

## NWCI Seminar – 8<sup>th</sup> October 2012

### ***Bearing the Brunt: Women and the Recession***

Helen Johnston, National Economic and Social Council

---

Thank you for the opportunity to respond to the two presentations this morning. I will make **three main points** in response.

**First** of all, I want to **welcome the seminar**, the TASC document on the *Untold Story of the Crisis – Gender, Equality and Inequalities from 2008-2012*, Ursula and Pauline’s presentation this morning and also the Icelandic experience from Thora. Most of what has been written and said about the crisis has been in relation to the economic implications with some focus on unemployment. But, **relatively little has been said or written about the wider social implications, especially on gender or other equality issues**. So, the seminar and the TASC document are very welcome contributions. If I can just highlight a point in respect of the disappearing institutions – the National Economic and Social Forum, or **NESF, a democratic equality organisation was also dissolved**, with its staff and part of its remit absorbed into the National Economic and Social Council.

The **second point** I want to make is in relation to **understanding the evidence** presented by the two inputs this morning. The main thing that strikes me is its **complexity**. While there is a gender dimension in that the crisis has affected

men and women in Ireland differently, the severity of the impact is related to a **range of factors** in combination with gender such as age, family circumstances, employment status, income and level of indebtedness. It is the combination of various factors which makes people vulnerable in a crisis with gender being an important, but only one, dimension.

We hear a lot about '**protecting the vulnerable**'. If we take 'vulnerability' to mean exposure to risk, shocks and stress which an individual or household is subject to and has difficulty coping with, then **it is an individual's or household's ability to cope which is pertinent in the aftermath of the shock of the economic crisis. The ability to cope is related to assets and capabilities** – the more assets and capabilities a person has the less vulnerable they are, but the greater the erosion of their assets and capabilities, the greater their insecurity. Ursula and Pauline's paper documents this evidence well from a gender perspective, highlighting in particular the vulnerability of lone parents.

Thora's presentation showed differences across the income distribution, which illustrated how in Ireland those on lower incomes have lost more in proportionate terms than those in the higher income groups. In NESC, we have also been looking at changes across the income distribution and found that **households with children and self-employed households have been particularly impacted, with older age groups less so** – because of the stability of pensions ....which, it can be argued, is a policy success story, (See Tables 1, 2

and 3). Nevertheless, it is important to note the heterogeneity within these groupings. We also looked at income and expenditure data and found that at the lower end of the income distribution, perhaps not unexpectedly, expenditure exceeded income by a substantial amount, (see Figure 1).

A related point is the **importance of supports and services** in providing greater security to people impacted most by the crisis. The provision of services such as education, health and social care, public transport and housing supports, for instance, can be invaluable for people struggling as a result of the crisis, yet elements of these services are under threat given the requirements and commitments to reduce the numbers working in the public sector.

This brings me on to my **third point** which is in relation to the **policy responses**. Here, the contrast between the Irish and Icelandic approaches is interesting. In Iceland, they do seem to have been able to protect the vulnerable in responding to their recession and, at the same time, to turn their economy round.

However, I do think it is important to **acknowledge the constraints** in the Irish case. These constraints relate to the conditions imposed by the Troika, by the commitments in the Programme for Government and by the Croke Park agreement, to name a few. Whether or not you accept these conditions, a mechanism or process or **principles for considering the hard policy choices** would be helpful to ensure that we can protect the vulnerable, while keeping an

eye on the gender and equality dimensions. Ursula earlier referred to an 'ethical framework' which is along these lines. I'd suggest these principles could relate to things like:

1. Identifying areas where there is a **complementarity between economic growth and social progress**, for example, in promoting equity and quality in education;
2. The need to **consider the long-term consequences of short term measures**, especially in the case of young children;
3. Related to the previous two principles, there is a need to **find a balance and a link between social protection and social investment policies**.  
For example, in the area of active labour market policy the need to find a balance between providing an adequate income while also providing a diverse range of progressive options for people;
4. The need to **consider more tailored responses to meet need**. While this sounds like a simple statement it has profound implications for the public sector reform programme. For example, in the area of care it can be cheaper and more effective in some cases to provide care for people in their homes or community than in institutions – but because of the way our system is organised care in the community is often seen as an additional requirement or more difficult to organise.
5. There is a **need for impact assessment** to be taken more seriously.  
The Icelandic example was interesting with its focus on gender budgeting and gender equality watch – now 'well-being' watch. Here in

Ireland, there are plans to broaden poverty impact assessment to an integrated and strengthened social impact assessment, which would help to systematically provide information on the potential impact of various policy proposals.

These are a few suggestions of some principles which could help to frame and inform the difficult policy choices which lie ahead. I thank the organisers for the opportunity to contribute to this important seminar and I look forward to the wider discussion.

**Table 1: Sources of Direct Income – comparison between decile 1 and decile 10**

<b>Sources of Direct Income</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Change (€)</b>
<b>10th decile</b>				
Employee income	937.79	925.67	1009.25	71.46
Employer's PRSI	110.43	102.49	121.91	11.48
Self-employment	291.59	216.88	173.43	-118.16
Other	103.78	60.31	49.42	-54.36
<i>Total</i>	<i>1443.6</i>	<i>1305.34</i>	<i>1354.01</i>	<i>-89.58</i>
<b>1st decile</b>				
Employee income	33.96	25.59	16.64	-17.32
Employer's PRSI	2.43	1.88	1.36	-1.07
Self-employment	19.09	13.83	16.48	-2.61
Other	9.19	9.42	5.09	-4.1
<i>Total</i>	<i>64.67</i>	<i>50.72</i>	<i>39.57</i>	<i>-25.1</i>

**Source:** compiled from CSO SILC publications for 2008, 2009, 2010.

**Table 2: Sources of Social Transfers – comparison between decile 1 and decile 10**

<b>Sources of Social Transfers</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Change (€)</b>
<b>10th Decile</b>				
Unemployment benefits	15.05	21.91	38.97	23.92
Old-age benefits	81.74	107.09	128.71	46.97
Family/child related	18.37	16.93	17.3	-1.07
Housing allowances	0.6	0.57	0.57	-0.03
Other social transfers	11.85	9.01	9.49	-2.36
<i>Total</i>	<i>127.61</i>	<i>155.51</i>	<i>195.03</i>	<i>67.42</i>
<b>1st Decile</b>				
Unemployment benefits	26.92	27.56	28.6	1.68
Old-age benefits	11.25	11.2	8.76	-2.49
Family/child related	45.2	49.33	35.25	-9.95
Housing allowances	3.72	4.51	2.83	-0.89
Other social transfers	22.78	21.97	12.52	-10.26
<i>Total</i>	<i>109.86</i>	<i>114.56</i>	<i>87.97</i>	<i>-21.89</i>

**Source:** compiled from CSO SILC publications for 2008, 2009, 2010.

**Table 3: Impact of Budgetary Policy Changes by Family Type: 2009-2012**

Family Type	Percentage Gain or Loss
Single, employed	-9.0
Couple, 1 earner	-8.7
Couple, earner with children	-11.4
Couple, 2 earners	-10.8
Couple, 2 earners, with children	-11.7
Single unemployed	-11.1
Couple, unemployed/not at work	-2.2
One parent family	-6.6
Single retired	-1.6
Retired couple	-3.6
Other (ill/disabled)	-3.5
<b>All Family Types</b>	<b>-8.4</b>

Source: Callan, T., Keane, C., Savage, M. & Walsh, J.R. (2012), *Distributional Impact of Tax, Welfare and Public Sector Pay Policies: 2009-2012*, Special Article in Quarterly Economic Commentary, Winter 2011/Spring 2012, Dublin: Economic and Social Research Institute, p.52.

**Figure.1: Ratio of Expenditure to Income, by Decile**

