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## Making the crisis recovery work for women! International Women's Day 2011

### The crisis: Big regional differences

The impact of the latest economic crisis on employment continues to be felt by both men and women workers in many countries. Further recovery measures should continue to seek innovative ways to create decent work to ensure that women – alongside men – have equal access to better education and training leading to jobs. Women should, as the United Nations Commission on the Status of Women says, have equal chances for careers in science and technology as men, as new jobs emerge and old jobs recover. In developed and middle-income countries the unemployment rate for women was on average higher than for men before the crisis, but job losses in sectors like manufacturing and construction, where men traditionally are employed, have had greater effects on the male unemployment rate. According to ILO data in *Global Employment Trends 2011*, the 2010 unemployment rate for men stood at 6%, whereas for women it was 6.5%.

In developed economies and the EU, trends in labour force participation magnify the different impact between the sexes, with the participation rate among men falling from 69 per cent in 2007 to 68.4 per cent in 2009, compared with an increase from 52.7 per cent to 53.1 per cent for women over the same period. The larger relative impact on men is mainly because the industries that were most affected by the crisis, including construction and financial services, are characterized by high shares of male employment. The total employment rate for men nonetheless exceeded that of women.

Globally, the number of working poor grew by 40 million more than what would have been expected on the basis of pre-crisis trends – and the breakdown by sex for “vulnerable unemployment” shows, for 2009 that 48.9% of males and 51.8% of females faced the daunting challenge of being in precarious circumstances as contributory family workers or own-account workers. There is a clear segregation of women in sectors that are generally characterized by low pay, long hours and oftentimes informal working arrangements, as the case of Sub-Saharan Africa shows.

With more than three-quarters of workers in Sub-Saharan Africa in vulnerable employment and around four out of five workers living with their families on less than US\$ 2 a day, sub-Saharan African economies faced daunting decent work challenges prior to the onset of the crisis. Gender inequalities are evident in the much higher share of women in vulnerable employment in comparison to men and with female working poverty rates exceeding male rates in 22 out of 27 countries with available data.

## Labour force participation rate by sex, world and regions (%)

Males	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
World	79.2	79.0	79.0	78.8	78.7	78.5	78.4	78.2	78.1	77.9
Developed Economies and European Union	70.2	69.8	69.4	69.1	68.9	68.9	69.0	69.0	69.0	68.4
Central and South-Eastern Europe (non-EU) and CIS	68.1	67.9	67.6	67.1	67.5	67.9	68.2	68.8	69.4	69.9
East Asia	83.4	83.1	83.6	83.0	82.3	81.6	80.8	80.2	80.0	79.7
South-East Asia and the Pacific	83.5	83.6	83.4	83.3	83.3	82.8	82.5	82.1	81.8	81.7
South Asia	83.3	83.3	83.4	83.4	83.4	83.4	83.3	83.0	82.8	82.6
Latin America and the Caribbean	80.6	80.3	80.2	80.0	80.2	80.2	80.5	80.2	80.1	79.9
Middle East	75.1	74.9	74.8	74.8	74.8	75.0	74.6	74.2	73.5	73.7
North Africa	76.2	76.1	75.9	75.8	75.8	75.7	75.7	75.5	75.6	75.6
Sub-Saharan Africa	80.4	80.3	80.3	80.3	80.3	80.3	80.4	80.4	80.6	80.4

Females	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
World	52.1	52.1	52.4	52.4	52.4	52.5	52.5	52.6	52.7	52.7
Developed Economies and European Union	51.9	51.8	51.7	51.9	52.0	52.2	52.5	52.7	53.0	53.1
Central and South-Eastern Europe (non-EU) and CIS	49.1	49.4	49.7	49.0	48.8	49.0	49.5	49.9	50.1	50.4
East Asia	70.3	70.0	70.3	69.7	69.0	68.3	67.6	67.2	66.8	66.5
South-East Asia and the Pacific	58.1	58.1	57.9	57.8	57.7	57.7	57.5	57.7	57.9	57.6
South Asia	35.5	36.1	36.6	37.2	37.8	38.2	38.6	39.0	39.3	39.6
Latin America and the Caribbean	47.3	47.4	48.3	48.7	49.8	50.5	51.4	51.4	51.8	52.0
Middle East	22.6	22.8	23.1	23.4	23.8	24.1	24.3	24.5	24.6	24.8
North Africa	26.2	26.1	26.2	26.7	27.0	27.1	27.2	27.3	27.5	27.6
Sub-Saharan Africa	59.4	59.7	59.9	60.2	60.5	60.7	60.9	61.0	61.3	61.3

Source: ILO, *Trends econometric models*, October 2010

### Poorest women hit the hardest

Although the economic crisis originated in developed economies it is the poor and most vulnerable groups in developing countries, particularly women, who are now experiencing the hardest impacts of the effects.

In Thailand, the sectoral “losers” were mining, electricity, gas and water, real estate and business services, manufacturing and transport, storage and communication. In three of the five sectors, the losses were mainly male. It was only in manufacturing and electricity, gas and water that more women lost their jobs than men. The decreases in employment numbers were worse for men than women, but the female unemployment numbers in Thailand increased much more because the crisis hit the manufacturing sector hard, a sector that engaged 18 per cent of the female work force before the crisis struck. Female manufacturing workers are likely to be low-skilled and relatively inter-changeable. If down-sized, they would face stiff competition in finding new work when the supply of female unskilled labour is higher than the demand. They would have little option open to them but to get in a job queue and hope for a quick recovery or take up less desirable, informal employment. The recently unemployed male would seem to have a wider variety of sectors open to him and might, therefore, stand a better chance at finding work.

Coming on top of recent food price increases, the crisis has had serious gender-specific consequences for women in poor countries and their children. Decelerating growth rates in countries with pre-existing high infant and child mortality rates and/or low rates of female schooling leave women and girls highly vulnerable to the effects of the crisis. Their situation is even more precarious in the sub-set of countries where limited fiscal resources constrain governments' ability to reduce the negative effects the crisis has on them.

### **Recovery policies – do all measures work for women?**

Certain austerity measures might negatively affect women's financial situation, and especially the most vulnerable women:

- Cuts in public jobs and funding of charity organizations, as more women than men work in these sectors;
- Cuts in social protection such as child benefits and childcare centres, which affect single mothers and women on low incomes; and
- Cuts in tax-funded pension schemes, since the better paid contribution-funded schemes favour workers in the formal economy, having many years of service with high income, and uninterrupted careers. These criteria leave out many women.

Governments that already had social protection schemes in place before the crisis have been better able to cope with its negative fallout. The impact of the crisis at household level was softened and the drop in aggregate demand alleviated. Social security systems respond not only to social needs, they are an economic necessity. Recovery after the crisis is demonstrating more than ever that social security is a condition for growth rather than a burden to society.

In South Africa, in addition to transportation and irrigation projects, the Expanded Public Works Programme is paying more attention to home-based care and community health facilities. The programme targets poor heads of households and is expected to benefit women, who tend to be less represented in traditional public works schemes. It is expected to create 4.5 million job opportunities of 100 days, including skill acquisition opportunities.

### **ILO policy advice on recovery that works for women**

The 2009 International Labour Conference Resolution concerning gender equality at the heart of decent work emphasised that *“the current crisis is having serious effects with enterprises closing and workers losing their jobs. Recovery packages during economic crises need to take into account the impact on women and men and integrate gender concerns in all measures. These measures should be consistent with the long-term objectives of sustainable economic, social and environmental development, including gender equality. In all discussions on recovery packages, both regarding their design and assessing their success, women must have an equal voice with men.”*

The Global Jobs Pact, adopted by ILO member States also in 2009 repeated this message, stating that the *“current crisis should be viewed as an opportunity to shape new gender equality policy responses.”*

Several governments have put in place recovery measures which have benefited women. Such policies were implemented by 17 per cent of higher-income countries, with a resulting increase in women's employment. Among these, measures for getting women and girls into education, training, science and technology, which could improve women's equal access to full employment and decent work are gaining popularity. Here is an indicative list:

- Re-skilling, training and unemployment protection, unemployment benefits and measures for women workers (Chile, Singapore, Korea);
- Initiatives for women to return to work after maternity leave, encouragements for men to take paternity leave and more accessible childcare services (Canada, Latvia, Hungary, Japan, Spain);
- Quotas for women in employment guarantee programmes targeted at the poorest households (India);
- Make-Work-Pay measures, which increased incentives for low-paid workers to participate in the labour market by providing income tax credits (USA);
- Work-sharing schemes which include workers who don't have regular contracts, which decreases the working hours of all the workers for a certain time, without having to lay them off (Japan, Germany);
- Cash transfer programmes for poor households (Chile, Mexico, Argentina, Brazil);
- Microcredit (Cambodia);
- Public Employment Programmes (India, Kenya, Nepal);
- Re-training of unemployed persons to new jobs which break gender stereotypes, especially for those with family responsibilities (Malta, Portugal); and
- Keeping/increasing minimum wages, as women are lower paid than men due to the gender wage gap (Most European Union countries).

Gender equality and women's economic empowerment are essential to achieve effective and sustainable development and to foster a vibrant economy. It is important to recognise the unique contribution women can make as countries work out of the economic crisis, and women must therefore be included in social dialogue and decision-making processes. Recovery policies need strong gender components to mitigate and prevent disparate effects on women and men in the future.

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