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Gender Equality and Economic Crisis: Ireland and EU

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This paper explores gender dimensions to the austerity policies which have been pursued across the EU over the recent economic crisis years, with particular attention to Ireland. From a gender equality standpoint, it is interesting to examine the extent to which there are common gender dimensions to the policy processes that have been pursued across the EU.



This paper explores gender dimensions to the austerity policies which have been pursued across the EU over the recent economic crisis years, with particular attention to Ireland. From a gender equality standpoint, it is interesting to examine the extent to which there are *common* gender dimensions to the policy processes that have been pursued across the EU. I have argued previously that there is a definite gender dimension to the policies that have been implemented in Ireland through the different phases of the crisis (Barry and Conroy 2013). This paper looks at the Irish situation but also takes a comparative perspective drawing on analyses of core policies at EU level, exploring the gender patterns evident in the way in which economic and social policies have been developed and implemented (Rubery and Karmessini 2013; ENEGE 2013; Oxfam 2013; Trefell 2012).

EU – changing policies towards gender equality

There is clear evidence at EU level of an increased emphasis on gender equality, particularly in employment policy, in the decade through to 2007, but that this radically changed with the onset of the crisis. Central to EU policies towards gender equality was the development of a European Employment Strategy (EES) in the decade immediately before the economic crisis. Villa and Smith (2013) identify four phases in the implementation of the EES. Phase 1 1998-2002 saw gender equality designated as a core priority of EU employment policy and defined as one of the four pillars which made up the framework for employment policy (a policy based on 22 guidelines, five of which came under the gender equality pillar). During this period a new concept was also introduced *gender mainstreaming* was to become a stated aim of establishing gender equality, and in 1999 was adopted as a *horizontal principal* across all policy areas, not just employment policy. Linked to this stronger emphasis on gender equality in economic policy, was a decision by the EU Council of Ministers in 2000 to set down a target for women’s employment rate of 60% and for men’s employment rate of 70%, to be reached by 2010. Throughout this period, the clear focus was on increasing employment rates and women were seen as central to achieving that objective.

New changes were introduced in Phase 2 2003-2005, coinciding with the enlargement of the EU from 15 to 25 member States, and which resulted in redefining of the EES to incorporate 3 over-arching objectives and 10 guidelines, only one of which was a gender equality guideline, but which continued to include the mainstreaming of gender equality across all policy areas. Within another few years, further changes to the EES took place and two new Member States were incorporate into the EU. Phase 3 2005-2009 was characterized by the introduction of Broad Economic Policy Guidelines and the setting down of a framework made up of 24 integrated policy guidelines, of which 8 were related to employment. This time there was *no gender equality guideline* just a statement in the preamble of the importance of gender equality, combating discrimination and gender mainstreaming. The most recent Phase 4 2010-2020 developed in the midst of the crisis saw a continuation of this process with 10 integrated policy guidelines, 4 employment specific guidelines and 3 EU objectives. Yet again, no gender equality guideline was included and a very simple statement in the preamble to the EES that *visible gender equality is important in all relevant policy areas*: Villa and Smyth (2013) argue:

“The fourth phase was marked by the end of the Lisbon process in 2010 and the beginning of the formulation of a new strategy to take the EU to 2020. The new Europe 2020 strategy further marginalizes gender equality with none of the ten integrated guidelines related

specifically to equal opportunities and only four related to employment. Moreover, gender mainstreaming is not mentioned. Furthermore this reformulation occurred in the middle of the crisis, when policy makers’ attention was focused on its immediate impact on male employment, a context in which the gains made in raising female employment during the Lisbon process were quickly overlooked.”

As is clear from the following Table 1, employment rates changed dramatically, effectively reversing the gains made in reaching the Lisbon targets over a very short period of time. And while the gender gap in employment rates between women and men has narrowed, this does not reflect a positive change towards greater gender equality but reflects the faster deteriorating employment situation of men across the EU, particularly during the first stage of the crisis.

Table 1 Reversal of (Lisbon) EU employment rate targets

Employment Rates	women	men	Gender Gap (15-64 years)
2008-2010 First Stage	60% to 56%	76% to 64%	15 points
2010-2014 Second Stage	56% to 55%	64% to 62%	9 points

Source: www.ENEGE.eu

The negative impact of these policy changes at EU level resulted in a change in policy priorities. Policy moved from a position in which targeted gender equality initiatives were supported, to an initial process of mainstreaming gender equality across the policy-making process, to a crisis period which lacks any definite support for gender equality. As Pfister states:

“The loss of a specific guideline on gender equality, combined with the greater emphasis on creating more jobs, was a significant blow to the status of gender equality.” (Pfister 2008)

A recent report on the economic crisis - the ENEGE Report carried out by the EU Network of experts on gender equality and employment (www.enege.eu) - argues that there are specific austerity measures that have been widely applied in different countries, and are having a particularly negative impact on gender equality:

- Public sector cuts include wage freezes or wage cuts; ban on recruitment; pension cuts and changes in eligibility requirements (applied in 10 Countries)
- Staffing freezes or personnel cuts in the public sector (applied in 9 countries)
- Pension reforms – postponing retirement (applied in 8 countries)
- Reductions and restrictions in care supports; reductions in family payments, related benefits /allowances/facilities (applied in 8 countries)
- reduction of housing benefits or family benefits (applied in 6 countries)
- Restrictions on eligibility criteria for unemployment and assistance benefits or reductions in replacement rates (applied in 5 countries)
- Increased charges for publicly subsidised services (applied in 8 countries)

There are interesting patterns evident in the midst of this crisis across the EU, including Ireland. One of the arguments for which there is strong supporting evidence is that the labour market behaviour of women during this particular crisis years has taken on a different character. Women who have lost paid jobs have maintained a strong attachment to the labour force, holding onto a self-definition as ‘unemployed’, refusing to retreat into the self definition of ‘engaged on home duties’ (used in labour force surveys).

The traditional view that women act as a *reserve labour force*, brought into paid employment at significant levels only when demand increases, and subsequently dumped back into unpaid work when demand levels contract, is not supported by the evidence documenting the experience of this crisis (Gune 1980). The reserve labour force is no longer only gender specific. As the ENEGE Report on this crisis highlights “the contemporary *reserve labour force* are young men and women on temporary, short-term employment contracts and migrant workers”. This report also highlights new evidence of a change in women’s economic role across the EU. For example, where double-income/dual-earner couples have been displaced from the workforce, this has been almost exclusively by *female breadwinner couples* who have increased their share of the paid workforce by almost 10% (ENEGE 2013).

Another gendered trend across the EU over the crisis years is the rise in cases of discrimination against pregnant women in paid employment - this is a consequence of the crisis that specifically affects women in paid employment. The rights of *pregnant women* to maternity leave and benefits have been curtailed and increased levels of discrimination against pregnant women have been documented in case law in many countries (including Ireland). A recent Report published by the Crisis Pregnancy Agency in Ireland revealed that

“..one-third of mothers who work during pregnancy said they had experienced ‘unfair treatment’....five per cent of the women surveyed said they were dismissed, made redundant or treated so badly they had to leave their job.” (Russell 2011a)

A similar Report on the UK revealed that discrimination cases involving pregnancy and maternity leave have increased dramatically over the crisis years:

“In 2005, three years before the global financial crisis of late 2008 and subsequent economic recession, a landmark study by the Equal Opportunities Commission (since merged with other bodies to become the Equalities and Human Rights Commission) found that half of all pregnant women suffered a related disadvantage at work, and that each year 30,000 were forced out of their job. Eight years on, the available evidence suggests that figure has ballooned to some 60,000. Since 2008, as many as 250,000 women have been forced out of their job simply for being pregnant or taking maternity leave.” (Maternity Action 2014)

Another interesting gender dimension conclusion from the ENEGE Report (2013) is that “household expenditure went down in most European countries for the consumption of items for which *women’s unpaid work* is acting as a substitute”. What is evident from this research is that cuts in services, particularly around care, are being replaced at household and community level by women’s unpaid labour. The European Women’s Lobby (EWL 2013) highlights the gendered implications of

cut-backs in public sector employment in a context in which women constitute 69% of public sector workers in the EU. This report analyses how the ‘first wave’ of the crisis was a private sector crisis which impacted more on the male dominated sectors of the economy while in the ‘second wave’ the crisis extended into the public sector when the negative consequences were felt more by women. The EWL document shows how cuts have hit female-dominated sectors of health and education hardest giving examples from Latvia where a teacher’s minimum salary has been cut by 30% to €6000 per year and the gender pay gap has increased from 13.4% to 17.6%. Significant lay-offs among public sector workers are also shown; in Greece (-25%), the UK (-20%), Romania (-10%) and Latvia (-10%) Wage cuts or freezes are recorded in at least 13 countries and increases in poverty rates between 2009 and 2012 were especially high in Iceland, Latvia, Lithuania, Malta, Spain and Ireland for both men and women. A Eurobarometer survey conducted mid-crisis in December 2011 revealed that 58% of citizens in all countries feel threatened by, and vulnerable to poverty (58%).

A European Parliament (EP) Report on the gendered impact of the crisis highlights the gender equality measures that have been cancelled or delayed and states that potential future cuts in public budgets will have a *negative effect on female employment and on the promotion of equality*. This report also argues that the economic downturn should not be used as an excuse to slow down progress on work/life policies and *to cut budgets allocated to care services for dependents and leave arrangements*, affecting in particular women’s access to the labour market. The EP argues that “cuts in education, childcare and care services have pushed women to work shorter hours or part-time, thereby reducing not only their income but their pensions as well”. In a further crisis impact analysis, this Report states that studies have also shown that *violence against women* intensifies when men experience displacement and dispossession as a result of the economic crisis. (European Parliament 2013)

A Global Perspective

Jane Lethbridge’s (2012) Report *Global Context: specific impacts of austerity on women* carried out for the Public Services International Research Unit (PSIRU) explores the global context of the crisis and comes to a number of key conclusions which confirm EU-based research but looks further into the impacts in poorer countries. Women workers and their children, in both the public and private sectors, are bearing the brunt of cuts in vital public services. As women globally are the majority among public sector workers therefore they have lost more jobs while wage freezes and cuts have reduced the incomes and mobility of women who were already among the lowest paid. Letheridge argues that more and more women are working in insecure jobs with long hours, low pay, and poor working conditions to support their families and reductions in public services and women’s income will have long term effects on the health, well-being and future opportunities of their children. The gender pay gap has widened at a global level. Shelters for victims of domestic violence have been closed. In her view, the long struggle for equality has been set back by closure or funding cuts for public institutions that promote equality for women at work and in society.

Letheridge’s work argues that those who are most vulnerable are being hurt the most and she puts forward the example in poorer countries of girls dropping out of school to care for other family members, while their mothers seek work and that often households have to sell assets which contributes to a situation of chronic poverty.

One of Letheridge's important conclusions is that the economic crisis has reduced demand for exports from developing countries in sectors where most workers are female. Reduced access to health and education for women and girls will have long term effects on their position in gendered societies. The effects of an economic crisis are felt for many years and will likely slow down improvements in the position of women over a long time period. The impact of reduced access to health care and education for women and girls has long term effects on women's health and the position of women in society. Changes in the position of women in the labour market show different trends because of the crisis, she argues, which has pushed more women onto a deteriorating labour market to make up household income because of the rising rates of male unemployment. Letheridge also concludes that research reveals women having to work harder and often take on degrading activities (Letheridge 2012).

The Case of Ireland

Ireland was the first EU country to declare itself officially *in recession* in August 2008, the second Eurozone country to have a structural adjustment programme imposed by the IMF/ECB/EU known as 'the troika' and the first of the 'bail-out' countries to exit the imposed Structural Adjustment Programme. The turnaround of the Irish economy in just a few short years has been dramatic - from one with the highest levels of GDP and employment growth to among those with one of the highest unemployment, emigration and debt levels across the EU. Ireland's economic policy throughout the 'boom decade' from 1998-2008 was based on a *neo-liberal low-tax strategy* and the consequences of this have shaped the particular way in which the recession has unfolded and its enormous negative impact on Irish public finances. Key characteristics of the Irish economic crisis are the overreliance on declining taxation income from a completely overblown property and construction sector and secondly, the high level of public subsidy that has been made available to a crisis-ridden Irish banking sector.

A wide range of policy measures have been implemented in Ireland over *Stage 1 2008-2010* and *Stage 2 2011-201* of the crisis with the stated aim of reducing the gap between government revenue and expenditure. The collapse in taxation revenue from the property sector, high levels of unemployment, a collapse in domestic demand and the drain on public funds by the process of rescuing the private banking sector, all combined together to generate a significant deficit in public finances. *Stage 1* focused on reducing the public sector pay bill primarily through reducing public sector pay and pensions, freezing recruitment and significant cutbacks in social protection expenditure. *Stage 2* continued these policies but with a particular focus on increased taxation, significantly reducing the incomes of middle and lower income groups, further reduction of welfare payments particularly focusing on lone parents and the implementation of an untargeted early retirement scheme in the public sector. From a gender equality perspective many of these measures have an unacknowledged yet very significant negative impact.

Recession and changes in public policy in Ireland

In Ireland, employment policy mirrored the changes happening at EU level. Ireland had in fact reached the Lisbon targets by 2007 as women's employment rates had increased dramatically over the decade before the deep recession engulfed the country in 2008. The Irish Development Plan 2000-2006 adopted gender mainstreaming as a horizontal principle and all measures funded under that plan had to be assessed from a gender equality perspective. While the gender impact assessment was limited in practice, it did reflect a greater recognition of gender equality in the policy-making process (McGauran 2010; Barry 2013). Once the crisis hit, employment policy priorities shifted. In practice, gender equality is no longer specified as a core aspect of Irish employment policy and the crisis years have seen a move away from a policy of increasing the supply of labour through policies of gender equality that promote women's access to the paid labour market. As male unemployment levels surged, policies towards reducing unemployment and increasing demand took priority. Gender equality was marginalized and treated as a luxury that, due to the crisis, was rendered unattainable.

During the early years of the crisis in Ireland the collapse of the construction industry, based on a hugely over-inflated property market, drove male unemployment to an extremely high level. Young men who had been lured onto the labour market during the so-call "celtic tiger" years, found themselves moving into situations of long-term unemployment, many without even the second level educational or training qualifications that meant emigration was an option. For others, that had those qualifications, emigration became the only option. During this first phase, Ireland experienced a dismantling of key elements of the equality infrastructure that had been hard fought for over the preceding two decades, the absence of which meant that resources to investigate and interrogate policy developments and policy discourses were scarce. Budgets of key agencies – that were focused on women, equality, poverty and racism - were slashed and important organisations closed down or denied their independence by being absorbed into government departments (Barry and Conroy 2013).

The second period of the crisis in Ireland revealed another gender dimension. Job losses and pay reductions were imposed across the public sector which had over the past two decades become a key source of employment for women, combining job security with some flexibility, and providing for career development opportunities which have been rare enough in Ireland's heavily segregated labour market. This was combined with a series of specific policy measures that had severe negative consequences for lone parents (predominantly women), low income households and disadvantaged minorities. Household debt levels have increased dramatically and measures to address debt levels have been slow to be introduced and limited in their effect (Barry and Conroy 2013). Poverty levels have increased, debt levels have reached new heights, homelessness has dramatically increased, disadvantaged minorities such as Travellers have had whole programmes closed down, youth unemployment has remained seriously high and over 200,000 young people and young families have emigrated - out of a labour force of 1.4 million - of whom nearly 15% were unemployed in 2011 at the height of the crisis years (Mac Einri 2013; Harvey 2013; Barry and Conroy 2013).

What has become evident in the data on Ireland, in common with many other EU countries (as seen in the EU employment data in Table 1 above) is that while gender gaps have narrowed, this is the

result of a *leveling down* of gender gaps in employment, unemployment, wages and poverty over the crisis. But the important point here is the leveling downwards because what is apparent if the data is closely examined is that this *does not* reflect progress towards greater equality. Rather gender gaps narrowed based on lower rates of employment, higher rates of unemployment, increased poverty and lower income levels among both women and men. Significant proportions of men have been forced into marginal sections of low paid employment (Rubery and Karamenessi 2013; ENEGE 2013).

Stage 1 Impact of the Crisis 2008-2010

A series of measures were introduced at the on-set of the crisis with the stated objective of reducing the public deficit by €6 billion through a combination of cuts in the public sector pay bill and a reduction in the level of social transfers. Direct pay cuts in the public sector and a reduction in pension entitlements into the future have involved creating a new single lower-level scheme for all new entrants to the public service from 2010 with significantly lower entitlements. The result is a new *two-tier* public sector structure – a *hierarchical inter-generational* structure. New and younger entrants, to teaching for example, will work alongside middle and older-age colleagues who have significantly higher pay levels and pension entitlements. Recent estimates put the differential at 30% (Irish Times 28 August 2012).

The Irish case supports also the argument that low-value flexible, workers, or those that Guy Standing (2009) has defined as *the precariat*, such as those on zero-hours contracts, have become even more widespread over the crisis years, particularly in the retail and hospitality sectors. This *new precariat* in Ireland is made up of women of different ages, male and female young workers and migrants. Part-time employment, which has in the past been disproportionately dominated by women and this continues to be the case, has become during the crisis the situation for a growing proportion of men. For the most part for men, and for women to an extent, it is based on high levels of involuntary part-time employment, a pattern again evident across the EU (Standing 2009; Mandate 2013; Barry and Conroy 2013; ENEGE 2013).

As these changes have been implemented they impact differently on women and men. Women rely heavily on public sector employment in Ireland and relatively high levels of pay cuts were introduced at relatively low levels of pay, with the severest cut of 10% imposed on those earning (in the Irish context) middle incomes (€55,000 per annum). The public sector is a very significant employer of women in Ireland (partly because there are better conditions of work, including greater job flexibility). 47% of those employed in public administration and defence are women, and around 75% of those employed in education and health sectors are women. Wage rates are higher and the gender pay gap is generally lower in the public sector. Consequently, the reduction in pay levels is having a negative impact on large numbers of women employees and, combined with the cut-backs in employment levels, as well as a freeze on recruitment (until the end of 2016) means that there are higher job losses and fewer job opportunities for women. Latest data show a 9% drop in public sector employment between 2009-2011 and a further 8% drop between the 2011-2014 (CSO 2014).

Some increased taxes on low incomes were also introduced through the reduction in personal tax credits and a range of welfare cuts were also introduced: unemployment and welfare payments were

cut generally by about 10% per week; child benefit (paid directly to women) and Carers Allowance (claimed mainly by middle to older aged women looking after elderly or disabled relatives) was reduced and lower rates of unemployment payments were reduced those aged 18 to 23; Disability Payments, Blind Pensions and the level of emergency welfare relief were all cut back. Child benefit has traditionally been a source of direct income to women and this reduction has had a negative impact, particularly among women in low income and one-parent households. But in addition to the reduced level of welfare expenditure and social transfers that these cut-backs represent, reductions in general departmental spending is having a major impact on services delivered at community and household level. Some 79% of carers are women in Ireland. Women – elderly and lone parents – experience the highest risk of poverty and are disproportionately affected by these changes.

When these diverse cuts are looked at closely it is evident that payments to young unemployed, large families and specific minorities have been hit hardest. Child benefit has traditionally been a source of direct income to women and this reduction has had a negative impact, particularly among women in low income and one-parent households. But in addition to the reduced level of social transfers that these cut-backs represent, reductions in general departmental spending is having a major impact on services delivered at community and household level. Some 79% of carers are women in Ireland. Women – elderly and lone parents – experience the highest risk of poverty and are disproportionately affected by these changes.

Pressure on government towards the end of *Stage 1* led to a commitment under the new 2011 Programme for Government to maintain *headline or basic* social welfare rates and, under the current ‘social partnership’ agreement (known as the *Croke Park Agreement*) the incoming government stated that taxes would not be raised any further, public sector pay rates would not be reduced and there would be no compulsory redundancies in the public sector, at least until the end of 2013. This Agreement dominated the industrial relations landscape through early crisis period. It has not, however, prevented a whole series of welfare allowances and benefits being reduced or removed, such as fuel vouchers, double Christmas payments, fuel and telephone allowances to pensioners, funding for Traveller Support Programmes and back-to-school allowances.

Stage 2 Impact of Crisis post-2010

Two significant changes were implemented during the second stage of the crisis affecting those on middle and lower incomes (predominantly women) have been the introduction in January 2011 of a new tax on gross incomes (which has badly hit disposable income) and the implementation of new restrictive policies towards lone parents. The first move flew completely in the face of the social partner agreement, calling the new deduction from peoples’ pay packets a *charge* rather than what it is – a severe form of new and additional taxation. The Universal Social Charge (USC) is paid on all *gross incomes* and is a new and *highly regressive tax/levy*. Despite the government’s attempts to present the USC as a progressive tax, and arguments to this effect have been made (Callan, 2012), its impacts, even at very low income levels, have been severe. While there are a few steps up the payment ladder, the highest rate of payment comes into force at a rate barely above the minimum wage. It represents a new historical negative shift in Irish taxation policy based on a new ideology of *universal payment*.

This charge which came into effect in January 2011 and in 2012 is paid as follows: 2% on those with income of €10,037; 4% on additional income between €10,037 and €16,016; 7% on additional income above €16,017. It is only when these figures are closely examined that the truly regressive nature of this charge is clearly evident. There is an exemption level (which was raised in the 2012 budget after some pressure). However, once a person's income goes *even one euro* over the exemption level of €10,036 they pay 2% on all their income and graded amounts of 4% and 7% after that. The USC is paid on gross income, including pension contributions. Medical cardholders who were normally exempt from such levies and taxes, are now obliged to pay the USC. Only those that are fully dependant on welfare payments are exempt. In practice the highest rate of 7% is paid on those earnings that are barely above minimum wage. In effect, government policy is pushing people further down under the poverty threshold. The exemption threshold is less than the 'at risk of poverty' threshold (€10,621) identified in the latest SILC data (CSO 2014) and is generating poverty traps around the payment percentage bands of just above €10,000 and again at around €16,000. The government makes much of the exemption levels but the reality is that the picture is very grim.

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Table 2 Universal Social Charge, Minimum Wage and Poverty Threshold

Universal Social Charge	Universal Social Charge	Minimum Wage	At risk of poverty threshold	Average adult welfare payment
Exempt from payment	Only when total income is under 10,036			
Liable for payment at 2% on ALL income	10,037	17,092	10,621	11,440
Liable for payment of 4% on additional income	10,037 to 16,016	17,092	10,621	11,440
Maximum Payment rate of 7% on rest of income	16,017	17,092	10,621	11,440

Source: Barry & Conroy 2013; updated with recent poverty data for 2012 published by CSO 2014.

Targeting Lone Parents and Low Income Households

The second hugely significant set of measures measure targeted at lone parents on welfare the critical *earnings disregard* that enabled many to reattach to paid employment has been drastically cut by €16.50 (to a weekly amount of €130 - planned to be further reduced to €60 by 2016) creating new and deeper poverty traps for lone parents, the vast majority of whom are women. Due to this reduced level of the 'earnings disregard' lone parents who had been in a position to take-up part-time (mainly low-paid employment) and to retain their One Parent Family Payment (OPFP) are no longer able to do so. The income disregard has been an essential support for single parents taking up employment. It provided a financial incentive that can be used to offset the high cost of childcare. The effect of this change will mean many single parents will not be able to afford to work and will be trapped in welfare dependency.

A recent Research Report explores the extent to which the high costs of childcare act as a barrier to accessing paid employment, in all low income households (including Lone Parents) in Ireland. The Report by *Indecon Economic Consultants* was released on December 2013 and concluded that 25% of parents have been prevented from accessing paid employment by the high costs of childcare, including 56% of parents in low income households. Indecon estimates the cost of full-time childcare at €16,500 per annum in a two child household, putting the cost of childcare in Ireland, as a percentage of average wages, second highest in the OECD. Unless the availability and cost of childcare are addressed then these policy changes will have a negative impact on women's income, particularly in low income households and do nothing to increase their participation in paid employment (Indecon 2013) Additional policy measures have been implemented during *Stage 2* that are having negative impacts on living conditions among specific vulnerable sectors for example: reduced funding for community development programmes; reductions in special needs assistants to children with disabilities in education; fewer language assistants; educational supports for Travellers; community-based childcare; reduction in home help services for elderly and those with disabilities (Barry and Conroy 2013).

The most up-to-date national data on poverty in Ireland is the EU-Survey of Income and Living Conditions (SILC) data for 2012 which uses a poverty line set at 60% of median income reveals that 16.5% of the Irish population defined of as *at risk of poverty*. Lone parents, large families, unemployed households, Travellers and people with disabilities are particularly at risk. The overall rate of those at risk of poverty has risen from 14.1% to 16.5% from 2009 to 2012, those in 'consistent poverty' increased from 5.5% in 2009 to 7.7% in 2012 and those experiencing 'significant deprivation' have increased from 17.1% in 2009 and 26.9% in 2012. Children are the most vulnerable to poverty in Ireland and more than one in five children were at risk of poverty in 2012. Low pay and low incomes often go hand-in-hand in Ireland where an increasing proportion of those living in poverty are 'working poor' and it is estimated that 20% of those in poverty have an adult in paid employment. (Clearly, paid employment is no guarantee of exiting from poverty. With the recession and accompanying austerity measures, the indebtedness of private households has risen. Tens of

thousands are unable to pay the mortgage loans they have taken out to buy their houses and the interest payment on the loans with some estimates putting the proportion of mortgage holders that are ‘in difficulties’ as high as 30%. The proportion of those at risk of poverty who are in arrears with household bill payments has increased from 20% to 34% over the crisis years (CSO 2014, Barry and Conroy 2013).

A new property tax has also been introduced which takes no account of mortgage debt on houses, and is based solely on the market value of the property. For example, two households pay the same property tax despite the fact that one has no mortgage and the other has a mortgage of hundreds of thousands euros. The average house price in Ireland is €250,000. New water charges are to be introduced in 2015. Without carrying out the net property valuation and the necessary water metering, these taxes and charges are seen as regressive, negatively impacting on low income households, in which women are the majority.

Commenting critically on the negative impact of these cut-backs together with loss of funding to significant community-based programmes, the Report by the UN High Commissioner on Extreme Poverty on her visit to Ireland in 2011:

“The impact of these measures will be exacerbated by funding reductions for a number of social services which are essential for the same vulnerable people, including disability, community and voluntary services, Travellers supports, drug outreach initiatives, rural development schemes, the Revitalising Areas by Planning, Investment and Development (RAPID) programme and Youthreach. By adopting these measures, Ireland runs a high risk of excluding those most in need of support and ignoring the needs of the most vulnerable. In particular, due to multiple forms of entrenched discrimination, women are especially vulnerable to the detrimental effects of reductions in social services and benefits.” (UN 2011)

In an interesting analysis of Budget 2011 from a gender perspective, the Think Tank on Social Change (TASC) carried out a survey financed by the EU Progress Programme, which demonstrated clearly the extent to which women and children were disproportionately affected by the negative changes to policy. The audit entitled *Winners and Losers? Equality Lessons for Budget 2012* was based on a sample of over 7,000 households and revealed that households of low income and lone parents with children experienced the most adverse effects – their gross average income fell by 5% as a result of this one budget in 2011.

“Overall, those on the lowest incomes were hardest hit by the measured budgetary changes. They were adversely affected by the cuts to social transfers and by changes to taxation, specifically the introduction of the Universal Social Charge, widening of tax bands and reductions in tax credits. As women are concentrated in lower income groups, they suffered a disproportionate impact.” (TASC 2011).

Conclusion

The crisis years has seen successive Irish governments pursuing fiscal policies that have already made a significant impact on the public or ‘sovereign’ deficit. However, this has been at a huge cost – the

cost of turning *private banking debt* into *public debt* which will circumscribe public expenditure on social, health and education expenditure for decades to come. Attempts to negotiate with the European Central Bank a ‘shared’ liability to the banking sector at EU level has not (yet) been successful. It is argued by many that the impact of central government austerity policies has severely depressed demand creating conditions for continued unacceptable high levels of unemployment, poverty, inequality and emigration. From a gender equality perspective many of the policy measures introduced have an unacknowledged yet very significant negative impact.

In its strongly argued report TASC highlights the different implications that expenditure and taxation policies have for women and men because of their different roles in paid and unpaid work and makes the case for gender budgetary analysis to become part of government policy – a process that could be framed and implemented at EU level.

“TASC recommends that all budgetary measures under consideration be subjected to an equality audit, whereby a full distributional analysis is undertaken to identify how different groups in society are likely to be affected. This would inform a process of equality-proofing and gender-proofing the budget.” (TASC 2011).

What is evident through the policy-making process over the crisis years is that gender and equality analysis has informed neither policy design nor policy implementation, including at EU level. Policy measures have not been assessed from a gender perspective in the vast majority of cases. One of the consequences in the Irish context of the dismantling of equality infrastructure at national level and the lower commitment to gender equality evident at EU level, is that, combined together, gender equality has lost critical support. The consequences of that can be seen in this analysis of the policies of austerity pursued in Ireland over the crisis years and their consequences for gender equality and social inequality.

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