

# GENDER EQUALITY AND THE IMPACT OF RECESSION AND AUSTERITY IN THE UK

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This article explores how the experience of recession followed by austerity in the UK has differed not only by gender but also by ethnicity. This is undertaken through examining labour market developments and government policy responses in the immediate recession and the phase of unfurling austerity. The findings highlight both the varying overall effects by gender and the tendency for ethnic minority women and men to have fared worse than UK born white women and men in the recession. Austerity policies, it is argued, are furthermore intensifying the underlying fault lines in the UK's high inequality economic model and will place future pressures that disproportionately affect women through public sector job and welfare cuts.

*Keywords:* Economic crisis, Gender, Austerity, Labour market, Unemployment, Public sector, Ethnicity.

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The international economic crisis that erupted in 2008 ushered in the longest period of economic downturn in the UK in modern history. Despite some commentators depicting the “Great Recession” as a “he-cession” both in many European countries (Bettio *et al.*, 2013) and the US (Albelda, 2013) due to its greater initial impact on male jobs and unemployment, more recent developments such as the ongoing programme of austerity in the UK as in many other countries have impacted more directly on women than men (Rubery and Rafferty, 2013a, 2013b). These effects have been felt both through cuts in public sector jobs which disproportionately affect women due to their greater representation in the public sector and through reductions in government policies that support female employment such as childcare and welfare (Rubery

and Rafferty, 2013b). Although the unemployment rate remains higher for men than women, by the end of 2012, continued downward pressures on female employment in both the private and public sector and a modest recovery for male unemployment also meant the unemployment gap between men and women narrowed again towards pre-recession levels.

Broad comparisons between men and women, although providing important insights into the gender equality impact of the crisis also overlook considerable differences in impact within the male and female population. This heterogeneity is likely to be linked to other dimensions of socio-economic advantage and disadvantage, such as ethnicity, social class, and education level. In assessing the gender equality impact, rather than just contrasting overall trends, the question therefore becomes to what extent have recession and austerity had differential effects on varying sections of the male and female population?

This article first draws on previous work on developments in the UK social model, gender relations and female employment in the UK prior to the economic crisis (Rubery and Rafferty 2013b, Rafferty and Wiggan, 2010; Grimshaw and Rubery, 2010) to provide the context for understanding the subsequent labour market and policy developments. The next section explores first the overall gender impacts on employment of the great recession and subsequent period of slow recovery and government austerity before examining diversity in experience among men and women or “intersectionality” (Collins, 2004; Brown and Misra, 2003) through analyses of ethnic differences in the labour market impact of the crisis. It is argued that although current austerity policies and the broader economic crisis have had a continuing negative impact on female participation in the labour market, they are unlikely to reverse substantially longer-term secular trends towards greater female labour market participation. Reductions in government support for equality and diversity issues more generally, however, come at a time when tougher labour market conditions may be increasing the salience of such matters.

## 1. The labour market and UK social model leading up to the crisis

### 1.1. Social trends and women's employment

Although the UK has been depicted as having a “residual” welfare state with comparatively low levels of social expenditure compared to “socio-democratic” and “continental models” (Esping-Anderson, 1990), some aspects of the system such as universal healthcare, or social policy reforms under the New Labour government (1997-2010) can be viewed to contribute to a more hybridised model. This has been referred to as “liberal collectivism” or “market collectivism” (Ginsburg, 1992; Clarke, 2004). The decade leading up to the crisis of 2007 under the New Labour government for example saw the development of the UK's social and gender model where neo-liberal free market elements of the prior Conservative government model (such as a continuing privatisation agenda and a supply side focus to labour market policies) were combined with new social investment and greater social support for working families, particularly through policies aimed at reducing child poverty (Rubery and Rafferty, 2013b).

Greater support for female employment under New Labour through measures such as increased childcare provision might also be viewed as responding to if not catching up with longer term secular developments. Female employment rates had risen since the 1970s although partly as a result of a lack of childcare infrastructure women in the UK exhibit comparatively high levels of part-time employment compared to some European counterparts. Female employment growth was paralleled by an equalisation in levels of educational achievement among women and men and the growing importance of female earnings to two-parent family earnings. Despite this, in 1997 prior to the election of New Labour, the childcare infrastructure and support for employed parents in the UK remained poor by international standards (Waldfogel, 2011).

A further trend witnessed within the family sphere shaping social policies affecting female employment concerned increases in the number of lone parents. This trend linked to broader changing social norms around the family and relationships. Rises in “divorced lone parents” gained momentum following relaxations to divorce laws during the 1970s. Increases in teenage pregnancy

and “never married single parents” appear partly linked to widening inequality and social exclusion during the 1980s and early 1990s (Rowlingson and McKay, 2001). Lone parents, the majority of which are women, experience a comparatively high risk of poverty in the UK and lower rates of employment than coupled mothers, raising their salience on the anti-child poverty policy agenda (Rafferty and Wiggan, 2010). The socio-economic issues particularly affecting lone parents were established much earlier in government reports (Finer, 1974). Much of the policy developments in the New Labour decade, particularly those seeking to reduce child poverty or childcare policies, nonetheless, can be seen as responding to a need to modernise social policy to better reflect social trends around gender and the family. Many of these social trends were arguably not fully responded to or in some cases, such as increases in lone parenthood or the decline of traditional female gender roles in two parent families, even morally accepted by sections of the prior Conservative government. At the same time, gender equality was not the major policy concern. An increased focus on the labour market activation of lone parents for example was packaged more in terms of anti-poverty measures. The absence of a greater focus on human capital development in labour market policies for welfare recipients furthermore points towards a policy agenda subordinated to neo-liberal macro-economic objectives around containing social expenditure and increasing labour supply to suppress wage growth.

Overall growth in female employment also concealed considerable differences between ethnic groups. Using UK census definitions of ethnicity, whereas Black Caribbean women had similarly or slightly higher levels of labour force participation to White women, Pakistani and Bangladeshi women had higher levels of economic inactivity (Dale *et al.*, 2008). Although such differences may partly reflect differences in cultural norms regarding gender roles and the family, evidence suggests that the expansion of higher education and increasing levels of educational attainment among more recent generations and cohorts has increased levels of labour market participation among a number of ethnic minority groups (Dale *et al.*, 2006). Evidence of continued discrimination or broader ethnic penalties in the UK labour market, however, also suggests that some of the differences in

employment patterns observed are likely to be the product of discrimination that may differ in qualitative nature and magnitude between ethnic minority groups and between men and women within specific groups (Rafferty, 2012; Riach and Rich 2002).

## **1.2. Specific policy developments under new labour**

Although issues of equality and diversity moved up the political agenda under New Labour, many of the initiatives which supported women in the labour market were not necessarily primarily sold or intended as gender equality measures. Under New Labour a number of major policy reforms nonetheless assisted women in the labour market. First the introduction and subsequent uprating of the national minimum wage improved women's wages, particularly for part-timers, although the absence of collective bargaining led to compression of differentials around the minimum wage so that women's opportunities for pay advancement with experience reduced (Grimshaw, 2009).<sup>1</sup> The second development benefiting female employment was the growth in public sector jobs, accounting for 84 per cent of women's job growth over the past decade compared to 39 per cent for men (TUC, 2011). The public sector as a major source of employment in health, social care and education has also been of particular importance for providing employment opportunities for some ethnic minorities, particularly for women (Heath and Cheung, 2006). Obligations were placed on public sector employers to promote and monitor progress towards gender equality and plans were laid to extend obligations to private sector employers to undertake gender pay audits. At the same time, the outsourcing of public sector jobs increased under New Labour, placing downward pressures on employment conditions.

The National Childcare Strategy and introduction of Surestart nurseries, targeted in principle at the most needy children in line with the child poverty programme, lead to a "sea change" in childcare provision in the UK (Waldfogel, 2011). After school and holiday provision for school-age children also grew, although run by third sector organisations and paid for by families, partly from

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1. In 2013, around 5.3% of the workforce was estimated to be on the minimum wage. This figure was higher for women at around 6-8% (Low Pay Commission, 2013).

their childcare tax credits (Rubery and Rafferty, 2013b). Although childcare services expanded they remained expensive and fragmentary while leave opportunities were extended but still low paid.

These policies to assist employment entry were accompanied, even before the change of government, by increasingly coercive mandated activation for key “economically inactive” groups of claimants of social assistance benefits (Rafferty and Wiggan, 2010). This applied to claimants of social assistance for reasons of ill health or disability (“Incapacity Benefit”) who were gradually moved to a new social assistance benefit called Employment Support Allowance, with a greater focus on mandatory labour market activation for those assessed as fit to undertake paid work, and restrictions to social assistance for people claiming benefits on the grounds of lone parenthood. The age of youngest dependent child at which lone parents were required to seek paid work was progressively reduced so that by the election in 2010 it had already fallen to age seven (reduced further to five years old in 2012 by the coalition government). However an unintended effect of the working tax credit system introduced by New Labour has been to increase the number of women in couple households who face high financial disincentives to enter work.<sup>2</sup> This is despite the rationale for the more generous tax credit system to create incentives to work. However, by retaining household means testing the impact has been to incentivise labour market participation among women as lone parents but not mothers in coupled households. The greater support for child raising costs through higher child benefits and support through both tax credits and some state provision for childcare costs nonetheless benefitted all mothers (Rubery and Rafferty, 2013b).

In the context of the UK’s hybrid social model, the extension of benefit rights towards a greater proportion of the population through tax credits and childcare support under New Labour could also be viewed as part of a broader political strategy of “progressive universalism” aimed at extending a political consensus regarding welfare and moving the UK towards a more socio-democratic social model (Rafferty and Wiggan, 2010). At the same time, much of social policy focus on supply-side measures for groups marginal to

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2. The marginal rate was reduced from 70 per cent but more families were in the net.

the labour market, such as lone parents, still firmly rested within the context of a neo-liberal approach to macro-economic policy. Increasing the effective supply of labour by “activating” lone parents through increased requirements to seek paid work among the non-employment would, in New Labour’s thinking, facilitate a rise in economic growth and expansion of employment without stimulating inflationary wage pressures (HM Treasury, 1999: paragraph 4.10). This would effectively occur partly by facilitating a greater supply of women to the low paid service sector, helping depress wages towards the minimum wage and so reduce labour costs. Policy developments such as “in-work benefits” and increases in childcare provision, although fitting with broader anti-child poverty strategies, could also be viewed as subsidies to low wages, partly countering the failings of the labour market.

The notion that longer term trends towards greater labour market participation or more recent social policies facilitated increased autonomy and equality between men and women further requires some qualification. Among the more socio-economically disadvantaged in coupled households, women have been increasingly under pressure to take on paid work as the wages of their partners- often low skilled men, have declined or failed to meet sufficiently rising living costs (including housing) (Rubery and Rafferty, 2013b). Increasing female labour market participation is thus in part both a voluntary development and an increasing requirement, at least to maintain consumption norms, enforced by socio-economic inequality and labour market polarisation. At the same time, despite a growing divergence in life chances occurring among both women and men by levels of educational attainment, gender gaps in pay persist across the income distribution, and disparities remain at the top in terms of women’s representation in managerial or board room positions (Fagan *et al.*, 2012).

Although changes in the UK social model in the decades leading up to the crisis are visible, the dominant cultural assumption remained that childrearing and domestic work generally are still largely a private issue and primarily female role (Kan *et al.*, 2011). Constraints on women’s progress in the labour market reflect the continuing effects of broader gender norms that shape attitudes and behaviour in both the private and public sphere. Within the private sphere, women still take on the majority of domestic work

and are thus more likely to experience competing pressures between paid work and parenthood or other care responsibilities. Within the labour market or organisational context, those who seek to combine paid work and motherhood may face employer discrimination around maternity and parenthood or experience occupational downgrading into lower skilled and lower paid jobs in order to find part-time employment (Blackwell, 2001). Recent evidence from the 2011 Workplace Employment Relations Survey also suggests if anything a hardening of attitudes among employers. In 2011, 76% of employers agreed or strongly agreed with the statement that “it is up to individual employees to balance work and family responsibilities”. This was up around 10% compared to 66% in 2004. Evidence further suggests that around 24% of men and 17% of women agree or strongly agree with the statement that it makes sense for women on maternity leave to be made redundant first (Government Equalities Office, 2009), reflecting broader societal attitudes that persist regarding female employment being secondary to male paid-work despite significant increases in the number of female breadwinner households.

The lack of greater transformation in the workplace also reflects that much of the approach to promoting gender equality under New Labour remained voluntary. Under New Labour the government endorsed and promoted the so-called “business case” for women’s employment and broader equality and diversity policy with a range of soft measures such as awards to companies to support work life balance policies. It further introduced a statutory right for parents of dependent children under six to request flexible working, later extended to 16 years and under (Hooker *et al.* 2007). Opportunities for flexible working were increased but not as right and were thus most applied in the public sector. Perhaps most importantly little was done to require private sector organizations to change behaviour and promote gender equality due to the voluntary nature of much of the legislation. Thus the changes introduced were largely reliant on government policies and so are easy to reverse under austerity. On entry to the economic crisis, despite gains in the relative economic position of women, the state of gender relations in the UK might best be described as an unfinished revolution (Esping-Anderson, 2009) where many women, and their wider families and children, face a state of purgatory



trapped in a society and economy that remains only partially adapted to the realities or aspirations for combining paid work and parenthood within modern family life.

Despite presiding over a period of economic growth unprecedented in recent history for a decade prior to the economic crisis, the New Labour government also saw some increases in income and wealth inequalities (Hills *et al.*, 2009). The income inequality was felt in the labour market, housing market, and broader patterns of wealth. People towards the top end of the income distribution in particular saw their incomes progress at a higher rate to the rest of the population with a stagnation of real incomes, beyond minimum wage intervention, experienced at the other end of the labour market. Although welfare reform and the minimum wage helped lift some of the poorest households out of poverty, overall New Labour failed to make significant inroads into broader patterns of inequality, which at the time of their election were unprecedentedly high in modern history.

By the time of the end of the New Labour leadership and incoming Conservative/ Liberal Democrat coalition government the Gini Coefficient for example remained in a similar position to when New Labour first came into office (see Brewer *et al.*, 2009). In terms of housing, many existing homeowners or the more affluent took advantage of rising prices and the availability of credit to secure new lending, leading to a boom in buy-to-let mortgages, further pushing up prices and contributing to an affordability crisis for the less economically advantaged and first time buyers. In a similar but perhaps less severe fashion to the US subprime crisis, it is necessary to contextualise many of the domestic contributory factors to the UK housing market crisis within the broader fault lines of economic inequality within liberal market economies. In short, broad-based attainment of consumer norms around home ownership and increasing living standards on which the boom relied became increasingly incompatible with rising inequality. Part of the social policy response can be seen as an attempt to mitigate broader growing inequality, with the government, together with personal debt, increasingly becoming the chief compensators for the failings of the labour market to provide a living wage for a sizeable proportion of households.

## 2. Gender differences in the labour market impact of the economic crisis and austerity

### 2.1. Overview

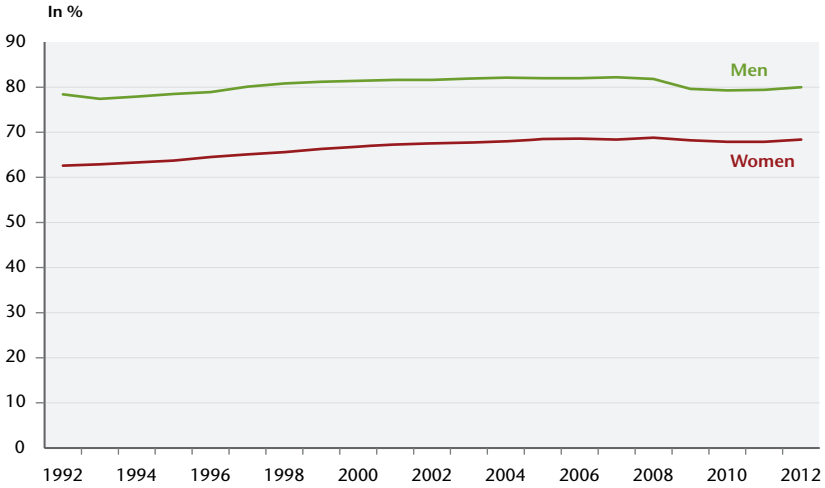
The following section goes on to consider differences in the labour market impact of the crisis and austerity by gender. Heterogeneity in the impact *within* the male and female population is further considered through exploring ethnic differences by gender. The likely effects of austerity measures are further differentiated among women, such as between coupled and lone mothers, due to different levels of economic reliance on welfare provision and broader social infrastructure.

### 2.2. Overall trends

Despite rising levels of participation leading up to the economic crisis, women still entered the 2008/9 recession with a lower employment rate than men (Figure 1), higher levels of “economic inactivity”, particularly for family reasons, and higher levels of part-time employment (Rubery and Rafferty, 2013b). In addition to greater full-time employment, male participation patterns were typified by marginally higher levels of unemployment than women by around 0.8 to 0.9 percentage points. As the effects of the broader financial crisis began to manifest themselves in the labour market around the beginning of 2008, unemployment began to rise at a faster rate for men than women (Figure 2). The disproportionate increase among men following the economic downturn saw this gap reach 2.6% by the middle of 2009. Following this time point however, male unemployment growth stabilised then witnessed a modest recovery. By the end of 2012, the gap between male and female unemployment consequently declined to 1%.

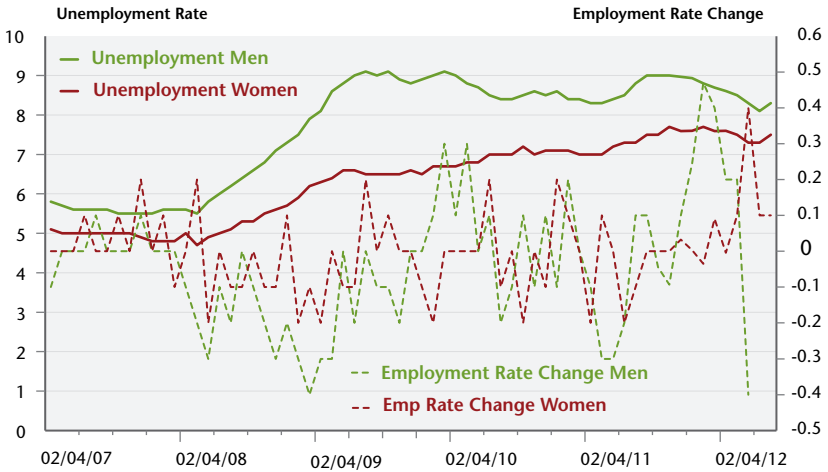
Time related underemployment is defined where a person is wanting at their same level of pay to increase the number of hours with their current employment, find an additional job, or find an alternative job with greater hours but is unable to do so. Figure 3 shows that although women experienced higher levels prior to the crisis, this gap narrowed during the initial economic downturn due to greater increases among men. However, by the beginning of 2013, the gap widened again toward pre-recession levels, similar to the greater recovery witnessed among male unemployment.

Figure 1. Long term trends in overall employment rates



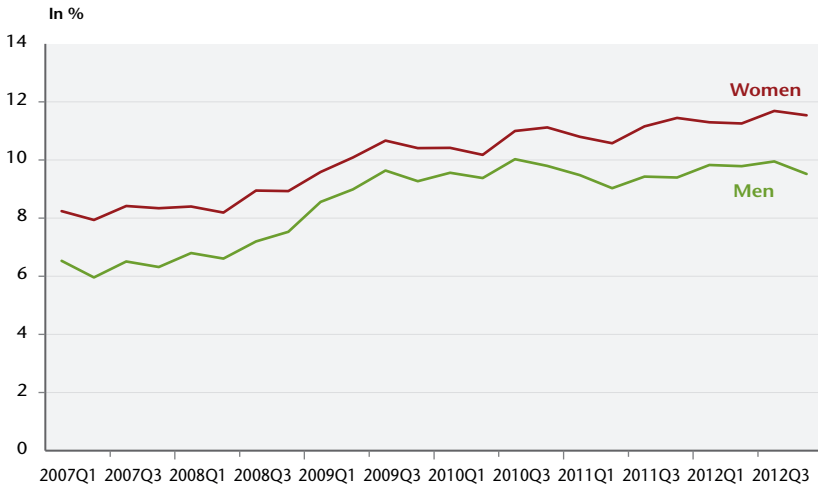
Source: UKLFS, own calculation. Men aged 16-64 years women age 16-60 years.

Figure 2. Unemployment and employment rate by gender



Source: Rubery and Rafferty, 2013b. Men aged 16-64 years women age 16-60 years.

Figure 3. Time related underemployment by gender



Note: Time related underemployment is defined where a person is wanting at their same level of pay to increase the number of hours within their current employment, find an additional job, or find an alternative job with greater hours but is unable to do so.

Source: UK LFS, own calculation. Men aged 16-64 years women age 16-60 years.

Patterns of sex segregation by industrial sector contribute strongly to the differential gender impact on unemployment rates as the initial 2008-2009 recession was most strongly felt in the male-dominated sectors of manufacturing and construction, as well as some more gender-mixed sectors such as Wholesale, Retail and Trade, as well as the Hotel sector. In contrast, the main public sector employment areas of administration, and education and health, the latter two being where women and ethnic minorities are more heavily represented, continued to grow in this period adding 300,000 jobs (Rubery and Rafferty, 2013a). This growth was the result of continued investment and counter cyclical public expenditure by the outgoing Labour government. In addition to fiscal stimulus, New Labour responded to the initial financial crisis with policies that prioritized and protected the interests of families and children; child benefits were uprated more and earlier than planned and public expenditure on services continued to rise (Grimshaw and Rubery, 2011).

However, by the 2010 election, New Labour was proposing stringent public expenditure cuts which, although more moderate than the subsequent coalition government's programme, would

have impacted on the support for working families implemented over the previous decade (Rubery and Rafferty, 2013b). After the 2010 election, the incoming Conservative and Liberal Democrats coalition introduced an “Emergency Budget”. Pointing towards the developing sovereign debt crisis in the Eurozone in countries such as Greece, an austerity plan was presented as a matter of economic necessity in order to calm the markets and stave off a similar crisis in the UK. Such logic, however, overlooked key differences between the UK and Eurozone crisis countries, such as the independence of control over monetary supply and relatively long dated government debt. The Conservatives and Liberal Democrats nonetheless sought to eliminate the so-called “structural” public deficit in one parliament by enacting a policy of intensified neoliberalism based on a shrunken and privatized welfare state (Grimshaw and Rubery, 2012). Attempts by politicians around the 2010 election to enhance feelings of crisis to legitimate such policies if anything may have helped sustain a period of low consumer confidence and in addition to austerity measures prolonged the economic downturn.

By 2012/13 public sector net debt as a percentage of GDP rose to around 74% (Figure 5) whereas the public sector deficit peaked earlier at around 11.4% of GDP in the 2009/10 financial year (Figure 6). The proposed austerity plan sought to cut budgets across a broad range of areas of departmental spending. This has major implications for women as they are more likely to be dependent on the public sector for employment opportunities (in 2007, 44% of women were employed in the public sector compared to under 16% of men),<sup>3</sup> and on the state for support for working mothers in both public and private sectors. Women overall are more dependent on benefits, particularly lone parents, and thus more affected by general cutbacks (such as the decision to uprate benefits by a lower index and more recently to cap increases at 1%), as well as to specific supports for children such as through childcare

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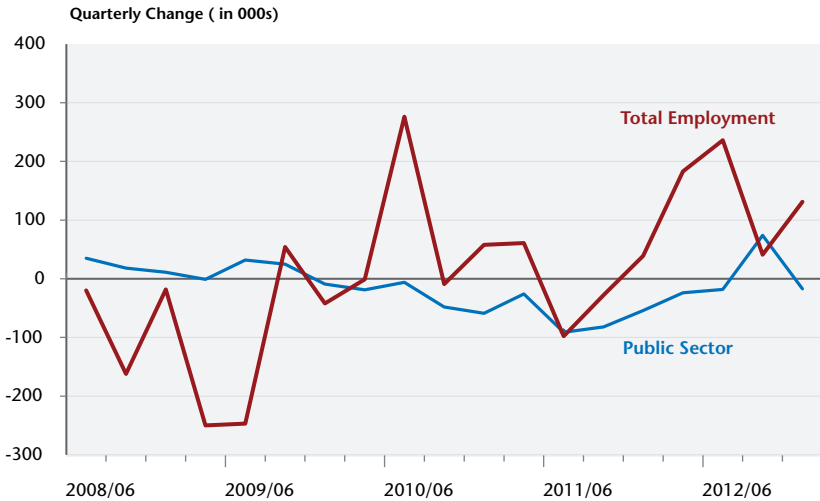
3. Based on percentage employed in public sector dominated sectors (SIC codes O, P, and Q). However, based on a alternative self-report definition using the UKLFS micro-data 34 per cent of female employment is in the public sector compared to 15 per cent of male employment, with women accounting for 63.4 per cent of total public sector employment (October – December 2007). The differences between these two sets of figures largely reflect the inclusion of private sector health and education workers in the industry, based definition and that a larger proportion of male self-reported public sector employees work outside sectors O, P, and Q.

support in the tax credit system and cuts to *Sure Start* early years and nursery provision. Gender impact audits in 2010 and 2012 confirmed women were the main losers from austerity cuts putting women's share of the announced tax increases and benefit cuts in terms of being the primary recipients at 74% and 81% respectively (Women's Budget Group 2012). Women are also the most likely to take on the burden of making good any cutbacks in general support for care and social reproduction by the state even though the crisis may be putting more pressure on women to extend their involvement in paid work.

Public spending cuts are currently expected to lead to cuts of over 900,000 jobs between 2011 and 2018, that is to 16 per cent of government employment in 2010 (Office for Budget Responsibility, 2012). This exceeds original estimates due to successive downward revisions of growth estimates. Up until 2010 the public sector provided some protection against employment loss. After the change of policy in 2010 it was in 2011 that rapid job loss in the public sector job began with 110,000 public sector jobs lost in the second quarter of 2011 alone (Figure 4). Job losses in the public sector continued on into the middle of 2012 before stabilising. The majority of the predicted public sector cuts currently therefore remain unrealised (Rubery and Rafferty, 2013b). During 2010 and 2011, women's higher representation in the public sector combined with a sluggish private service sector both raised female unemployment rates. In addition to job losses, women are disproportionately affected by pay freezes (2011-13) and pay caps (1% until 2016) on public sector pay.

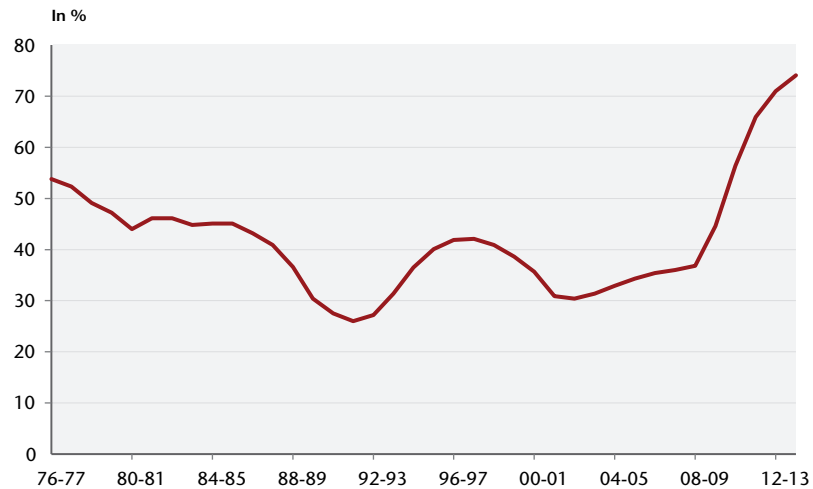
Cutbacks in support for child raising and childcare costs have been many and various. Child Benefit, a payment to families with children, has been frozen and is now means tested; grants for pregnancy and new babies have been cut back: Child Tax Credits have been reduced and the proportion of childcare costs that can be reclaimed via tax credits cut from 80 to 70 per cent (Hirsch, 2011). Local Authority childcare provision is being reduced in response to the loss of more than a quarter of Local Authority budgets (Daycare Trust, 2012). This applies both to care for preschool children and to the recent developments in after school and school holiday facilities.

**Figure 4. Change in public sector employment and total employment**



Source: UKLFS, own calculation. Men aged 16-64 years women age 16-60 years.

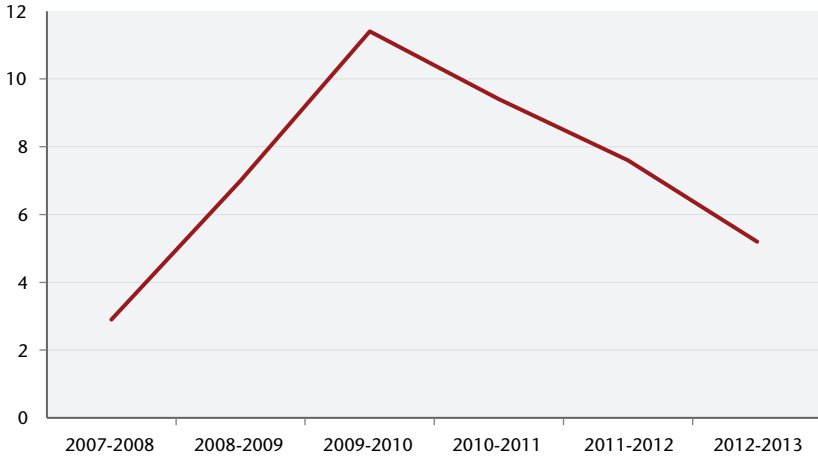
**Figure 5. Public sector net debt as a percentage of GDP, 1975-1976 to 2012-2013**



Notes: All data excluding the temporary effects of financial interventions. As a result of government interventions some banks and other financial institutions which were previously designated within National Accounts as private companies have been reclassified as public financial corporations. These institutions are excluded from the figures.

Source: ONS.

Figure 6. Government deficit as a percentage of GDP



Source: ONS.

The government is currently integrating all benefits into a single “Universal Credit”. Although the aim of simplifying the system is welcome this integration will also increase disincentives for second income earners even further, as a result of the proposed household means testing (DWP, 2011a; Goode *et al.*, 1998). Single women, mainly lone mothers, will also account for around 60% of those affected by cuts to housing benefits (compared to three per cent of single men) (DWP, 2011b). Pressures on benefit recipients to seek paid work have also increased even at a time of record rises in unemployment for women. Lone parents with a youngest child five or older now have to seek employment to claim benefits if assessed as fit to undertake paid work, whereas reforms to the disability benefit system have introduced more stringent and controversial fitness for work tests (Rafferty and Wiggan, 2010). Even if someone is not deemed fit for work, incapacity benefits are now household-means tested after one year. This will affect more women as disabled women are more likely than disabled men to have a working spouse (Rubery and Rafferty, 2013b). There is consequently a contradiction between measures that seek to put a greater pressure on people to enter paid work and cuts in policies that support the entry and maintenance of employment.

Nevertheless, the high burden of cuts towards women is unlikely to have been all a deliberate attempt to target women



generally but instead the outcome of women's greater reliance on the state as the preceding discussion indicates. Electoral strategists may yet chew over the electoral implications of specific measures, even if officially equality or demographic impact assessments are not acknowledged (EHRC, 2012). Indeed some more recent reliefs in childcare subsidy appear targeted in a strategic manner to appease certain socio-demographic sections of the female population amidst the broader childcare cost crisis that extends further up the income distribution to middle income families. Current policy, however, could be viewed to represent an attempt to disproportionately place the burden of austerity on the poorest and most disadvantaged members of society, who are also among the least likely to vote Conservative (Rafferty, *et al.*, 2013; Browne and Levell 2010; Brewer *et al.*, 2011). The coalition government have further sought to refocus attention away from the financial crisis towards the size of the prior Labour government's public expenditure and the prior social model as an underlying cause of economic weakness. The adoption of standard economic discourse in terms of defining the public deficit as structural (relating to longer term spending patterns) rather than cyclical conveniently fits with such a worldview. It is within this context that public sector and welfare expenditure reductions have become the targets of austerity, despite a proportion of government debt growth being linked to financial sector bailouts and economic stimulus enacted to fight the drop in economic demand in the earlier stages of the crisis.

### **2.3. Ethnic differences in the labour market impact of the crisis**

Using categories harmonized from 2011 UK Census classification of ethnicity, Figure 7 shows that men and women from different ethnic groups exhibited varying levels of employment participation prior to the crisis. Among men, Pakistani/Bangladeshi and Black men (African Caribbean/Black African/Black Other) had some of the lowest employment rates. In terms female trends, Pakistani/Bangladeshi women had considerably lower employment rates than other women although have experienced an upwardly moving trend. Figure 8 shows discernible differences between men and women within ethnic groups in terms of growth in unemployment following the crisis. Whereas the highest increases in unemployment for men were for Black men, for

women, the highest increases were for Pakistani/Bangladeshi women, although Black women also experience substantial increases. From 2008 to peak Pakistani/Bangladeshi women experienced an increase in unemployment of 8.3 percentage points, compared to 2.5 percentage points for White UK born women.

In terms of time-related underemployment, although for men the highest increases witnessed following 2008 were for Pakistani/Bangladeshi men (8.6 percentage point increase compared to 3.3 percentage point increase for White UK born men), and men in the other ethnic groups considered experienced similar or lesser increases to White UK born men, the female members of all of the ethnic minority groups experienced higher increases than White UK born women (Figure 9). The highest increase for women was among Black women who experienced an increase of 6.4 percentage points compared to 3.3 percentage points for White UK born women. The findings thus demonstrate how the manner in which labour under-utilisation has manifest following the economic crisis varies both between ethnic groups and between men and women within ethnic groups.

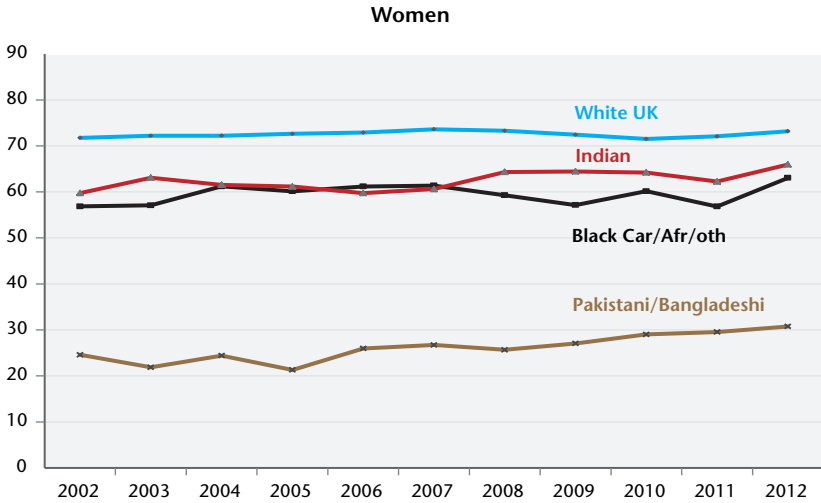
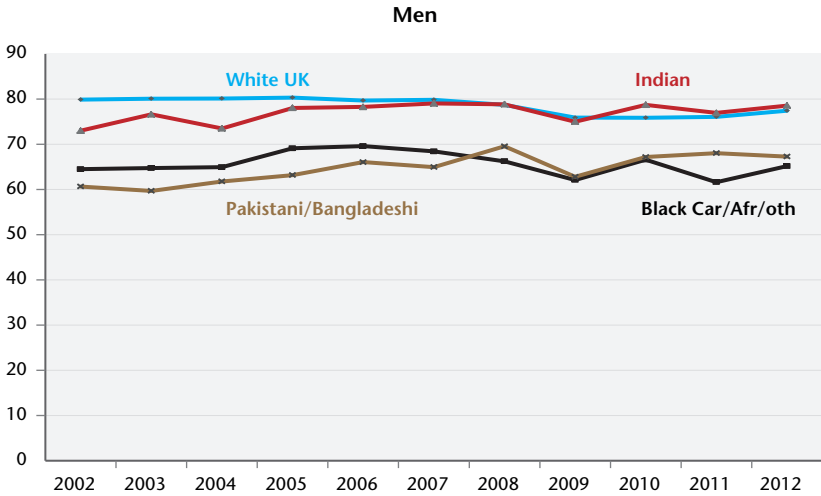
There are a number of reasons why ethnic minority or migrant workers are likely to be more exposed to increases in unemployment or broader underemployment. The first reason concerns lower levels of educational attainment (Dale *et al.*, 2008) among some ethnic minority groups restricting employment to lower skilled paid-work, which may in turn be more exposed to destruction during recession. For immigrant workers, the lack of recognition of overseas qualifications may play a role in increasing the risk of unemployment or language barriers or other factors related to assimilation (Dustmann and Fabri, 2003). At the same time, levels of educational attainment in several ethnic minority groups exceed or at least match those among the white UK born population, although among people with higher level qualifications ethnic minority men and women are more likely to attend less prestigious universities which affects employment prospects (Rafferty, 2012). An inter-related factor to educational attainment concerns patterns of occupational or geographical segregation such as the greater concentration of ethnic minority men and women into a small number of occupations (Heath and Cheung, 2006). For example, in the case of Bangladeshi men, the concentra-

tion in the restaurant sector may present a specific exposure to the recession as people cut back on non-essential expenditure. Parallels may be tentatively drawn here to how gender segregation shapes the impact of the recession on men and women. There is nonetheless also considerable evidence for the role of discrimination in the UK labour market such as derived from field studies of job applicants (see Heath and Cheung, 2006).

In terms of explaining differences by gender within ethnic groups, gender and ethnic minority status, as socially constructed categories, are not necessarily additive in terms of their impact on labour market disadvantage but may intersect to form unique forms of disadvantage (Brown and Misra, 2003). Prejudices and stereotypes affecting employer decisions and discrimination for example may differ between male and female members of different ethnic groups (Rafferty, 2012). Furthermore, within the private or family sphere, cultural norms and values surrounding gender may act to shape women's and men's identity and experience of ethnicity differently. These factors may affect the relative position of men and women vis-à-vis the labour market, prior to the recession and so the corresponding impact on patterns of employment following the economic crisis.

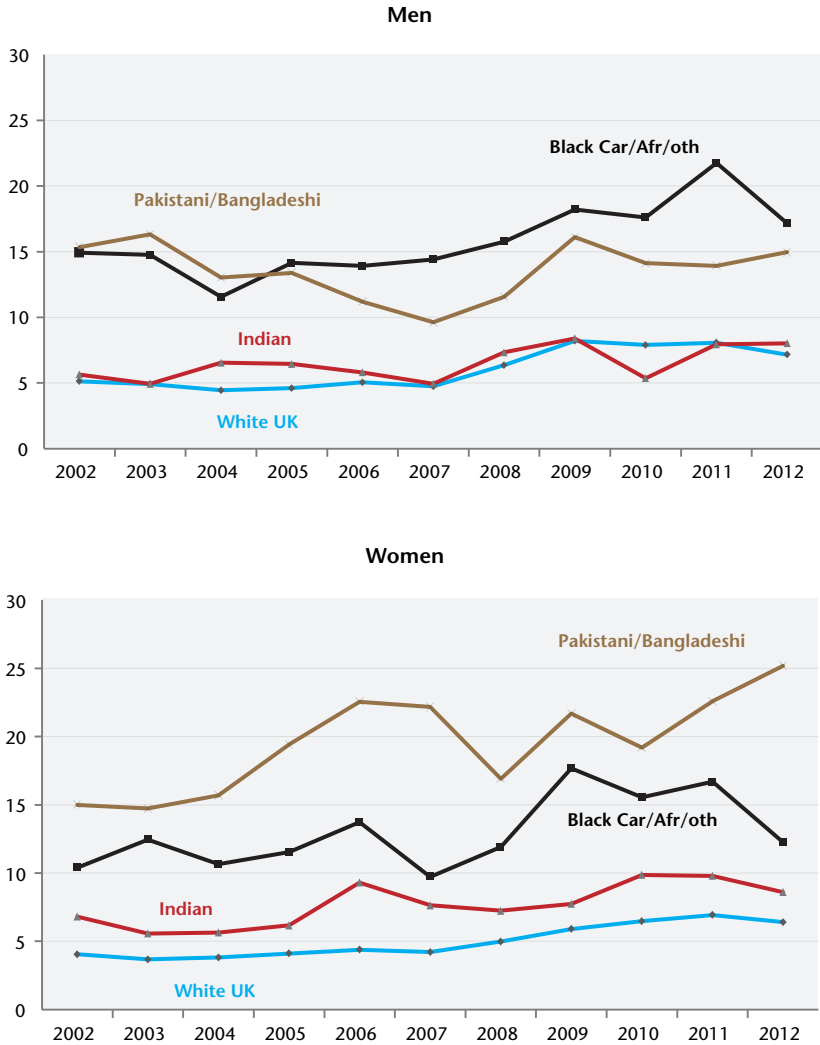
As well as undermining support for gender equality, a further potential risk of the economic crisis is that it may reduce support for the "business case" for broader equality and diversity policy or heighten discrimination across other dimensions in the labour market. A reduction in support for equality and diversity issues through cuts in funding to the Equality and Human Rights Commission, which monitors equality developments in the labour market may well send a signal to employers that the Coalition government sees such issues to be of a lower priority. The danger is that such developments occur at a time where the effects of discrimination or broader disadvantages become heightened in a more competitive labour market. Such impacts may not only relate to gender equality, but other equality and diversity issues such as linked to ethnicity, disability or sexuality. For example, recession may disproportionately impact on ethnic minority workers where discrimination places them either towards the front of queues in terms of redundancy decisions or towards the back of labour queues regarding employer hiring decisions.

Figure 7. Employment rate by ethnic group (2002-2012)



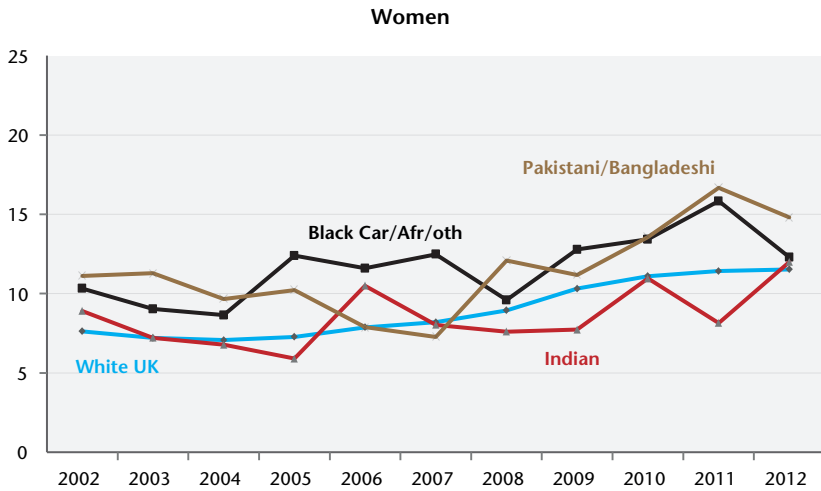
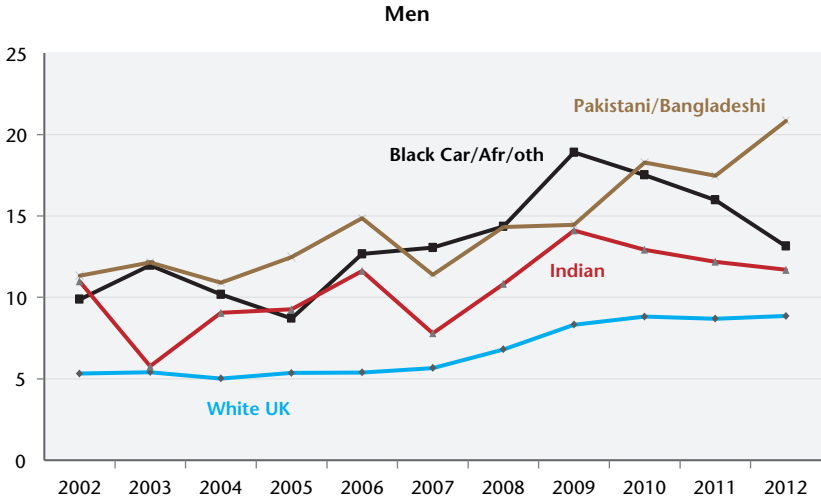
Source: UKLFS, own calculation. Men aged 16-64 years women age 16-60 years.

Figure 8. Unemployment by ethnic group (2002-2012)



Source: UKLFS, own calculation. Men aged 16-64 years women age 16-60 years.

Figure 9. Time-related underemployment by ethnic group



Note: Time related underemployment is defined where a person is wanting at their same level of pay to increase the number of hours within their current employment, find an additional job, or find an alternative job with greater hours but is unable to do so.

Source: UKLFS, own calculation. Men aged 16-64 years women age 16-60 years.

### 3. Discussion and conclusions

In addition to differential impacts by gender, the current article highlights how intersections with other social dimensions such as ethnicity are important to understanding the impact of the economic crisis. Although the initial economic crisis impacted more on male employment, the findings presented show that ethnic minority men and women overall fared worse than the white UK born majority. Among women, several ethnic minority groups experienced growth in unemployment and time-related underemployment in excess of that experienced not just by other women but the overall male population. These findings are of particular concern given government support to equality and diversity issues, not just around gender but more broadly, is being cut back at a time where tougher labour market conditions have possibly raised the salience of such issues.

A key question that arises from the discussion of the gender equality impact of the economic crisis is to what extent recent developments may have on-going and long lasting impacts on the labour market? Longer term trends in growing female labour market participation which have accrued over a number of decades are unlikely to be reversed by recent developments. In addition to changing gender norms and greater educational attainment these trends have further been underpinned by the shift from manual labour and manufacturing towards services in the economy, favouring women, and at the lower end of the income distribution by a corresponding stagnation in male wages. Indeed a squeeze on household finances may actually increase the desire for households to maximise their labour supply in the face of rising living costs and low or no wage growth. The evidence to date furthermore suggests that women are no more willing than men to withdraw from the labour market during the crisis (Rubery and Rafferty, 2013a).

At the same time, childcare and welfare support cuts create added difficulties or reduce the financial incentives to employment, whereas public sector job cuts or transfers into the private sector may reduce employment quality. Furthermore the use of a voluntary rather than compulsory legislative approach to equality policies (including flexible working, some aspects of the parental leave provision and equality and diversity policy) makes it easy for

organisations to dismantle progressive policies when labour surplus undermines some of the “business case” for equality and diversity policies. Following the economic crisis or “great moderation” (see Galí and Gambetti, 2009), women in the UK will nonetheless remain as committed to the labour market as before, if not more so, but many will likely have a rougher time of it. Although the same may be said for many men, specific attacks on public sector employment and aspects of social infrastructure, which support female labour market participation, make future impacts likely to be gendered in nature.

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