

A gender perspective on UK austerity

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Recovery for whom? Austerity policies, gendered impacts and policy alternatives for Europe

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What is at stake?

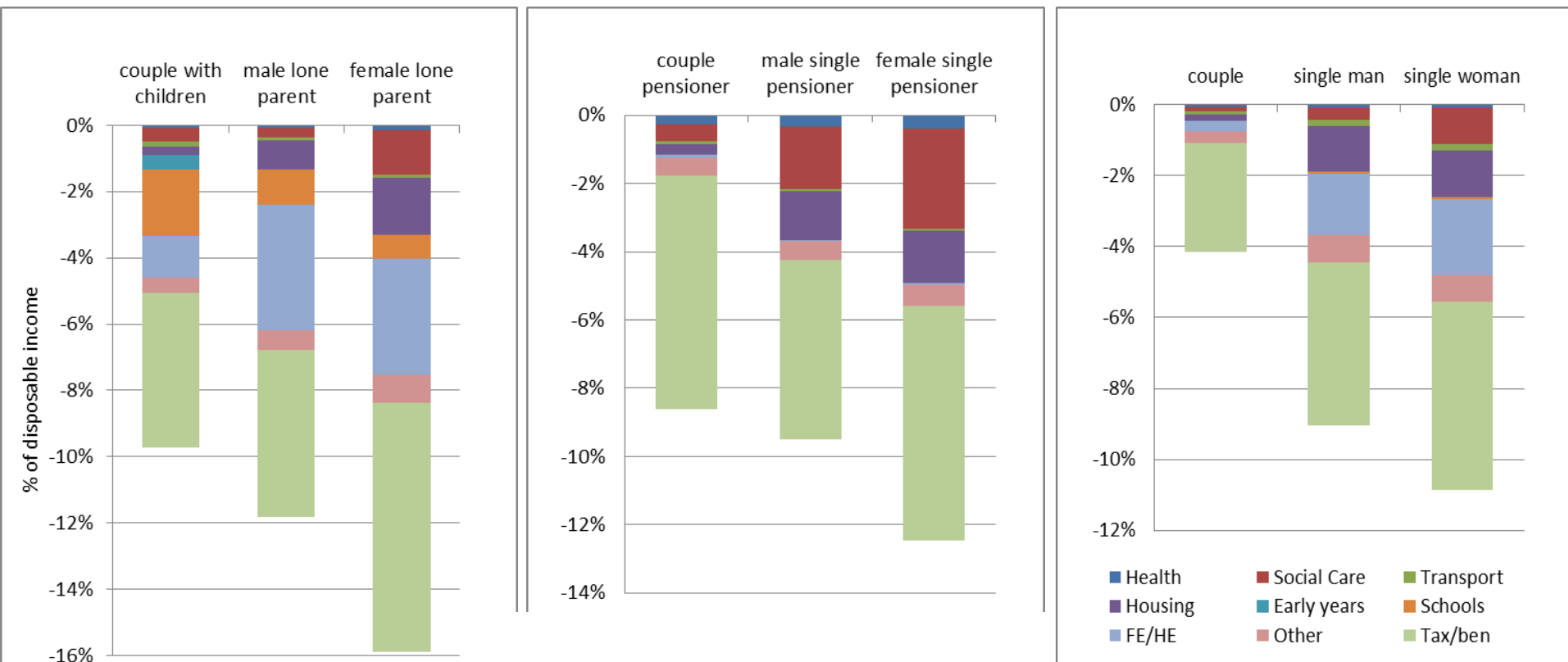
- Austerity policies in the UK have hit women harder than men
- Employment
- Benefits
- Public services
- Tax give-away to men
- Yet talks of recovery
 - Employment
 - Output
- But what about earnings?
- And income?
- And which type of employment are we talking about

- Gendering these aspects

Gender impact of austerity cuts 2010-15

- 85% spending cuts / 15% tax increases
- Rise in income tax threshold benefit fewer women (43% gainers are women) – a huge tax give-away worth the equivalent of cuts in welfare due to take place in next Parliament (£12bn)
- Cuts in child benefits (real), lower uprating of other benefits
- Cuts in services, affecting women's employment, time and earnings (as likely substitutes), especially:
 - Social care (-23%)
 - Social housing (-34%)
 - ECEC (-19%)

Combined tax and spending 2010-15



Source: Landman Economics for the WBG (2013)

- Female lone parents most affected
- Tax-benefit changes biggest proportion of income
- Cut sin FE/HE for working-age adults
- Cuts in social care for pensioners

Changes in employment (2010-2014)

- Men accounted for 51% of total employment increase
- Women's headcount employment rate higher than 2008 but not men's – partly because of **rise in pension age for women**
- Women's **unemployment** decreased by 15% while men's decreased by 33%
- But still 21% higher than pre-crisis levels (11% higher for men)
- Although male unemployment is higher (incl. long-term) women are catching up
 - Since 2008, share of **long term unemployment**
 - Doubled for women aged 18-24, from 12% to 24% (smaller rise for men, from 23% to 37%) and
 - Rose by 35% for women aged 50+ from 31% to 42% (smaller rise for men, from 42% to 51%)

Changes in employment (2008-2014)

- **Self-employment increased faster for women** than men since 2008 (38% vs 9%); women now account for 32% of self-employed, compared to 27% in 2008.
- And more self-employed people are working part-time than employees
- Men's **part-time** employment increased more than women's (20% vs 7%) but women still took up a majority (55% of increase in PT jobs since 2008) and women's share of part-time employment is still very high at 74%
- Same for involuntary PT employment (doubled since 2008 for men and rose by 80% for women but **women still 57% of all involuntary part-timers**)
- **Public employment** reduced for both men and women in similar proportions since 2010 but majority of public sector cuts have been postponed until after 2015

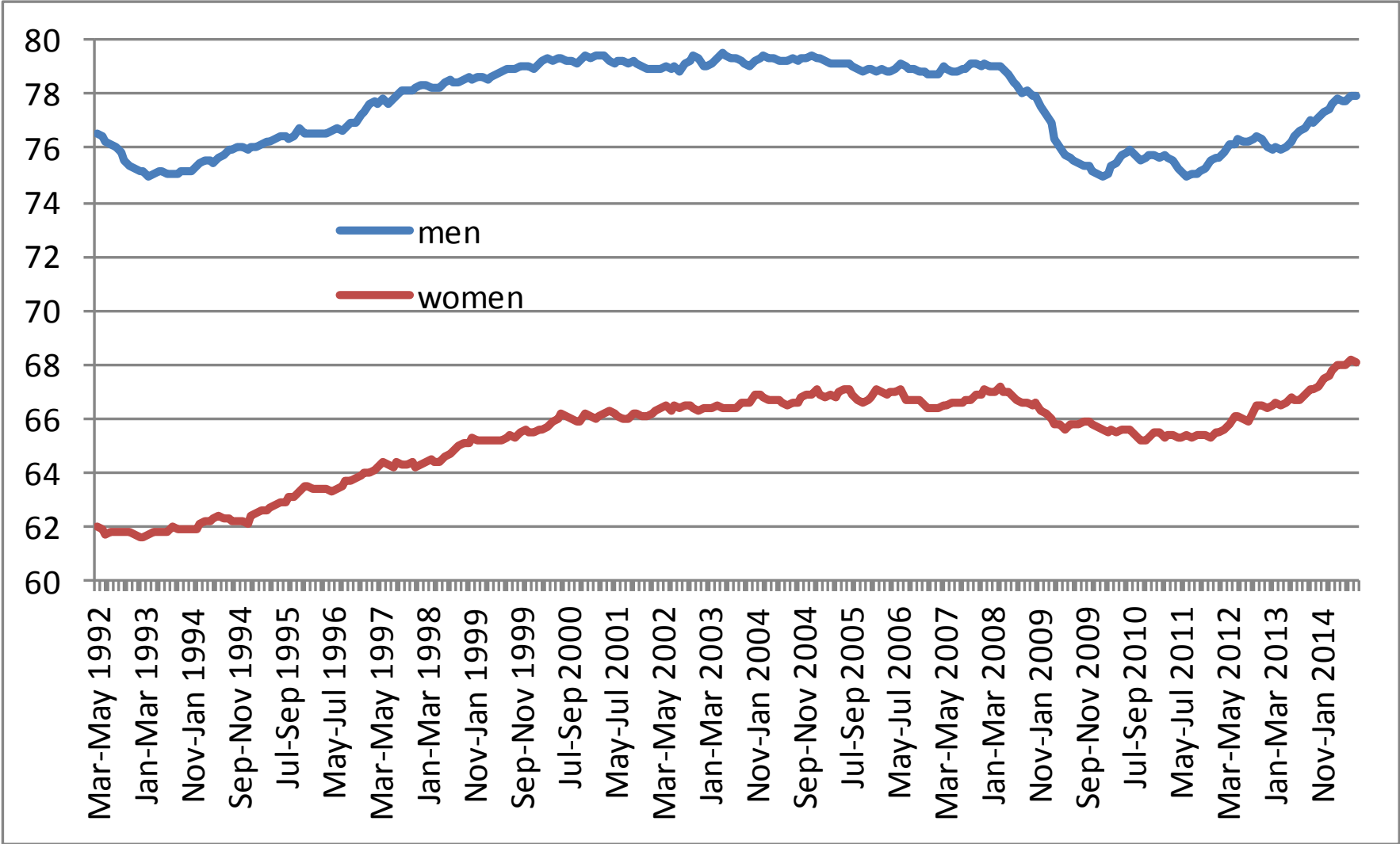
Income and earnings

- Real earnings still flat for both men and women (after having fallen for the best part of the crisis years)
- **Gender Wage gap** (all employees – hourly) slightly up in 2013 compared to 2012 for full-time employees
- Trend of decreasing gender wage gap has halted in the private sector (while kept decreasing in public sector)
- Incomes as we have seen are being cut more at the bottom and for female-dominated households
- Also simulated cumulative impact of austerity on individual post-tax incomes by decile show that women are being hit harder than men at all levels of the distribution (Reed and Portes, 2014)
- **Living standards overall are flat**, especially in lower income families, and these have more women

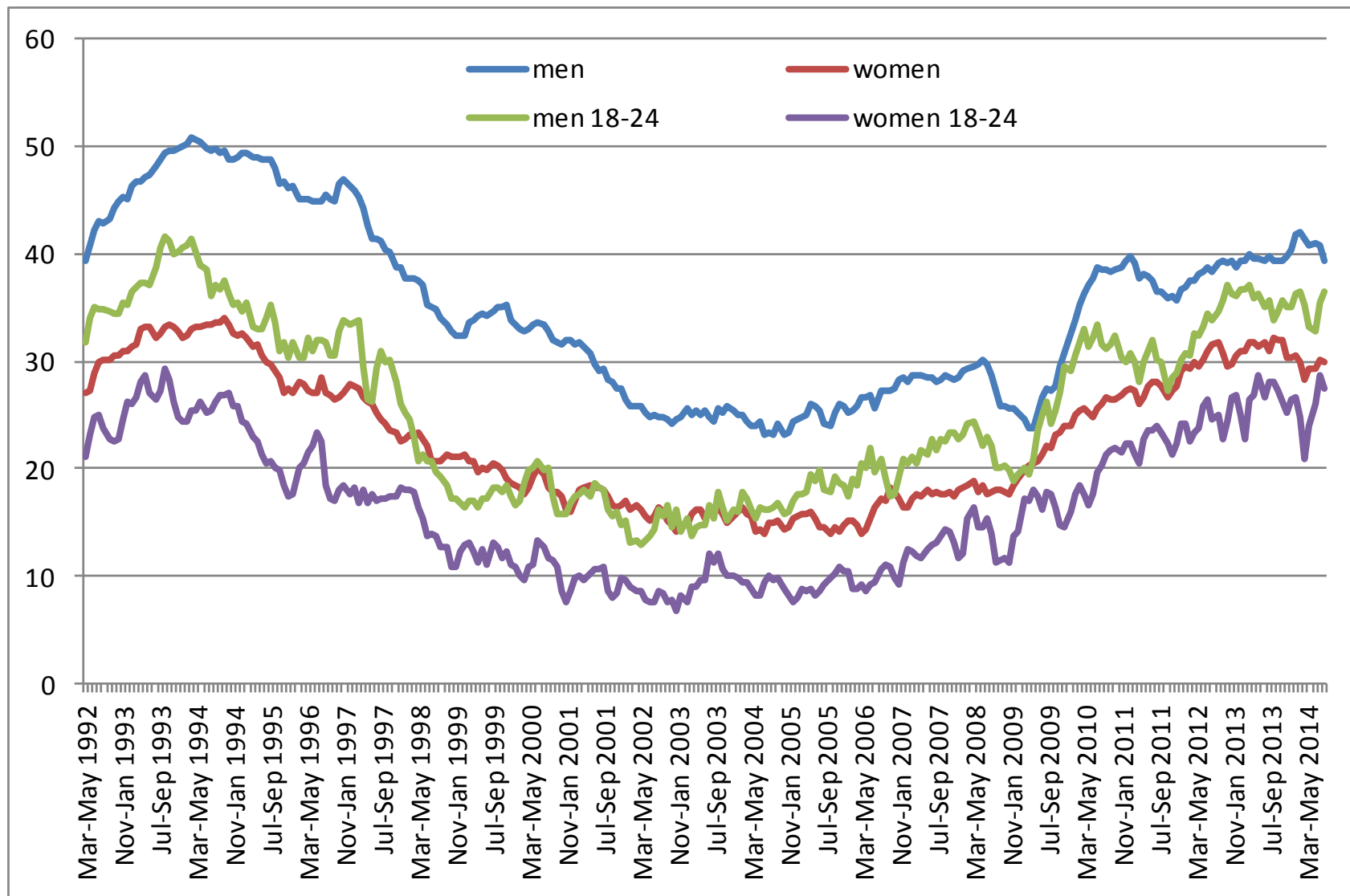
Policy implications

- Austerity and recovery do not seem to go together – either unrelated or contradicting each other (with respect to growth in earnings and quality jobs)
- Is austerity too **unbalanced** between tax increases and give-aways and spending cuts (60% of which are still to come)?
- Is austerity the only way? → as the rich are proportionally less affected than the lower income groups (Reed and Portes, 2014), overall **income inequality is bound to rise**, with impact on economic growth further down the line (as per recent OECD study on pre-crisis years)
- Current impacts and employment trends highlighted once again the necessity to rethink our economic system and **promote a Plan F** for more inclusive **care economy** (for workers, carers, families, the environment), less based on GDP growth as such and more on sustainability of social infrastructure.

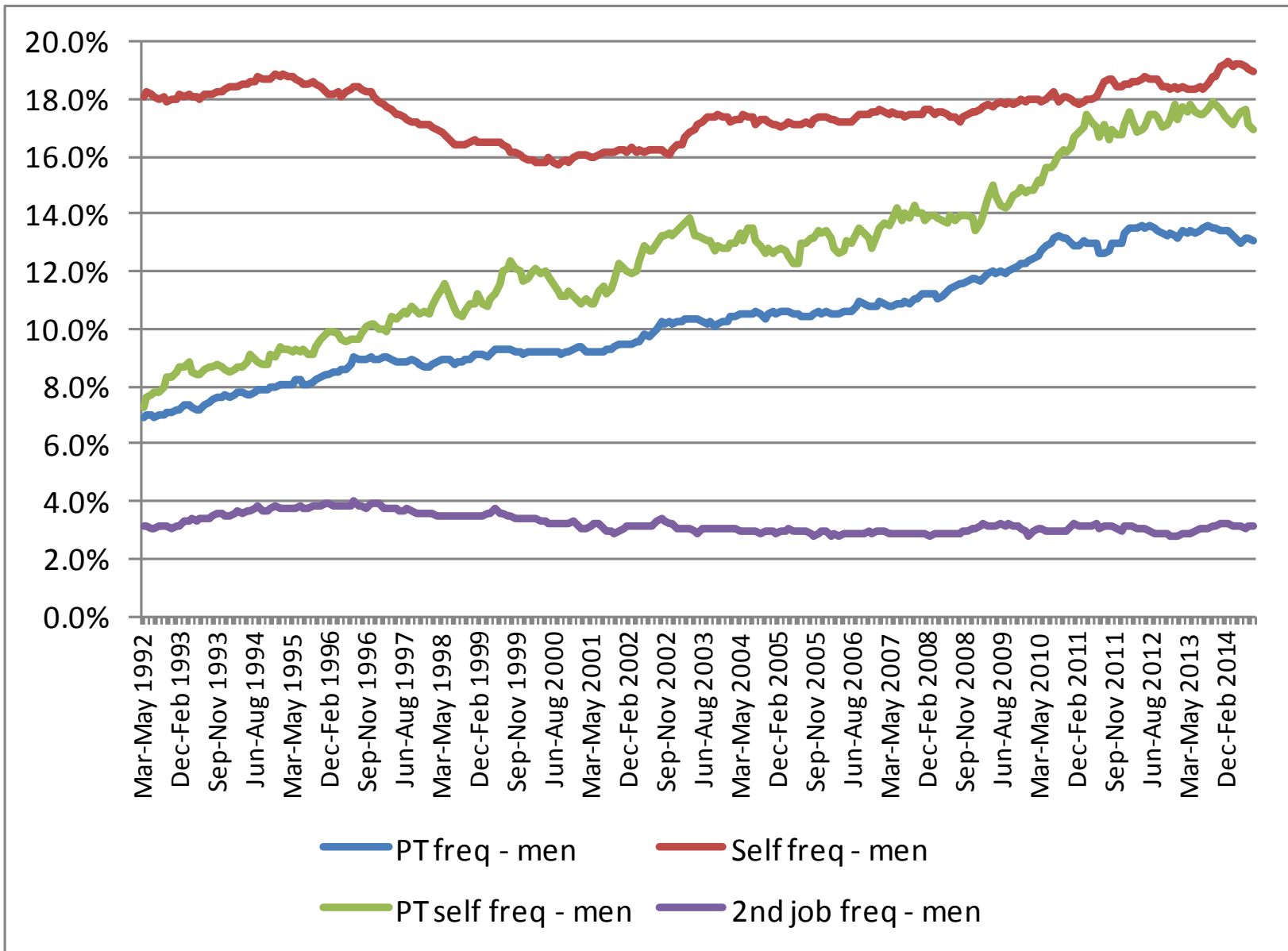
Employment rates (16-64y): Mar-May 1992 to Sep-Nov 2014



Long-term unemployment Mar-May 1992 to Sep-Nov 2014 (% of unemployed)

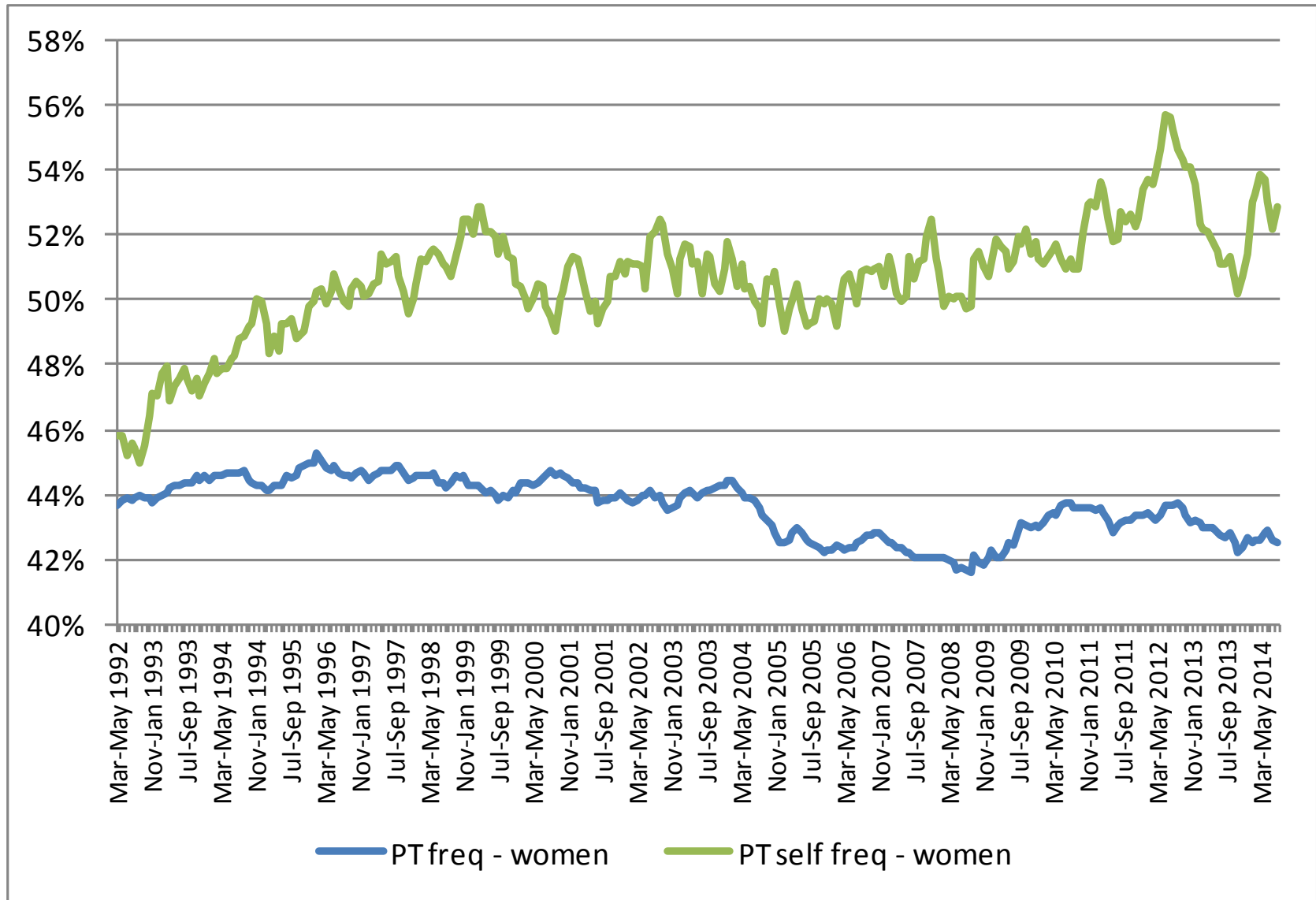


Types of jobs: Mar-May 1992 to Sep-Nov 2014



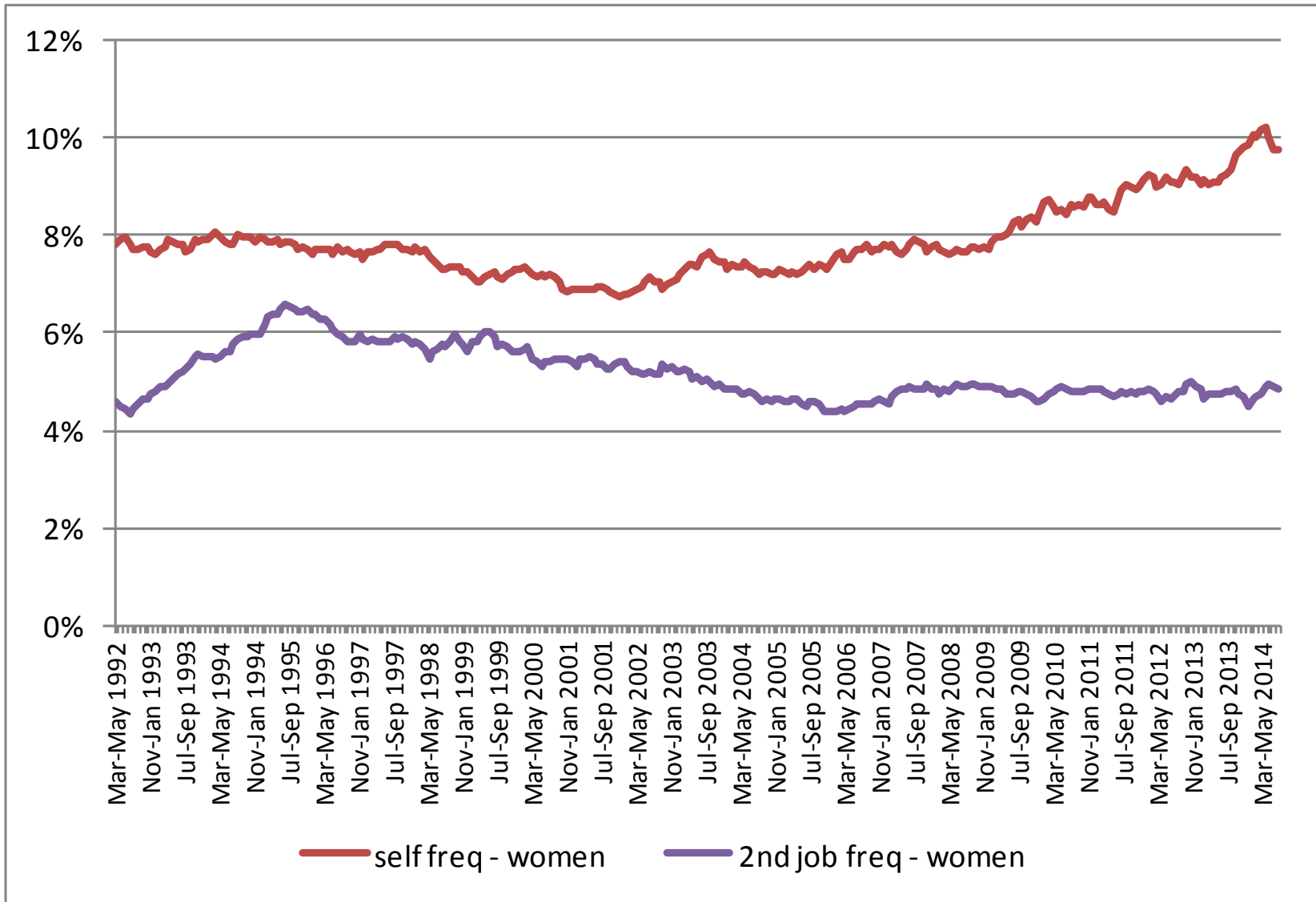
'Self' stands for self-employment ; 'freq' stands for frequency (% of all in employment)

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