Danish think-tank AERaadet estimates that currently 9,236 persons have been unemployed for more than two years (Schytz 2010). This total is bound to rise as the effect of the crisis will impact (currently around 30,000 have received between 1 and 2 years of unemployment benefit). There will be a regional impact of the measures with especially Northern Jutland, Lolland and Fyn (outlying areas of Denmark) being hard hit by the reform. The fact that gives greatest cause for concern is that figures from 2007 show that approximately 7 out of 10 persons with no rights to unemployment benefits also failed to fulfil the criteria for entitlement to social assistance (less than 10,000 DKR of wealth, house included, or spouse with less income than 2 x social assistance). The analysis from the earlier sections seems to point to the fact that women are not more exposed to this measure than men.

Finally, a ceiling on the tax deductibility of trade union membership fees (3000 DKR) has been introduced, presumably intended to make the trade unions both more efficient and less costly (savings 0.75 billion DKR).

In addition to the above measures, more are to come during 2011. One of the main debates has been centred on tightening and abolishing the right to early retirement but this currently seems to have been taken off the agenda. Were it to be the case, it would not be gender-neutral, as 58% of persons benefiting from early retirement are women.

In relation to these measures, the government has come under attack and been accused of seeking neither consensus nor dialogue. Trade unions perceive the reform as a direct attack. Since lifelong learning is also being cut back, the argument is that the oversold Danish model is being destroyed by, firstly, the municipal reform, and now the cutback on the income security and generosity of lifelong learning.

There is a complete lack of gender assessment of both the stimulus and austerity packages in Denmark. While the think-tank AERaadet has published several briefs on the distributional impact of both measures, with a focus on both migrants and youth, there has been no focus on the gendered aspect. This seems surprising in a country with such a reputation for gender equality, though it is perhaps because such equality is simply assumed that the question
does not seem relevant. A further reason could be that in April 2009, the
Department of Equality was downgraded to an office under the Ministry of
Employment, meaning that the Department will no longer have the same
autonomy and no budget. This final ‘restructuring’ leaves Denmark without an
autonomous unit for the assessment of gender equality (Villa and Smith 2010:
86). Notwithstanding, the alterations to the child allowance is bound to have
a gendered impact, as are budget cuts in the public sector.
4. Conclusions

This paper set out to assess the impact on gender equality of the policy responses triggered by the financial and economic crisis. While there has been a sizeable and consistent rise in the male unemployment rate across the European Union member states, female unemployment has also risen substantially, albeit, in the majority of countries, at a slower pace than male unemployment. Unlike in previous crises, when they were less present on the labour markets, women have been less sheltered from the recent shocks. Furthermore, the analysis has shown that in both the UK and Germany women are less likely to have access to unemployment insurance benefits and activation; in Denmark, on the contrary, this does not appear to be the case.

An examination of policy responses to the crisis reveals a strong bias towards supporting male- rather than female-dominated sectors and favouring employment policy measures that tend to be picked up by relatively more men than women (e.g. short-time working), while neglecting the need for particular support measures that are more used by women, e.g. part-time unemployment benefits in Denmark. Other worrying observations are the tax reforms in both Denmark and Germany, where these reforms seem to be of relatively more benefit to men than to women due to their unequal labour market situation. The UK stands out as having directed its stimulus package towards low-wage-earners (and children), thereby implementing measures that could be favourable for women; however, in the countries examined here no specific measures have been put in place to counter the unequal access of men and women to unemployment benefits and activation, and there is even some evidence of a widening gap.

Hence, while it should be recognised that men – at least in the short run – are relatively harder hit by the crisis in terms of unemployment, one cannot ignore the fact that women are also similarly affected, and importantly, are often in a more precarious situation once they become unemployed. It is therefore surprising that gender issues have not shaped the responses to the crisis or, as Villa and Smith (2010: 53) put it, “that there has often been a gender-blind approach at the European and Member State level”.

The male job losses and men’s greater affectedness by working time reductions (e.g. short-time work) may promote new patterns of the gender division of labour as women (at least for a transitory period) become the main breadwinner in numerous households placing new demands on the mix of welfare provision between state, market and family. However, the medium and longer-
term reactions to the economic downturn are likely to have an influence on the mix between the three, since fiscal consolidation is shifting the balance away from public provision of services (e.g. childcare) and employment as can be observed with the implementation of austerity measures in most European countries. This, in turn, is likely to have an adverse effect on gender equality.

The lack of policies addressing the above issues and the scant attention in general paid to these topics, compounded by the likelihood that the downturn will be used as a reason to slow down progress on equality policies or to rethink “expensive” policies (Smith 2009:10), raises serious questions with regard to the more long-lasting impact that the crisis and the ensuing policy responses will have on gender equality.

The above conclusions should be considered in the light of the pressure on public finances and hence social budgets as part of the austerity measures. As has been seen from the analysis of the austerity measures in Germany, the UK and Denmark, social and labour market service provisions and education are directly targeted. Moreover, cut-backs in social security systems, which could have more severe impacts on women than on men, can be observed. The budget cuts also target women-dominated public sector employment. Furthermore, as the need to increase state revenues will intensify, we are bound to experience changes in tax systems; once again, this could have adverse effects on female employment if possible gender effects are neglected.

Accordingly, while it is still too early to assess the longer-term impact of the crisis on gender equality, the lack of gender assessment of policies implemented, as well as the lack of specific measures to balance out the unequal situation of women and men in regard to the labour market and welfare provision, constitute worrying developments. Hence, as governments enter the period of fiscal consolidation, it is vital that they apply effective gender-assessment methods in order to prevent the crisis from having long-lasting negative effects on equality.
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