

Planet Work - Financial crisis: The gender dimension

While the sectors that initially bore the brunt of the global financial crisis were those dominated by male workers – finance, insurance and real estate, construction and manufacturing – the crisis is now hitting service-orientated sectors and wholesale retail trade, which in many industrialized economies are dominated by females. There is also concern for women in the developing world who have no social protection. This issue of Planet Work looks at what the press is saying about the effect of the crisis on the gender gap.

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In Asia, it is mostly women who are employed in export-oriented industries, non-regular employment, low-skilled jobs, and with low pay-levels. Judging from the 1997 Asian financial crisis and on emerging trends under the current global crisis, non-regular, low-paid and low-skilled workers will be among the first to lose their jobs. In the Philippines, Thailand and Viet Nam, the most affected industries include: garment, electronics, tourism, leather, cars and auto parts, and construction. These first three industries account for substantial percentages of women's total employment in the three countries. Men's employment will also decline considerably because of the decline in construction. In times of financial hardship, and especially among low-income and poor families, women are often obliged to provide a safety net through informal paid work and unpaid work. (*The Manila Times International*, 22 Feb. 2009)

But according to the United Kingdom's Chartered Institute of Personnel and Development (CIPD) women are "definitely not" suffering more than men from job cuts and rising unemployment. "It's a truism that more women will lose jobs in this recession than in previous recessions – there are simply lots more women in the workforce," says John Philpott, the group's chief economist. "Yet while one can't yet entirely rule out the possibility that women will lose out relative to men in the jobs stakes as the recession unfolds, this is categorically not true of the jobs downturn to date." He acknowledged that women who lost their jobs might need tailored help to enable them to cope with unemployment and returning to work – including income pressure on lone parents and childcare issues. But more men had so far lost their jobs during the recession. (www.bbc.co.uk, 6 Mar. 2009)

However, just one month later the British press was reporting a different view: "The current downturn threatens women's employment as never before. In past recessions in the UK and the US, female incomes have insulated families because male-dominated industries were worst hit, but not this time: sectors such as retail, which have a predominantly female workforce, are in the frontline. There is also likely to be a second wave of job losses in the public sector – a major employer of women – later on in the recession, as the state and local government are forced to cut costs." (*The Observer*, 5 Apr. 2009)

US Secretary of State Hillary Clinton spoke at the Women's Leadership Forum in Beijing, China on the urgency for action to achieve equality between men and women. Addressing an audience composed of academics and leaders in the business, legal, media and non-profit sectors, she said: "If women are not full participants in society, the society does not advance the way that it could." The challenges brought about by the financial crisis also presented opportunities for women in the workplace, said Feng Cui, Vice-President of the China Association of Women Entrepreneurs. Considering that 20 per cent of entrepreneurs in China are women, Feng also highlighted the importance for women to show solidarity during the financial crisis. (*China Daily*, 23 Feb. 2009)

Ernst & Young has highlighted in a report the significant and proven contributions women make towards business and economic growth. The report, released during the World Economic Forum in Davos, Switzerland, and presented by Beth Brooke, Global Vice Chair, promotes the role women can play during this period of economic turmoil. Ernst & Young conducted in-depth interviews and gained insights from leading thinkers in business, government and academia. The research demonstrates that the increased participation of women in the world economy could significantly enhance global growth. (*Accountancy Age*, 30 Jan. 2009)

After Iceland's banks collapsed along with the exchange rates last fall, the IMF was called in to provide lending and the government resigned in January. Iceland's women have stepped into positions of power in order to take control of the worst economic crisis any country has experienced in peacetime. Iceland's largely male-dominated banking and business culture has

been restructured to reflect more “feminine” values, aiming for a more balanced economy and emphasizing sustainable growth. Iceland's new Prime Minister, Johanna Sigurdardóttir, has pledged to lead a government that works with the people during this turmoil. Other prominent women in power are Halla Tómasdóttir and Kristin Petursdóttir, the founders of Audur Capital, who have teamed up with the singer Björk to set up an investment fund to boost the ravaged economy by investing in green technology. (*The Observer*, 22 Feb. 2009)

The Guardian newspaper organized a round-table discussion between women from the world of business and finance to discuss whether the crisis could have been avoided if there had been a better gender balance at high-level banking. Dr. Ros Altmann, independent investment banking and pensions expert and Governor and Non-Executive Director of the London School of Economics, expressed the view that machismo, the drive to always have to beat your rivals, is a significant factor. She said, “There was not the cooperative thinking that there would be in a female environment.” However, other women, such as Cary Marsh, Chief Executive of Mydeo.com and Emma Howard Boyd, Director of Jupiter Asset Management, believe that it is not a question of gender, but about a diversity of attitudes present in high-level banking. (*The Guardian*, *The Observer*, 15 Feb. 2009)

Choice Credit Group, a firm in the Detroit area of the United States has launched an exclusive “Bailout for Women” programme that helps women reduce or eliminate their financial debt through debt settlement. Like US President Obama's economic stimulus package to help Americans hit by the financial crisis, “Bailout for Women” is designed to help women who are homeowners and struggling to pay mortgages, single mothers not in receipt of child support, and thousands of other women to settle and alleviate their debt. (*MSNBC (Microsoft and NBC)*, 24 Feb. 2009)