

September 2017

**Key words:** welfare state, feminization of poverty, austerity, crisis, poverty

## Crisis, austerity and poverty from a gender perspective

Maria de la Fuente

Political and Social Science Institute of Barcelona (ICPS)

Over the past few years, the vast majority of the population have seen their quality of life reduced. The impact of the financial crisis and the downsizing measures still haven't been evaluated. Within that context, the poverty phenomenon has risen, adopted new forms and become more complex. This article presents an analysis of the concepts of poverty and feminization of poverty, while addressing the evolution of the population's deprivation and the co-related gender inequalities, as well as the impact of gender on the austerity measures.

### Introduction

Over the last ten years, the vast majority of the population have seen their quality of life reduced. The impact of the financial crisis and the downsizing measures still haven't been evaluated, and they might lead –apparently presented as emergency measures– to a structural shift of the welfare state and the standard of living of a great number of citizens. Within that context, the poverty phenomenon has risen, adopted new forms and become more complex. What's the role of gender inequalities? Has the feminization of poverty increased, or, on the contrary, has the quality of life being undermined, affecting especially on male population? It's still early to draw concrete conclusions about a transformation that is ongoing. However, according to that context, some concepts can be addressed, and related with what we already know about the consequences of the crisis and 'austerity' measures. Here is presented an analysis of the concepts of poverty and feminization of poverty, while addressing the evolution of the population's deprivation and the co-related gender inequalities, as well as the impact of gender on the austerity measures.

### 1. What is the feminization of poverty?

The feminization of poverty was initially used within the context of developing measures. It arose from the need to enhance the discussion on how international organizations and associations ignore the gender perspective on the poverty issue. There are currently two interpretations of this term (CCOO, 2016: 29; Pérez Orozco, 2003). The first, basically descriptive, refers to the fact that the population in situation of poverty is mainly female, or a higher increase of women than men in this situation over a specific period. The second, analytical, aims to consider gender as a social structure causing these gender disparities on poverty. That second approach could be called "analysis of poverty with a gender perspective" or "gendered analysis of poverty"

The big difficulty when identifying the current feminization of poverty in Catalonia, after assessing the gender indicators, comes from the statistical systems of measurement, and their implicit

concepts. Risk of poverty data and risk of poverty and social exclusion data, as all statistical indicators, simplify the reality by obtaining a synthetic number which can be compared across time and space to know if the situation is improving or not, and "how good or bad we are" in relation to other contexts. In that case, though, this simplification ignores the gender aspect and fails to recognize the different positions of both genders in relation to deprivation. On one hand, it doesn't include the diversity of experiences attached to wellbeing. On the other, households – composed commonly by two genders– are assumed to suffer from poverty, instead of individuals, which is why inequalities inside the households become difficult to detect.

How to create a measurement that embraces the complexity of the poverty phenomenon –without forgetting relevant excluded experiences– has been a central point of economic development. The multi-dimensional aspect of poverty has been addressed and discussed by several experts, among whom the classic contribution of d'Amartya K. Sen and Martha Nussbaum stands out. The economist and the philosopher (1998) pointed out that considering only income as a measurement of wellbeing leads to a bias of perspective. Human needs are achieved through income, whose size and magnitude can change in each society, but wellbeing requires the development of certain basic capacities common to all human beings, linked to all aspects of life, beyond employment and consumption. The challenge, today, though is to determine which elements are involved in these multiple sides of poverty and impoverishment. There are many proposals, but none of them has a total consensus<sup>1</sup>.

Acknowledging the need for a gender perspective (that is to say, considering the needs and experiences of men and women as equally valuable), it can be seen that, aside from the minimal resources needed to avoid extreme deprivation, a multi-dimensional poverty approach should also encompass the question of economical dependency, deprivation and marginalization (CCOO, 2016). Financial autonomy is fundamental, since individuals need their own income (from work or public pensions) and they need to make their own choices. The relationships of power in households become, thus, a central point when assessing the economic wellbeing of its members. This wellbeing, apart from earning sufficient income in certain periods of time, is also attached to a minimum level of long-term security. We call precariousness the lack of this security, generating thus a level of vulnerability and disempowerment incompatible with wellbeing. Finally, income is not sufficient if we live without an adequate community or public support network. Inclusion goes farther than monetary availability, since factors like disengagement or overwork can remove the capacity to use the available resources to live with a minimal quality of life. A multidimensional approach helps us to consider all these elements in order to gauge to what extent our wellbeing has worsened during the last decade and to what degree there's a higher percentage of people who don't enjoy minimum quality of life standards.

As mentioned before, the second big problem attached to the conceptualization of the current poverty measurements is that the minimal unit considered is the family. The household is assumed to be the basic unit of income<sup>2</sup> and consumption. That way, individual earnings are only estimated from the information obtained by the households; an estimation based on an equal distribution of income and consumption capacity of the people who live there, regardless of their sex or age. Nevertheless, in the majority of households the adults who live there are a man and a woman, and the first earns, in the majority of cases, higher income than the second. Therefore, the assumption means that women are assigned, according to mere statistical terms, part of men's income; "henceforth, when that data are disaggregated by sex (as in the official statistical institutions), it's finally concluded that there's no relevant inequality in poverty terms" (De la Fuente et al, 2016:233).

---

1. The indicator of poverty and social exclusion (AROPE rate, standardized across Europe) aims at embracing that multi-dimensional approach without interfering on the monetary means, consumption and occupation as main sources of social inclusion.

2. Noticing that assets are excluded from that measurements.

The analytical problem is a big one and the solution is not easy. While it would be false to assume that those with low or no earnings (commonly, housewives) are in the same situation of poverty regardless of their labour activity in the home, it is also untrue to assume that a household is an ambit of equal distribution of resources, as currently occurs. We are currently – against all the knowledge provided by economy and feminist sociology– ignoring the gender inequalities inside the households in economic terms, assuming that the differences of individual earnings among women and men have no influence on their lives, dependency and economic deprivation.

A change of approach would provide us with substantially different information. Using the INE's Life Standards Survey (2015) on individual income, and following the methodology implemented by Belzunegui et al (2012), we know that one out of every four men and one in two women earn income below the poverty threshold. In addition, if we observe –using the same source– average income according to age groups, we see that young women (younger than 30) have, on average, the lowest income (4.996,6 annual euros), and that women aged 65 and older are the lowest earners in comparison with men of the same age (10.213,6 euros versus 19.137,50) (CCOO, 2016: 67).

These income differences don't occur randomly. There's a social structure of gender that conditions the positions and social expectations of each sex, through different ways in combination with other factors like age or origin, and with clear implications on the feminization of poverty. It's characterized by two social rules. Firstly, domestic work and caring work is mainly the responsibility of women. This rule is linked to poverty for two reasons: on one hand, it implies a volume of non-paid work which affects the opportunities to obtain income. On the other, the roles distribution in the household is associated with the economic dependency of men, who are supposed to be responsible for providing sufficient income for all the household members.

According to that first rule, women consequently have a lower labour market attachment. Women's careers are disproportionately marked by on-and-off participation in the labour market, depending on the family needs, and part-time work arrangements. In general, there's a higher job insecurity among women than men, with lower stability and career opportunities. This implies diverse situations of vulnerability. On one hand, lower income of women with regards to men because of the type of contract. On the other, lower pensions within a tax-contributory, not universal, system. This is an influential factor especially for women with unstable and gender-featured work careers, or housewives older than 65. Insufficient work earnings –as well as labour rights– are undermined further by a weaker capacity of social action (less unionism and less participation in trade unions).

The second rule operates on a longitudinal basis both in public and domestic domains. It's a lack of social and economical acknowledgement of women and female concerns. This underestimation has important consequences on the feminization of the risk of poverty. The poor labour conditions of the care workers who look after dependent people –virtually anyone at one moment or another– condemn these people –mainly women who carry out this non-professional task as their main dedication– to a position of serious vulnerability. Not only by affecting the opportunities to obtain income aforementioned, but by the lack of social recognition and public attention in order to assure minimal health and psychosocial wellbeing conditions. That leads to a situation that can go from precariousness to marginalization. These non-monetary risks are also present when gender is combined with advanced age. The social and public disadvantages for elderly women is associated to the lack of recognition of their social roles in the past, that can cause a real situation of marginalization, associated to loneliness or not.

The lack of recognition occurs in the public and labour ambit. There are economical sub-sectors that carry out female-dominated tasks, poorly paid, with labour conditions that cause poor health and quality of life. The domestic workers' and/or the cleaners' sector, as well as housing support services, are two extreme examples of this problem, where feminization of poverty is clearly

evidenced. Deprivation and vulnerability of these work positions affect especially the population of foreign women, where the social risks are specific for combining two conditions: being a woman and a newcomer. Another disadvantaged population group is young women. Many of them have Secondary School studies and they are overrepresented as a population group with individual income under the poverty threshold, evidencing, thus, that having studies doesn't protect women the same way as it does men. This effect on the economical wellbeing is often connected with couples where men earn higher income, not with individual earnings (Valls, 2016: 71). We come back to the start of the analysis: the question of women's economic dependence with regard to men inside the household.

## **2. Has the feminization of poverty risen during the crisis?**

Many indicators show that between 2008 and 2016, wellbeing for a great extent of the population in our context has reduced and that new poverty forms complicate even more the phenomenon. As stated before, it's difficult to identify gender inequalities and living conditions with the tools currently in use. The next approach will serve to scope out (if only partially) this field.

Steered by the multi-dimensional proposal previously presented (CCOO, 2016), we first analyse the income needed to survive. Measuring the average salary<sup>3</sup> provides information about the gender inequalities in the access to this critical resource<sup>4</sup>. That way, we can observe that, after slower growth from 2009, male wages from 2012 and female wages from 2013 start to drop off until 2014<sup>5</sup>. In that period, as well, the gender wage gap rises, and women, who were earning 24% less than men, start earning 26% less than men (according to data from INE's Annual Survey on Wage Structure). In that sense, salaries in general have declined and the gender wage gap has risen. However, young people have different patterns from the rest of population sections. Young people's wages (aged 25 to 34) have registered the highest drop, but, at the same time, they have been the most equal during the crisis (wage gap between 14% in 2009 and 15% in 2014). The rest of the age groups have a lower income decrease during the crisis, but a wider gender gap that, besides, has risen to a greater extent. Women aged between 45 and 54 have suffered the largest inequality rise (from 29% to 32%), earning thus a third less, while women older than 55 are also affected (wage gap increased, during the same period, from 31% to 32%). It's also meaningful that in 2014 male wages and young women's wages have recovered slightly, whereas women older than 34 have continued decreasing.

Taking this data into account, we can suppose that economic dependency within the family context has increased. Information about the evolution in the number of separations during the same period enforces that intuition. In Catalonia, the number of break-ups had been increasing until 2006 (reaching 27.493), but they started dropping remarkably from 2007, until 18.898 in 2016, a figure resembling that of the turn of the century. Even though a particular sex is not accountable for this decision, if we assume the –partial or total– economical trigger hidden under this change of social behaviour, we must consider as well that the economic impact brought about by a separation is different for men and for women, since single women and women with children are the families with a highest risk of poverty.

Precariousness is linked to instability, not only with regards to income, but also with regards to assuring social rights in the future. Again, it is difficult to recognize the dimension of poverty during the years of the crisis. Temporary rates have been decreasing during the first half of the

---

3. Another limitation is that data accounts on salaried employees, excluding self-employed or other employment status. However, great part of the workforce are salaried employees.

4. Another relevant income source is social transfers. Despite their importance (since the majority are contributory-type and consequently attached to the qualifying years of work), we have decided not to analyse them here for space reasons.

5. Data of INE's annual survey on salary ranking. Data from 2009 (since a methodological shift that year hinders comparison with previous years) to 2014, latest year with available data.

crisis and have started rising again. At the same time, despite being a female phenomenon, it has finally registered the same impact for both genders (21.2% of men 21.1% of women). In the private ambit, it's noticeable that the average maternity age –that was quite stable at 29 years old for the first child– has risen to 31.5 years old. Although this fact doesn't provide direct data on the gender inequalities, it describes the worsening of women's perspectives in our century with regards to the last century and, in the case of women older than 35, it has implications on childbearing, that concern being something men don't have to deal with.

The phenomenon of the loss of social attachment –called here marginalization– is the least-measured concern, and we don't dispose of information to scope the evolution in Catalonia, based on a gender perspective. As stated before, studies describe that phenomenon as broadly male, and it's demonstrated by public surveys on the perception of having someone "to talk to" or the data of public support services for homeless people.

Nevertheless, there's a clear lack of criteria and measures to identify vulnerability situations which remain invisible, such as the overwork of care workers, dominant relationships inside the home or loneliness.

### **3. What is the role of austerity measures in the feminization of poverty?**

Despite the fact we are only just starting to evaluate the impact of the inequalities of the policies undertaken as a response to the financial crisis, we do know the gender approach of the principle strategies developed (Bettio et al, 2012). In particular, through policies carried out during the second phase of the crisis, from 2010. It's about the so-called 'austerity' phase, framed on the 2011 constitutional reform, which conditioned public expending to the principle of budget stability.

As stated by Alfama et al (2016), these measures can be classified into five types according to our context. The first is the reduction and loss of institutional power of local authorities devoted to guarantee gender equality. These policies, while lacking a direct impact on the feminization of poverty, hinder the public control of the gender impact and even more the performance of alternative approaches that encourage it<sup>6</sup>. The other four gender-based policies plans are, firstly, the budget and staff cuts of public services; in particular, the health and educational services. The gender impact is threefold, since women are the majority among beneficiaries, among workers and among the "substitute care workers" due to the lack of public policies (Gálvez, 2013: 95). These measures increase the risk of poverty for women responsible for childcare and caring for the sick, and for elderly women whose community health support becomes a safety net of social inclusion. Moreover, the rising gender gap since 2012 might be connected to the reduced budget of these professional sectors, highly female-dominated, after an initial phase where the male-dominated sectors faced the highest salary drops.

Secondly, several pensions system reforms have been undertaken with the objective of restraining the access and disassociating the quantity from the rise in the cost of living. As aforementioned, the contributory approach of pension funds (basically State pensions) is a poverty trigger factor for a specific section of women who spent a large part of their potentially most active years during the Franco dictatorship being housewives. Nowadays, the demand of qualifying years punishes labour market instability and part-time jobs, two broadly female phenomena, despite the incorporation of men to these low-intensity labour profiles over the last ten years. That way, the future profiles of people without the right to a pension or earning insufficient pensions to avoid poverty will possibly still be feminized, not because of the lack of access to the labour market, but because of profiles with unstable, precarious careers, combined with access restraints and wage reduction.

---

6. In particular, the lack of gender-impact evaluations of the central austerity measures framed in the National Plans of Reform of that period (Lombardo: 2013) have two important consequences: on one hand, we are not acquainted with the unequal effects on men and women; on the other hand, we are aware of the political will of ignoring the harm of it and the attached risks for women in a general worsened context of life standards.

The third weakness has been the lack of public support devoted to support care work, through the financial and political restrictions of local governments (and their social services) and the freezing of the Law of Personal Autonomy, which should have been the base of a fourth pillar of the Welfare State. Among the population groups at risk of poverty, are the non-regulated care workers who look after dependent people and who have seen their social rights disappear and their earnings, that were already scant, reduced even more. The supporting services workers have also been affected, since, as we have described, they suffer from extreme precariousness, as well as the domestic workers from the private sector, who are affected by a lack of dignity in a job that is crucial for a fully operating society.

Fourthly, several labour market reforms have led to job insecurity, especially affecting –as we have observed– young people’s income –in particular, women–, and generally men and women of all ages. The domestic workers’ sector –broadly formed by foreign women, suffering from poverty situations and social vulnerability– deserves special mention, since the emergency-approached measures aimed at regulating the sector failed to solve the structural problem.

The last great strategy has been the increase of VAT, an added tax that causes major disadvantages for the lowest earners, contributing to broaden the poverty gap among women and men, and among middle-class women and those who, by class, age or migrant condition, live under greater conditions of social risk.

#### **4. Conclusions**

The feminization of poverty is a widely discussed concept, with various meanings and approaches, whose analysis lacks specific tools aimed at identifying its evolution. The gender bias of the conventional measurement instruments impede us gaining comprehensive knowledge of the inequality among men and women in poverty terms, as well as possible female deprivation caused by the financial crisis after the so-called deflationary policies and fiscal adjustment: the austerity policies.

Nevertheless, we can confirm that the greatest part of its multiple dimensions (lack of minimal life conditions, economic dependency, precariousness and marginalization) affect women to a greater extent than men (CCOO, 2016). We can affirm, after this preliminary research, that both insufficient income for a minimal level of wellbeing and economic dependence are feminized phenomena whose gender aspect has worsened. Precariousness is also a feminized phenomenon which might, however, have been masculinized by the financial crisis. Finally, marginalization is a male-dominated phenomenon, even though further and deeper research is still needed to identify trends of population according to gender.

We also know that the social structure of gender has rules that generate a certain situation of vulnerability, in particular with regards to women, whose gender is articulated with age (young, old) or origin (foreigners). They are assumed to be responsible for caring tasks and domesticity, and women-related concerns are undervalued. Austerity measures have been applied to a society marked with this general structure, with a predictably unequal impact in five key areas: reduction of public services, labour market reform, retirement pensions’ adjustment, tax increases and a reduction of policies addressed to support the care tasks. During the following years, these policies will make women’s life conditions worse, and they might also increase the number of poor women traditionally seen as population at risk (foreign workers, elderly women, care workers of dependent people or women with on-and-off working careers) and create new profiles of feminized poverty (young women studying and working).

#### **Bibliography**

Alfama, Eva, Marta Cruells and María de la Fuente (2014) *¿Qué ha cambiado con esta crisis? El*

*Mainstreaming de Género en la encrucijada. Investigaciones Feministas*, vol. 5. Pages 69-95.

A. Belzunegui (coord.): *Socialización de la pobreza en España. Género, edad y trabajo en los riesgos frente a la pobreza*. Icaria.

Bettio, Francesca, Corsi, Marcella, D'ippoliti, Carlo; Lyberaki, Antigone, Samek, Manuela and Verashchagina, Alina (2012). *The impact of the economic crisis on the situation of women and men and on gender equality policies. Synthesis Report*. European Commission, Directorate General for Justice. Luxembourg: Publications Office of the European Union.

Comissions Obreres (2016). *La pobresa amb perspectiva de gènere: conceptes, indicadors i situació a Catalunya*. Published by Laborer Union.

De la Fuente, Maria (coord.). (2016). *Exclusió social i gènere als municipis: transversalitat, interseccionalitat i empoderament*. Col. Grana number 34, Social and Political Sciences Institute.  
 Gálvez, Lina (2013): *Una lectura feminista del austericidio*. Critical Economy Journal, num. 15 (first semester 2013). Pages 80-110.

Lombardo, Emanuela (2013) *Gender mainstreaming and policy responses to the economic crisis: the 'unintended consequences' of EU and national policymaking on Spanish gender equality policies*. Conference presented at AECPA's seminar, Seville 18-19 September.

Pérez Orozco, Amaia (2003). *Feminización de la pobreza. Mujeres y recursos económicos*. CGT. Federal Commission against Precariousness.

Sen, Amartya K. and Nussbaum, Martha Nussbaum (comp.) (1998). *La Calidad de Vida*, Economic Culture Trust.

Valls, Francesc (2016). *Cartografia de la feminització de la pobresa a Catalunya*. At *Exclusió social i gènere als municipis: transversalitat, interseccionalitat i empoderament*. Col. Grana num 34, Social and Political Sciences Institute.