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## 4. Reanalyzing the gender-specific effects of the Great Recession

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### INTRODUCTION

The subprime mortgage crisis that began in the United States eventually unraveled as the worst global economic crisis – the Great Recession – since the Great Depression of the 1930s. The literature has described several factors to explain the causes of the Great Recession, most prominent being the pace of financial deregulations and excessive financial innovations that catalyzed an unnatural boom that ended in a crisis (Crotty and Epstein, 2009). Countries hit the hardest in terms of an upsurge in unemployment rates over 2008–10 include Denmark, Estonia, Greece, Iceland, Ireland, and Latvia. A comparison of harmonized unemployment rates for these countries shows that Estonia posted the highest increase in the unemployment rate, which rose from 5.5 percent in 2008 to 16.7 percent in 2010, an increase of 203 percentage points. Other countries worst hit by the crisis were Iceland (153 percent), Latvia (151 percent) and Ireland (117 percent) (OECD, 2018a).

To this end, an important but understated issue worthy of discussion concerns the gender impacts of the Great Recession. Crisis theories that have described its distributional dynamics do not converge to a united whole and predict differential impacts of crises for men and women. One theory posits that since women are used as employment buffers – called in when demand increases but pushed back when demand shrinks – women’s unemployment rates may rise more than that of men’s during recessionary phases. Thus, women might experience a greater loss in employment, earned income, and overall wealth during recessions (Humphries, 1988 [2010]). However, an argument running counter to this theory is that women’s concentration in female-dominated occupations – which tend to be cyclically robust – may shield women’s employment relative to that of men’s.

Since there is no definitive theoretical model of these relations, the issue of the gender impacts of recessions becomes an empirical question.

In this respect, men's and women's labor market experiences from the Great Recession can be treated as a litmus test. Similar to previous two recessions in the US, men's unemployment rates rose faster than women's during the Great Recession. Due to this phenomenon, these recessions have come to be known as "man-cessions" (Wall, 2009). However, as I argue in this chapter, this observation can be misleading on many accounts. I argue that although men and women showed substantial differences in their vulnerabilities to the recession, within-gender differences were much more pronounced. Additionally, gender impacts of crises derive from differences in men's and women's unique, socially and culturally drawn positions, job structures, family models and welfare systems.

With regard to labeling the Great Recession a "man-cession," although crude comparisons of the data from advanced economies may lead to a simplistic conclusion that men fared worse than women – in terms of job losses – comparison of intra-country and intra-group heterogeneities suggests that the burden of the recession fell on the weaker groups within each gender category. Women on the lower rungs of employment and in low-income categories, and single mothers, fared disproportionately worse than women in high-skilled, high-income categories (Albelda, 2014). Additionally, disparities in men's and women's responses to second-round effects of the recession need to be counted toward overall gender impact of the Great Recession. Although, manufacturing and construction sectors took an immediate hit from the recession, in terms of job losses, second-round effects – particularly, the ensuing austerity measures in many countries in Europe – seem to have shifted the cost of the recession back to women.

In this vein, this chapter brings together a comparative strand of analyses underlying the distributional dynamics of the Great Recession to form a reanalysis of its gender impacts on labor markets in selected OECD countries. It argues that gender regimes shaped by family policies and cultural factors can mediate the effects of crises on the economic situation of men and women. Additionally, both the family policies and cultural factors can help explain why men's employment recovered faster than that of women's. Paid parental leave systems may have mediated some of the distributional dynamics across gender lines due to their implications for sexual division of labor.

The structure of this chapter is as follows. The next section lays out a brief description of frameworks helpful in understanding the gender impacts of recessions and draws on selected literature to argue that simplistic comparisons of indicators from paid employment may be misleading. The third section attempts to develop a comparative outlook

of the gender impacts of the Great Recession in the context of family policies. In the conclusion, I highlight that both the cultural factors and family policies can explain differential experiences of men and women in crises, across countries.

## REVIEW OF FRAMEWORKS AND COMPARATIVE LITERATURE

### **Theoretical Frameworks**

This section attempts to bring together various strands of analyses, posited in the selected literature, about the frameworks and the distributional impact of the Great Recession – and crises in general – on the employment situation of men and women.

As noted by Humphries (1988 [2010]), hypotheses that explain women's employment outcomes over crisis periods fall into three main categories:

1. The “flexible reserve”<sup>1</sup> or buffer hypothesis suggests that women are a flexible reserve, drawn into the labor market during economic upturns and pushed back during economic downturns – that women's employment is procyclical. The theoretical perspective for this prediction is based on human capital theory that suggests that relatively lower human capital endowments and lower levels of job-specific skills may reduce the incentive for firms to hoard female workers during economic downturns (Oi, 1962). The buffer hypothesis assumes that the discouraged worker effect will dominate in a recession and predicts a decline in women's unemployment and labor force participation rates – more discouraged women than men leave the labor market. This hypothesis, however, runs into a major problem. Crises may also alter firms' demand for job-specific skills and, in general, influence the labor cost/human capital trade-off. From this perspective, if firms, compelled by the recessionary pressures, aggressively cut back their labor costs, hoarding female workers would make sense – women's employment should therefore rise more than men's. However, firms may also employ female workers in unstable employment forms or areas that require frequent adjustment – for example, temporary and part-time jobs. A recession may, therefore, lead to an increase in the share of unstable employment; hence, even if women's employment increases over a downturn, it is crucial to focus on the qualitative aspects of such gains – the nature of job stability and employment conditions.

2. According to the substitution hypothesis, during times of economic hardship, employers' quest to cut costs and to increase the flexibility of production leads to substitution of female workers for relatively more expensive male workers. During a downturn, firms may be pressured to convert some of the high-paid stable jobs into low-paid, less stable jobs; thus, substitution of female workers for male workers may result in deepening of gender differentials in terms of segregation and wage gap during a recession. The substitution hypothesis predicts a strong added-worker effect for women's participation in the labor force: increased female labor force participation and lower unemployment rates relative to that of male rates.
3. Finally, the segmentation hypothesis emphasizes the role of socially constructed boundaries in shaping job structures in the labor markets – for example, sex-typing of jobs.<sup>2</sup> Theoretically, women's employment trends over business cycles will relate more to the trends in sectoral and occupational structures than business cycles themselves. The segmentation hypothesis predicts that, in a recession, women's unemployment rates will reduce relative to men's as women's employment is relatively stable due to its concentration in less cyclically sensitive sectors.

Bettio and Verashchagina (2014) point to yet another idea, that during economic crises the group with lower employment protection serves as a natural flexible buffer; hence, women, due to their prevalence in temporary employment, may be more vulnerable to the combined effects of economic downturns and labor market segmentation. If employment protection differs among employees, such legislations may reinforce disparities in bargaining power between the “insiders” – tenured, adult, skilled workers who have more favorable employment opportunities – and the “outsiders” – untenured, younger workers who have less favorable employment conditions. Women may be perceived as outsiders due to their more frequent exits and entries into the labor market and the relative unstable nature of their job contracts.

While the buffer hypothesis has popular currency among some analysts (Beechey, 1977), its predictions – concerning the “disposable” nature of women's labor in times of economic hardship – have been called into question by the experiences of men and women in past crises. For example, Humphries's (1988 [2010]) analysis of women's employment experiences in three post–World War II recessions in the United States (1971, 1975 and 1982) shows that the employment situation deteriorated less for women than for men. Testing for cyclical sensitivity of female employment by running the regressions of percentage change in women's employment on the percentage change in total employment, Humphries finds that the buffer

hypothesis is only supported at the intermediate stage of integration of women in each sector and industry division. Women tend to occupy more cyclically volatile jobs when their employment penetrates beyond clerical tasks. Women's employment becomes less cyclically volatile when their employment occupies a major share in an industry.

Theoretically, the sex-typing of jobs can be rigid and strong in the short run; therefore, women's employment behavior over the cycle is strongly influenced by sectoral and occupational patterns of job losses in a recession. Given that crises tend to have a relatively more distinct sectoral impact than occupational (Bettio et al., 2012), sectoral segregation may, to some extent, shield women's employment.

Gender impacts of the crises may also be shaped by the unequal position of men and women in relation to productive and reproductive spheres, and the gendered structure of welfare systems. Social norms that construct expected gender roles, underpin the differences in labor market attachments in terms of the nature and types of jobs held by men and women (Elson, 1999; Folbre, 2001; Khalil, 2018). Because women are disproportionately more represented in temporary and part-time jobs, they face higher job insecurity. Although part-time workers may also be covered by permanent contracts in some countries, they may still be excluded from career accession (Tomlinson, 2006). Women may, therefore, have higher turnover rates due to poor job quality (Felstead and Gallie, 2004).

Last but not least, last-in, first-out seniority layoffs, as typical in the United States, may also render women more vulnerable to unemployment as women's average job tenure intervals are lower than men's. If turnover rates are higher for women than for men, women's employment may be expected to undergo greater adjustment than men's employment in response to changes in demand. Houseman and Abraham (1993) estimate elasticities – over one, three, and 12-month periods – for male and female employment with respect to changes in output for Japan and the United States. Their results from the manufacturing sector showed that female workers served as buffers in Japan during the crisis periods of 1970s and 1980s. They argue that women's relatively higher quit rates than men's was one reason women's employment faced greater adjustment to changes in demand.

Suffice it to say that the relationship between female employment and economic recessions is ambiguous at best. If women's paid labor constitutes a flexible and cheap source of labor, akin to Marx's notion of a reserve army (Bruegel, 1979), their participation in paid work is expected to rise during periods of economic recession and decrease in times of economic expansion – consistent with the substitution hypothesis. On the other hand, women's perceived status, arising from prevalent social and

cultural norms, as caregivers first and labor force participants second, may play out in terms of employers' perceptions of women as less worthy of employment during times of economic hardship.

Turning to the crude comparisons of men's and women's unemployment rates in the aftermath of the Great Recession, men's unemployment rates did rise faster than women's in several countries hit by the recession. This pattern provides a simplistic conclusion that the Great Recession may be a "man-cession," an observation many analyses have made (Wall, 2009; Sahin, Song and Hobijn, 2010). However, a closer analysis of intra-country and intra-group dynamics is essential to understand how gender impacts of the recession played out. In this respect, it is crucial to examine to what extent the theoretical approaches, presented in this section, are applicable to the gender impacts of crises. This is what follows in the next section.

### **Empirical Studies**

Empirical studies on gender-specific effects of the crisis in terms of its impact on the productive sphere has provided contradictory results. That men were hit harder than women in terms of job losses of the Great Recession is not entirely misplaced insofar as we rely on the first-round effects of the Great Recession on broader axes of gender. Since the hardest-hit sectors – manufacturing and construction as well as high-paid financial sector branches – were male dominated, gender occupational and sectoral segregation does seem to have protected women's employment relative to men's. Sierminska and Takhtamanova (2011) use the term "man-cession" to describe their findings from the experience of the US economy that men fared worse than women in the early years of the Great Recession in terms of higher job-separation probabilities, lower job-finding probabilities and higher unemployment rates relative to women.

If we look at the experiences of middle-income countries, similar observations have been cited (Cho and Newhouse, 2013). Cho and Newhouse examine 17 middle-income countries and suggest that the negative employment effects were stronger for men, particularly for youth. They cite two main factors for this pattern: first, men's concentration in the hardest-hit industrial sector; second, men's higher initial rate of employment.

Notwithstanding the broad conclusions forwarded by much of the analyses, it is rather simplistic to brand the Great Recession as a "man-cession," as the term starkly ignores the heterogeneity in cross-country experiences and in within-gender impacts. Grown and Tas (2011) use US data to delve into demographics within gender categories and show that African-American males and females, Hispanic males and females, young females and single women were hit the hardest by the recession.

It is important to note that women's employment situation in the Great Recession was relatively worse than that in previous recessions – that women's employment may have become relatively more vulnerable in economic downturns. Grown and Tas note that women lost ten times more jobs in the Great Recession than in the previous two recessions, while men lost about 2.3 times more jobs. The authors argue that simple male–female comparisons of unemployment rates yield partial conclusions and misleading policy options as the race/ethnicity and class status of households matters in analyzing the burden of the crisis.

Much of the literature on the effects of the Great Recession overlooks intergroup inequality – an important aspect in understanding how dominant groups can shift the costs of recessions to subordinate groups. Dymski, Hernandez and Mohanty (2013) and Arestis, Charles and Fontana (2013) address this lacuna in two different contexts. Dymski, Hernandez and Mohanty (2013) explore interesting race/gender/power aspects of the Great Recession in the United States by investigating the overinclusion of women and minority groups in subprime mortgage lending. They argue that historically disproportionately excluded groups were granted equal access to mortgage lending. Female-headed households and minority households – especially African-American households – were disproportionately and predatorily targeted for subprime credit. Racial and gender inequalities produce differential social power, which in turn is exploited by lenders – an aspect central to the political economy of subprime lending and consequently the subprime crisis. On the other hand, Arestis, Charles and Fontana (2013) show that, in the case of United States, financialization has been neither race nor gender neutral, which subsequently corresponded to stratification effects of the Great Recession. Testing the gender and race stratification of the US labor markets, as a result of the Great Recession, Arestis, Charles and Fontana show that the wage premium for individuals working in managerial and financial occupations for the period 1983–2009 was unequally distributed – men took an increasing share of the finance wage premium at the expense of women. On average, White and Hispanic men reaped a disproportionate share of the finance wage premium. There is more to investigate with regard to how social norms create identity preferences that link managerial and financial occupations to high earnings, which are in turn linked to the social status of the dominant groups.

To shed some light on the unpaid sector, intra-country studies on the effects of the crisis show that the crisis exacerbated preexisting gender inequalities within households, especially in terms of unequal burden of unpaid labor. Losses in household income in times of economic crisis lead to adjustments both in the paid and unpaid work hours. As a result,

women are often the bearers of unequal burden of increased work time – by working longer paid hours to compensate for the loss in household income and by increasing unpaid labor to compensate for the fall in household goods and services that were previously procured from the market. The burden of extra unpaid labor during periods of economic turmoil depends particularly on the gender division of labor within the household.<sup>3</sup> Kaya Bahçe and Memiş (2013) provide an important observation in this regard. In order to examine how individual work time in Turkey changed due to the 2008–09 crisis, Kaya Bahçe and Memiş use the Turkish time-use survey of 2006 and show that a 1 percent increase in their spouse’s unemployment risk raises women’s paid and unpaid labor time by 22 minutes per day.<sup>4</sup> This raises the question of whether the gender restructuring of paid and unpaid work contributed to women being overworked and men being underworked. For example, during the Asian financial crisis, restructuring in gender composition of paid work in Philippines created overwork for women, as their paid work hours increased along with household production, and forced idleness for men due to unemployment (Lim, 2000).

On the other hand, findings with regard to the redistribution of paid and unpaid work hours from the United States show that the 2008–09 recession narrowed the gap in paid and unpaid labor for married men and women. Consistent with the added-worker effect, mothers substituted paid work for unpaid labor while fathers’ paid work hours and total workload reduced and leisure time increased (Berik and Kongar, 2013).

In sum, the overview from this section suggests that although at cross-country level the Great Recession appeared to be a “man-cession,” in several advanced countries insofar as comparisons are drawn from paid work, studies on the intra-country, intra-group, and unpaid work reveal that intersectionality played an important role in shaping the burden of the crisis.

## **GENDER-SPECIFIC EFFECTS OF THE GREAT RECESSION IN THE CONTEXT OF FAMILY POLICIES: EUROPE VERSUS THE UNITED STATES**

Gender impacts of the Great Recession can be organized along three foci: first-round effects were prominent in the financial sector, primarily influencing the productive sectors; the second-round effects translated via their impacts on household adjustment to the economic contraction, thereby encompassing the reproductive sector; and the third-round effects transpired through consequent austerity measures (crisis-induced budget deficits and cuts, and longer-run adjustments) were particularly conspicuous in the reproductive sector (Fukuda-Parr, Heintz and Seguino, 2013).

In this context, it is inadequate to try to identify the gender impacts of the Great Recession in the abstract: the structures underpinning the organization of the family – in essence, family policies that shape gender regimes – need to be analyzed in relation to the gender impacts of the Great Recession. Social reproduction (the family) and production (the economy) are not autonomous structures. While the structure of the economy influences demand-side constraints for women's paid work, organization of the family creates supply-side pressures and constraints concerning women's integration in paid labor (Folbre, 1994, 2008).

This section aims to draw comparisons between the experiences of men and women in the Great Recession in the United States and selected European countries based on varieties of gender regimes as reflected by family policies.<sup>5</sup> The approach adopted in this section links the analysis of gender-specific effects of the crisis to differences in institutions of family models that underwrite the social construction of gender relations, which in turn interact with wider social, political, and economic factors. Gender-specific economic outcomes are embedded in the institutional settings that shape differences in vulnerability to the crises and adjustment paths. To keep the analysis to a manageable size, this chapter will limit the focus to family policies due to its implications for gender relations concerning paid and unpaid work.

Thévenon<sup>6</sup> (2011) provides a comparative analysis of family-friendly policies across OECD countries in terms of three main types of family support: leave entitlements, cash transfers, and provision of childcare services. Thévenon divides European countries into five main categories in terms of generosity of family policies. In group 1 are countries that provide limited assistance to families on all three types of family support; this includes Poland, Portugal, Spain, Italy, and Greece. Group 2 comprises countries that provide short parental leave and target the support to low-income, single-parent families with preschool children; it includes Austria, Netherlands, UK, and USA. In group 3, high financial support is offered but limited support is given to dual-earner families with children under age 3; countries in this group are Germany, France, Norway, and Denmark. Group 4 consists of countries that provide long leave but low cash benefits and childcare for children under age 3; Hungary falls under this category. Finally, group 5 consists of countries that provide continuous, strong support for working parents of children under age 3; Finland and Sweden are included in this category. The gender regimes as depicted, in part, by the nature of family policies, reflect the specificities of the welfare state and the rubrics of family model that are closely linked with the extent of women's integration in paid work.

Two factors concerning the role of family policies in shaping women's labor supply during and after the crisis may be relevant for our

discussion. On one hand, as family-friendly policies may be conducive to an environment of relatively higher fertility rates (Thévenon, 2011), the pre-crisis structure of family-friendly policies in many European countries may have created a resurgence of traditional family values in terms of concentration of women in temporary and part-time work – since such policies allow combining paid work with unpaid domestic labor (Algan and Cahuc, 2003; Karamessini, 2008; Khalil, 2018).<sup>7</sup> In this regard, discouraged worker effect for women can be expected to be stronger in countries with generous family policies as women may retire to the reproductive sphere during periods of economic slack. On the other hand, in the aftermath of the crisis, ensuing austerity measures including cutbacks in social provisions concerning childcare support programs<sup>8</sup> may compel women to enter paid work to make up for the lost family income. In this context, the effect of culture, family policies and crises on women's employment is complex to predict. Nevertheless, observations from the post-recession experiences of OECD countries seems to support the latter argument. The share of male breadwinner households declined sharply in favor of female breadwinner households (Bettio et al., 2012). The role of added-worker effect is particularly important in this regard; family-friendly policies can soften the impact of the crisis by shielding the households' overall well-being and relate to a weaker added-worker effect.

Table 4.1 provides a comparison of men's and women's pre- and post-crisis labor force participation (LFP) rates for 15–64-year-olds (percentage in same age group) for the groups of countries according to Thévenon's (2011) family-policy categorization. The first point to note is that in many countries women's LFP rates rose from 2007 to 2009 relative to men's rates. From 2007 to 2009, the ratio of male LFP rate and female LFP rate declined for a majority of countries; comparing these figures for the period 2009 to 2016, this decline appears to have persisted throughout the period. The decline in this ratio mainly appears to be due to a higher increase in women's LFP rate relative to men's rate.

Overall, the figures in Table 4.1 appear to refute the buffer hypothesis – the claim that women's paid work increases during bad times and recedes during good times does not seem to hold water for the majority of countries during the periods covered in the analysis. However, a counterargument could be that many countries in Europe are still undergoing second-round effects and hence it is too early to make a call concerning women's employment behavior. Notwithstanding, if we look at the case of the USA, where effects from the Great Recession have arguably subsided to a significant extent, the buffer hypothesis also does not find support from the figures shown in Table 4.1. In the case of the USA, contrary to the predictions of

*Table 4.1 Men and women's labor force participation rates (15–64-year-olds), percentage in same age group*

Country	2007			2009			2016		
	Men	Women	Ratio <sup>a</sup>	Men	Women	Ratio	Men	Women	Ratio
<i>Group 1</i>									
Poland	70	56.5	1.24	71.8	57.8	1.24	75.7	62	1.22
Portugal	79.2	68.7	1.15	78.2	68.9	1.13	77.2	70.5	1.10
Spain	82.6	62.8	1.57	82	66	1.24	80.5	70.2	1.15
Italy	74.3	50.6	1.51	73.5	51.1	1.44	74.8	55.2	1.36
Greece	78.4	54.8	1.43	78.5	56.5	1.39	76.2	60.4	1.26
<i>Group 2</i>									
Austria	80	67.1	1.19	80	68.7	1.16	80.7	71.7	1.13
Netherlands	83.8	70.4	1.19	84.6	72.3	1.19	84.4	75	1.13
UK	83.3	69.8	1.21	83.2	70.2	1.17	83.4	73	1.13
USA	81.7	69.1	1.18	80.4	69	1.19	78.8	67.3	1.14
<i>Group 3</i>									
Germany	81.8	69.4	1.18	82.2	70.4	1.17	82.2	73.6	1.12
France	74.7	64.9	1.15	75	65.7	1.08	75.6	67.9	1.11
Iceland	91.6	83.6	1.10	88.4	82	1.06	91.8	86.2	1.06
Norway	81.8	75.9	1.08	81.4	76.5	1.09	80.3	75.9	1.06
Denmark	83.7	76.4	1.10	83.6	76.8	1.23	82.6	77.2	1.07
<i>Group 4</i>									
Hungary	68.6	54.9	1.25	67.7	55	1.23	76.9	63.5	1.21
<i>Group 5</i>									
Finland	77.4	73.9	1.05	75.8	73.5	1.03	77.9	74.1	1.05
Sweden	81.4	76.8	1.06	81.3	76.4	1.06	83.9	80.2	1.05

*Note:* a. The ratio is calculated as male LFP rate divided by female LFP rate.

*Source:* OECD (2018b).

the buffer hypothesis, women's LFP rate remained almost unchanged (69 percent) from 2007 to 2009; men's LFP rate, on the other hand, declined from 81.7 percent to 80.4 percent.

To look at the question of whether men experienced a stronger hit, Table 4.2 presents a comparison of unemployment rates for men and women before and after the crisis to examine whether men experienced a stronger hit relative to women in terms of a spike in unemployment rates.

Several features in Table 4.2 are worthy of attention. First, in terms of the immediate effects of the crisis, unemployment figures for men and

*Table 4.2 Unemployment rates for men and women (15–64-year-olds) before and after the Great Recession*

Country	2007		2009		2016	
	Men	Women	Men	Women	Men	Women
<i>Group 1</i>						
Poland	9.1	10.4	7.9	8.8	6.2	6.3
Portugal	7	10.1	9.4	10.7	11.5	11.5
Spain	6.5	10.7	17.7	18.2	18.2	21.5
Italy	5	7.9	6.8	9.3	11.1	12.9
Greece	5.3	13	7.1	13.4	19.9	28.3
<i>Group 2</i>						
Austria	4.1	4.8	5.8	5.5	5.8	5.9
Netherlands	3.2	4.1	3.7	3.8	5.6	6.5
UK	5.6	5	8.9	6.6	5.1	4.8
US	4.8	4.6	10.5	8.2	5	4.8
<i>Group 3</i>						
Germany	8.6	8.9	8.2	7.4	4.5	3.8
France	7.3	8.1	8.7	8.8	10.1	9.6
Iceland	2.3	2.4	8.9	5.8	3.2	3.2
Norway	2.6	2.5	3.7	2.7	5.6	4.1
Denmark	3.5	4.2	6.8	5.4	6	6.8
<i>Group 4</i>						
Hungary	7.2	7.8	10.4	9.8	5.2	5.1
<i>Group 5</i>						
Finland	6.5	7.3	9.1	7.6	9.2	8.7
Sweden	6	6.5	8.8	8.1	7.5	6.7

Source: OECD (2018a).

women (15–64-years-old) for the year 2009 show that women in group 1 experienced higher unemployment rates than men compared to other groups.

In this group, women's unemployment rates were much higher than men's unemployment during the pre-crisis period. The crisis of 2008 appears to have narrowed the gender gap in unemployment rate whereby men's unemployment rose disproportionately more than that of women's, from 2007 to 2009. On the other hand, all the countries except the Netherlands in group 2 exhibited higher male unemployment rates relative to the female rate. A similar pattern is depicted for groups 3, 4, and 5 where all the countries

except France – where male unemployment rate rose slightly more than female unemployment – had higher male unemployment rates relative to the female rate.

Second, the gender gap in unemployment rate was much larger during the pre-crisis period for the countries in group 1 (see Italy and Greece's gender gap in unemployment rates for 2007). This situation persisted over the crisis and although the immediate effects of the crisis narrowed the gender gap in 2009, the gap widened again over the recovery period. For most countries in the rest of the four groups, female unemployment rates were higher than male unemployment rates over the pre-crisis period. The Great Recession narrowed this gap during the crisis and over the period of recovery.

Third, for several countries – UK, USA, Germany, Iceland, Hungary – recovery in the unemployment rates for 2016 appear to be larger for men relative to that of women although men's unemployment seems to have recovered more quickly than women's. Reductions in male unemployment rates appear to be phenomenal in the UK (from 8.9 percent in 2009 to 5.1 percent in 2016) and the USA (from 10.5 percent in 2009 to 5 percent in 2016). For all the countries except Poland in group 1, male and female unemployment rates are stubbornly high, which may correspond to ensuing sovereign debt crisis in these countries (see Lane, 2012).

The second-round effects for group 1 countries, especially Greece, Italy, and Spain, suggest that women's unemployment rates have persistently remained higher than men's. In the case of Greece, the gender gap in unemployment rate widened from 7.7 in 2007 to 8.4 in 2016. Similarly, Netherlands, Denmark and Austria posted relatively higher unemployment rates for women than men in 2016, suggesting that women fared worse than men from the second-round effects of the crisis. This is consistent with the observation that the second-round effects of the Great Recession have started echoing in the services sector where women's employment is predominant. In Spain, women's unemployment rates have consistently surpassed men's. Due to Spain's rigid two-tiered labor market, employers find it cheaper to cut back on temporary employment, retaining full-time employees; this practice has been associated with the perennial problem for Spanish women's high unemployment rates (Lahey and Villota, 2013). In 2011, an ambitious plan was introduced to restructure the two-tiered labor market that compelled employers to either retain permanent, full-time employees amid falling demand or face large penalties for dismissing them in place of temporary workers. However, the figures for 2016 suggest that despite the introduction of the new plan, Spanish women's high unemployment rate has persisted. In the case of Portugal, job losses due to the crisis for men and women were not uniformly distributed throughout the years

following the crisis, 2009 being the worst year for men – brought about mainly by contraction of the manufacturing and construction sector – and 2011 the worst year for women – the losses were mainly concentrated in agriculture and manufacturing (Ferreira, 2014). In 2011, men and women lost almost the same number of jobs; as of 2016, men and women’s unemployment rates were similar at 11.5 percent.

In sum, the label of “man-cession” for the Great Recession does not hold water if we include the second-round effects; two key developments, as shown in Table 4.3, point to a counter-trend. First, the second-round effects in many European countries that are undergoing sovereign debt crisis – especially, Spain, Italy, and Greece – seem to have impacted women more than men insofar as relative unemployment rates are compared. Second, men’s unemployment rates recede faster than women’s; however, there is significant cross-country heterogeneity in these trends.

The extent to which men’s and women’s labor market outcomes varied in response to the crisis may also depend on the types of gender regimes that shape the dynamics in both the productive and the reproductive spheres. One way of looking at these gender regimes would be to examine the gendered nature of their family policies, especially parental leave systems. Due to their implications for gender division of labor (in both paid and unpaid work), parental leave policies carry substantial gendered impacts on labor markets (Folbre, 2001; Hartmann and Rose, 2004).

Parental leave has direct and substantial effects on the supply of women’s paid labor, although its overall impact on women’s employment is ambiguous. On one hand, paid leave entitlement gives the right to mothers to return to their old jobs after giving birth to a child. Additionally, since having a job in the first place is the primary qualification for a parental leave, paid leave may act as an incentive for women to join paid labor as it protects potential mothers against the fear of unemployment and hence loss of income during their childbearing and childcare period. On the other hand, paid parental leave entitlements may encourage women to stay out of the labor force longer than they otherwise would. It may also raise the expected cost to employers of employing women of childbearing age and discourage them from hiring women<sup>9</sup> (Blau and Kahn, 2013), and/or encourage employers to restrict women to temporary forms of employment – this is particularly relevant in the case of countries where employers share the burden of paid leave entitlements along with public social security.

Table 4.3 shows paid leave entitlements for mothers and fathers in selected OECD countries as of 2016. Countries where employers share the burden of paid leave entitlements include Greece, Netherlands, the UK, Germany and Denmark. An important point worth mentioning

Table 4.3 Comparison of paid leave entitlements, Europe versus USA, 2016

Country	(a) Total unpaid parental leave for mothers Length (weeks)	(b) Total paid leave available to mothers <sup>a</sup>		(c) Total paid leave available to fathers		(d) Source of paid leave payments	(e) Women's labor force participation (15–64-year-olds)	(f) Gender share of part-time employment
		Length (weeks)	Average payment rate (%) <sup>b</sup>	Length (weeks)	Average payment rate (%) <sup>c</sup>			
<i>Group 1</i>								
Poland <sup>d</sup>	See note d	52	80	2	100	SS <sup>e</sup>	62	68.2
Portugal	13	30.1	67.7	22.3	56.3	SS	70.5	62.5
Spain	140	16	100	2.1	100	SS	70.2	72.8
Italy	23	47.7	52.7	0.4	100	SS	55.2	73.6
Greece	13	43	54.2	0.4	100	Mixed <sup>f</sup>	60.4	61.9
<i>Group 2</i>								
Austria	96	60	85.3	8.7	80	SS	71.7	78.3
Netherlands	13	16	100	0.4	100	Mixed	75	73.3
UK	53	39	30.9	2	20.2	Mixed	73	74.1
USA	12	0	0	0	0		67.3	
<i>Group 3</i>								
Germany	120	58	73.4	8.7	65	Mixed	73.6	78.1
France	142	42	44.9	28	20.1	SS	67.9	74.7
Iceland	13	26	59.7	13	59.7	SS	86.2	65.1
Norway	52	91	49.4	10	97.9	SS	75.9	67.1
Denmark	31	50	53.6	2	53.6	Mixed	77.2	57.7

Table 4.3 (Continued)

Country	(a) Total unpaid parental leave for mothers Length (weeks)	(b) Total paid leave available to mothers <sup>a</sup>		(c) Total paid leave available to fathers		(d) Source of paid leave payments	(e) Women's labor force participation (15–64-year-olds)	(f) Gender share of part-time employment
		Length (weeks)	Average payment rate (%) <sup>b</sup>	Length (weeks)	Average payment rate (%) <sup>c</sup>			
<i>Group 4</i>								
Hungary <sup>g</sup>	See note g	160	44.9	1	100	SS	63.5	64.8
<i>Group 5</i>								
Finland	14	161	25.2	9	62.9	SS	74.1	60.8
Sweden	45	55.7	62.3	14.3	76	SS	80.2	61.8

*Notes:*

- a. Total paid leave available to mothers includes total paid maternity leave and paid parental and homecare leave.
- b. Average payment rate refers to the proportion of past earnings replaced by the benefits over the duration of the paid leave.
- c. Average payment rate refers to the proportion of past earnings replaced by the benefits over the duration of the paid leave.
- d. In the case of Poland, mothers are allowed to take 52 weeks of paid leave; maternity leave comprises 20 weeks paid at 100% of total salary with additional six weeks of maternity leave available upon request. The rest of the leave counts toward parental leave, paid at 60% of average earnings.
- e. Social security.
- f. Mixed = Social security and employers.
- g. In Hungary, mothers can take up to three years of paid leave during which 24 weeks are paid with 70% of average earnings.

*Sources:*

Kovács, Polese and Morris (2017) (source of note g); Ray, Gornick and Schmitt (2010); information for Poland and Hungary was also from the author's research.

Columns (b)–(c): OECD family database.

Columns (e)–(f): OECD (2018b).

here is that where paid leave entitlements are disproportionately tilted in favor of mothers, traditional gender norms and norms concerning gender division of labor may deepen. This may be the case for Greece, Italy, and Netherlands where total paid leave available for fathers is less than a week. Greece (60.4) and Italy (55.2) have lowest female labor force participation rates among other countries, as depicted in Table 4.3. In the case of the Netherlands, women have relatively higher employment rates but lower working hours, as around 75 percent of Dutch women work part-time and only a quarter of women express a preference for a full-time job.<sup>10</sup>

Family policies that aim to address the conflicts between family care and labor market participation interact with cultural factors in shaping women's paid and unpaid employment. Such policies have gendered implications – that they may reflect and promote traditional ideals of care; for instance, parental leave (paid or unpaid) may reinforce the notion that it is mothers' primary responsibility to act as caregivers first and labor force participants second (Budig, Misra and Boeckmann, 2012). Prolonged leave policies may lead to longer absence of mothers from paid employment after childbirth and may, thereby, foster an adoption of the male breadwinner model upon reentry (Berghammer, 2014). That is, paid parental leave policies have the effect of reinforcing women's specialization in care. To the extent that women's perceived responsibilities toward family care are read by employers as a negative influence on their paid work effort, employers may engage in statistical discrimination against women. In this context, both family policies and cultural factors mediate the effect of crises on men and women's employment. For instance, in the cases of Spain, Italy, and Greece where cultural support for the male breadwinner model is high (Algan and Cahuc, 2003; Budig et al., 2012), gender gaps in unemployment rates appear substantially higher than other countries over the years covered (see Table 4.3). This relates to the findings that the employment rate of women is almost double in Anglo-Saxon (USA, UK, Australia, Canada, Ireland, New Zealand) and Scandinavian countries (Denmark, Finland, Norway, Sweden) compared to Mediterranean countries (Greece, Italy, Portugal, Spain, Turkey) (Algan and Cahuc, 2003).

To summarize, the discussion from this section attempts to develop an understanding of the effects of the Great Recession on labor market outcomes of men and women along two axes. First, going back to the frameworks for the relation between crises and women's employment, the interaction of culture and family policies would mediate the effect of both the substitution and segmentation hypotheses and women's employment can be expected to fare better or worse than men's accordingly. Second, both family policies and cultural factors can help explain why men's employment recovers faster than women's.

## CONCLUSION

Comparative analysis of the gender-specific effects of the Great Recession provided in this chapter suggests that the label of “man-cession” for the Great Recession does not hold water if the overall effects of the crisis are taken into account. Although men’s employment took the immediate hit in terms of relatively higher job losses than women, this effect may have reversed in the second-round effects where women’s employment seems to have suffered more.

The extent to which men’s and women’s labor market outcomes varied in response to the crisis may also depend on the types of gender regimes that shape the dynamics in both the productive and the reproductive spheres. Gender regimes, partly explained by the gendered nature of family policies, especially parental leave systems, have implications for gender division of labor – in both paid and unpaid work. Parental leave policies, along with cultural factors, exert gendered impacts on labor markets and, therefore, can mediate the effect of crises on men and women’s labor market outcomes.

## NOTES

1. This is further supported by the observation that female turnover rates tend to be comparatively higher than male.
2. Whitehead (1979) and Elson (1999) emphasize the idea that labor market institutions are “bearers of gender” in the sense that employer–employee relation is embedded under the rubric of social stereotypes that assign gender roles in terms of “being the boss,” “men’s work” and “women’s work.”
3. Earlier literature on intra-household time allocation assumed that division of paid and unpaid labor is exogenously determined (Becker and Murphy, 1992); in contrast, feminist scholars argue that along with other intra-household interactions, time allocation is also endogenously determined by factors such as patriarchal relations, social biases, ethical principle and so on (Bittman et al., 2003).
4. The change in women’s unpaid labor was found to be substantially higher in urban settings.
5. The selection of countries is partly based on availability of literature on their experiences in the Great Recession and partly to allow direct comparison with the United States in terms of economic development.
6. Thévenon (2011) provides a comparative analysis – through principal component analysis – of family policies across OECD countries in terms of three main types of family support: leave entitlements, cash transfers and provision of (childcare) services.
7. This may correspond with the perceived characteristic of women’s position as caregivers first and labor force participants second.
8. For example, childcare benefits were retrenched in the United Kingdom as well as other family-related measures. Germany reduced parental allowance and compensation for paid parental leave. Netherlands also experienced cutbacks in childcare benefits (Kersbergen, Vis and Hemerijck, 2014).

9. Employers may fear erosion of firm-level skills due to the intermittent nature of women's employment during their childbearing and childrearing years.
10. Dutch News (2017), "Dutch women work part-time even in their 20s with no kids," 31 January, accessed 17 July 2018 at <http://www.dutchnews.nl/news/archives/2017/01/dutch-women-work-part-time-even-in-their-20s-with-no-kids/>.

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