

The impact of austerity measures on unpaid work and women's human rights, in Greece and in Europe

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The impact of the economic crisis on Greece. Greece has been the first country in Europe to be severely hit by the financial crisis which exacerbated its problems of high public indebtedness and led to the activation of three EU-IMF bail-out packages accompanied by severe austerity measures. In March 2012 Greece negotiated a landmark debt restructuring deal with the vast majority of its private sector lenders.

The main objectives of the Economic Adjustment programmes agreed with creditors are:

- a) Improve competitiveness. Drastic reductions of labour costs through radical labour market reforms.
- b) Fiscal consolidation. Through cuts in public spending, erosion of the welfare state, great reduction in public sector wages and employment, successive cuts in pensions and huge rises in taxes. At the same time fiscal consolidation has caused a severe and persistent recession, a debt trap, a vicious circle of austerity – recession – more austerity.
- c) Social welfare. In terms of social welfare the main ingredients of the EU-IMF's regime include the drastic reduction of current and future pension incomes and social assistance benefits (which have been quite low anyway). Significant cuts in social services, introduction of a flat so called ticket payment for health services, promotion of private provision within the National Health System (NHS) and drastic cuts in expenditures by merging/closing down hospitals.

Employment. The employment crisis at the beginning has been predominantly male. Since 2010 it has become equally female. Until mid 2010 there was large increase in the female labour force. Since then there has been a reversal of the trend and reduction of employment in education, health, social care, services, all female dominated activities and predominantly public sector jobs.

Cuts in public sector jobs which have been a typical government response to the crisis in many countries in Europe are a major threat for gender equality in employment because women account for almost 70% of public sector workers in the EU. In addition the public sector is the driver for gender equality in employment in many countries as it provides better employment opportunities, better working conditions including paid leave and work life balance options and higher wages for women.

Concerning men's and women's role in flexible labour reserve in the crisis in Greece we should point that employers have adjusted male employment through working time flexibility.

The outcome has been a more equal representation of women and men in the flexible segment of the labour market.

Following complaints by the Greek General Confederation of Labour (GSEE), the ILO Committee of Experts on the Application of Conventions and Recommendations¹, examined the compatibility of austerity measures with several international labour conventions. The ILO Committee expressed its “*deep concern*”² at the drastic “alterations” of labour law through measures which “go to the heart of labour relations, social dialogue and social peace”, “nullifying the binding nature of collective agreements”.

The Committee underlined “the disproportionate impact” of these measures on women and called for “adequate safeguards to protect workers’ living standards”. Women, especially those pregnant and mothers, were mainly affected by the exponential growth of part-time and rotation work imposed by the employer, while unfair dismissals due to pregnancy or maternity leave and sexual harassment also increased. In view of the inadequacy of childcare and family care services, the Committee recalled the importance of measures which facilitate the reconciliation of work and family obligations by both parents and allow them to remain in the labour market, including such (adequate and accessible) services, while also promoting effective gender equality. It also stressed “the importance of addressing gender stereotypes, so that mothers are not automatically considered for part-time and rotation work”.

The Committee also noted that measures aimed at reducing employment in the public sector would greatly affect women who are the vast majority in this sector. Moreover, “small and medium sized enterprises (SMEs), which constituted an important source of female and youth employment, have been closing down on a massive scale”.

Wage cuts. Public sector incomes were cut first followed by wage cuts in the private sector. The private sector gender based wage gap is approximately 20% while the gender gap in wages is smaller but still exists in the public sector.

As a result of the gender gap in wages income cuts constitute a larger percentage of women’s disposable income.

Unemployment. Women are most affected by unemployment in Greece and Spain. According to Eurostat the unemployment rate in Greece reached 26.4% in December

¹ International Labour Conference, 101st Session 2012, *Report of the Committee of Experts on the Application of Conventions and Recommendations, Greece*, ILO Conventions 98, 100, 102, 111 and 156: <http://www.ilo.org/dvn/normlex/en/f?p=1000:11003:0::NO>.

² Emphasis added in the observations on the application of ILO Convention 98 (Right to Organise and Collective Bargaining) by Greece. See International Labour Conference, 101st Session 2012, *Report of the Committee of Experts on the Application of Conventions and Recommendations*: <http://www.ilo.org/dvn/normlex/en/f?p=1000:11003:0::NO>.

2012 the highest in Europe followed by Spain 26.3%. In 2011 it was 21.4%. Concerning women the unemployment rate was 29.3% in December 2012 while the percentage for men was 24.4%. One year before in December the unemployment rate for women was 25.4% while those of men was 18.4%.

Concerning youth the unemployment rate was 59.3% in January 2013. In January 2013 the total unemployment rate was 27.2%, 31.4% for women and 23.9% for men.

Taxation. While wages are being depressed and those of women even more due to the gender pay gap, the cost of living is rising due to tax rates aimed to enhance government revenue. The value added tax (VAT) rates hit the poor and women harder than the better off as a large percentage of their incomes is spent on consumption. The recession being unfairly shouldered by lower and middle income earners is further reducing the amount of their revenues.

Reconciliation of work with family obligations. Over the last decade expansionary trends were instigated by EU funding for promoting reconciliation of work and family obligations and active labour market policies.

A number of social care and employment services units were established such as nurseries, centres of creative activities for children, day-care centres for frail elderly people and centres for promotion to employment, albeit in a fragmented way.

Persistent reliance on EU resources for operating such services and precariousness of employment for much of the staff as hirings were on a temporary basis, have made them easy victims of austerity measures.

Due to austerity measures there has also taken place a reduction of state budget allocations to municipalities. As a result there is a great lack of staff in social care services and closing down of municipal crèches and nurseries.

Austerity has reduced access to childcare services, in many countries in Europe, apart Greece. In Portugal public kindergartens have been closed down. In the Czech Republic more than 30,000 children were refused in state preschool institutions in 2011³. Savings are being made by limiting the hours of kindergarten and primary schools. In Italy recent cuts have reduced the availability of full time classes in primary school and after school care, which are in high demand among lone mothers and families where both parents work⁴. In some countries access to public day-care has been reduced by new rules. These may require, for example, that both parents have to be employed, leading to an increased care-work load on the unemployed and limiting their possibility to look for a job⁵.

³ EWL Survey

⁴ European Parliament 2011, p. 138

⁵ EWL Survey Portugal

At the same time, childcare is becoming increasingly expensive. In the Netherlands, as of January 2012 most parents have received a smaller proportion of their childcare costs back from the tax agency⁶. In the UK the level of childcare costs covered by the state has been cut from 80% to 70%. Care services for the elderly and other dependents have suffered too. In Ireland home helps for the elderly and disabled have been reduced: in August 2010 the government announced a €10 million cut to personal assistance hours, which adds to the €1.7 million cut for home care. Also public beds in nursing homes have been reduced⁷. In the Netherlands programmes to facilitate disabled persons have been cut down⁸, in all these cases, women are affected both as recipients of care and as unpaid carers.

The full impact of the cutbacks on care services on women's lives across Europe is not yet visible in statistics. However, already in 2010 mothers of small children were less likely to be employed than before: the employment rate of women with small children (under 12) was on average 12.7 pp. lower than that of women with no children, against 11.5 pp. in 2008⁹.

Accordingly, more women than before said they are inactive or work part-time due to the lack of care services. In 2010 28.3% of women's inactivity and part time work was explained by the lack of care services against 27.9% in 2009. In some countries the impact of the lack of care services has increased significantly. In Bulgaria it was up to 31.3% in 2010 from 20.8 in 2008; in the Czech Republic up to 16.7% from 13.3%.¹⁰

These figures, which are likely to worsen in the coming years, indicate that the crisis and austerity policies risk destroying years of progress towards a more equal division of care responsibilities between women, men, and society. Cutbacks in care services put pressure back on households, and make increasing demands on unpaid care work. When the creche closes or limits its opening hours, when childcare fees become unaffordable, or when home help for an elderly relative is cut down, it is mostly women who drop out of paid employment to take over the care responsibilities.

The shift from public care services to unpaid care work within the household poses a severe threat to gender equality in Europe. Austerity is leading to reprivatisation of care and a shift towards more "familialist" welfare systems, where family members - mainly women - are expected to take over responsibilities that were once public. Such a shift would also mean a return to more traditional gender roles.

⁶ Nederlandse Vrouwenraad 2012, EWL member's report, May 2012.

⁷ Barry & Conroy/TASK 2012, p. 6; National Council of Women in Ireland 2012, p. 27

⁵ Nederlandse Vrouwenraad, 2012.

⁹ Eurostat

¹⁰ Eurostat

Several governments have made savings through worsening the payments and conditions of statutory care-related leave and other care related benefits.

In Romania in 2010 the government cut the maternity leave benefit to 65% of the previous payment and reduced the length of the leave¹¹. Infringements of the right of pregnant women to maternity leave and benefits, or to resume their job after maternity have been reported in Greece, Portugal, Italy, and the Czech Republic¹². In Slovenia the parental leave benefit has been reduced from 100% of the former salary to 90%¹³. In Germany the benefit has been cut from 67% to 65% of the former salary for persons earning more than €1200 net.

Austerity measures have slowed down the efforts to establish paternity leave and other measures to encourage men to share care responsibilities. In Spain there has been a delay in the already agreed extension of paternity leave from 13 to 28 days¹⁴. In Germany the doubling of the “partner months” of parental leave from two to four has been put to hold¹⁵.

Also other care-related benefits have been subjected to cuts and tightened conditions. In Estonia benefits paid to parents taking care of a sick child were reduced from 100% to 80% of the salary¹⁶. In the Czech Republic the benefits given to those taking care of dependent family members (mainly disabled people) have been reduced¹⁷, and in Portugal benefits for the care of disabled children were cut by 30%¹⁸. In Ireland the carers' allowance, mainly used by middle-aged and older women for whom it is an important source of income, was reduced by €8 per week for less than 66 year olds.¹⁹

Reductions in care benefits have reduced permanently the real income of women with care responsibilities, and weakened their economic independence during care periods, Lone mothers in particular are being pushed into economic insecurity. Savings from care-related benefits targeted at men, such as withdrawing pay for paternity leave, constitute a severe obstacle for equal sharing of care responsibilities between women and men. They are a threat to gender equality in particular at a time, when cuts in care services shift a larger part of care responsibilities to households.

¹¹ EWL Survey Romania

¹² Bettio 2011.

¹³ Soma Lokar, former EWL President

¹⁴ Gonzales Gago 2011,

¹⁵ Jepsen and Leschke / ETUI 2011, 52

¹⁶ European Alliance for Families 2011

¹⁷ EWL Survey Czech Republic

¹⁸ EWL Survey Portugal

¹⁹ EWL Survey Ireland

Health and education. In the aftermath of the crisis, public spending on education and health services has reduced significantly in EU member states. In Romania, after the cutbacks only 3.84% of the public budget is allocated to health, the lowest share in the EU²⁰. In Latvia in 2009, severe austerity measures resulted in the reduction of the education budget by 50 per cent²¹.

As regards to healthcare, the cutbacks have reduced access to services and downgraded their quality. In Romania many public hospitals were abolished due to the crisis and replaced by private clinics²². In Portugal the most important maternity hospital in Lisbon has been closed down, and another big one in Coimbra is under threat of closure²³.

Reductions in the availability and affordability of healthcare have gendered consequences, because women use these services to a higher extent than men. In addition, they may affect the gendered division of paid and unpaid labour to the disadvantage of women.

In Greece many public hospitals have been closed or merged and most remaining ones lack staff and healthcare materials with the result that the services are no longer able to cover the full range of medical needs of all people. This creates backlogs in health care delivery, rising waiting times, and limited medical supplies. Admission to public hospitals increased by 24% in 2010 in comparison with the previous year due to the fact that fewer people are able to afford private care. Financial difficulties of previously medium-income families to hire private nurses leads to increasing mobilisation of female relatives for nursing duties.

According to Mr Cephas Lumina, Independent expert of the UN in foreign debt and human rights, the public health system in Greece has become increasingly inaccessible in particular for poor citizens and marginalised groups due to increased fees and co-payments, closure of hospitals and health care centres and more and more people losing public health insurance cover mainly due to prolonged unemployment. While initially focused on vulnerable sectors of the population, such as migrants, community clinics are attending to an increasing number of Greek citizens (including former high income earners) who have lost their jobs and therefore cannot afford the cost of health care and medicines.

Cutbacks in care and health services lead to the reprivatisation of care and a return to traditional gender roles, as they transfer the responsibility for care from the society to households, i.e. women. People with care responsibilities - mostly women - are

²⁰ EWL Survey Romania

²¹ Education in crisis, <http://www.educationincrisis.net/learn-more/country-profiles/europe/item/420-latvia>

²² EWL Survey Romania

²³ EWL Survey Portugal

forced to leave/reduce paid employment in order to take over services that are no more provided by the state, or that they can no more afford.

In Greece due to unemployment many middle class women have fallen into the category of the new poor and are taking on more of the unpaid housework such as cleaning and childcare and care for dependants which was work previously done by immigrant women.

The lack of affordable and quality crèches, the shortage of public health services, the fact that private care services are too expensive, the reduced affordability of families to hire migrant women as helpers and the eradication of early retirement for women have created a looming care crisis for individual women and families and for Greek society as a whole.

Pension changes. In Greece the official retirement age has been raised and equalised at 65 for women and men. There are heavy penalties for early retirement. In the public sector women were entitled to retire up to 15 years earlier if they had under age children.

Along with age there has been extension of the minimum contribution period for retirement on a full pension and calculation of the pensionable earnings on the basis of the entire lifetime earnings. The change of pension rules has taken place in many EU countries. As a result women have been more penalised due to shorter or irregular working patterns. The long term impact of these changes in Greece has been an increase in the employment rate of those over 55, especially women. Also increased exits to retirement during the transition period to the new system (greater incidence of exits among women, than men). This trend serves the immediate goal of reducing public sector employment and spending.

Significant reductions in pensions were effected in Greece through the immediate abolition of part of yearly pension income that was provided in the form of Christmas, Easter and summer benefits and its replacement by a meagre means tested social assistance benefit.

A special tax on pensions was introduced too, ranging from 3% to 9% depending on the level of pension income and meant to shift the burden of covering deficits of social insurance organisations to pensioners themselves. Across the board reductions in pensions greatly increase the risk for elderly people of falling deeper into poverty and becoming highly vulnerable.

References:

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