Economic Recession and Recovery in the UK: What’s Gender Got to Do with It?

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In the UK, as in many parts of the world, men and women have felt the impact of the Great Recession very differently. The UK economy entered recession in the second quarter of 2008 and by early 2010 had contracted more than 6 percent. Employment levels fell and unemployment rose. As in most recessions, the fields experiencing the most job losses in the UK were male-dominated ones such as construction and manufacturing. True to this pattern, from early 2008 to early 2010, British men experienced the majority of job losses: they saw a 3.7 percent decline in employment, compared to a 0.5 percent decline for women. While this gender differential suggests women fared better than men, Ailsa McKay, Jim Campbell, Emily Thomson, and Susanne Ross argue that relying on labor market statistics to measure the impact of the Great Recession results in only a partial analysis of its consequences.

From a feminist economics perspective, a more inclusive understanding of the range of impacts on both men and women would result in the formulation of gender-aware rather than gender-blind policy responses to recession and recovery.

Importantly, the recession of 2008-09 differs from previous ones in terms of how governments reacted to the financial crisis that sparked it. The UK, US, and some European countries bailed out major financial institutions by spending considerable sums of public money. This approach, combined with contractions in the real economy, raised levels of government spending relative to national income. The UK government budget deficit for 2009–2010 soared to 11.6 percent – the highest recorded since the end of World War II. The UK’s Conservative-Liberal Democrat government responded by sharply reducing public-sector expenditure, with a goal of reducing the public-sector deficit. Since women in the UK are more likely than men to be public-sector employees, the pattern of job losses reversed: by the second quarter of 2010, women were losing their jobs at a faster rate than men, even though the UK was officially out of recession in the fourth quarter of 2009.

Between June 2011 and June 2013 the female-dominated public sector experienced a 7 percent fall in employment while the male-dominated private sector experienced a 5 percent increase in employment levels. From the Dec.-Feb. 2010 quarter to the Dec.-Feb. 2012 quarter, 96 percent of the total job growth went to men. And, because the public-spending cuts target welfare benefits and core public services for women and children, women experienced a secondary negative effect on income and well-being.

The authors argue that while the narrowly defined effects of the recession on the labor market, such as changes in employment/unemployment rates, are readily identifiable by gender, many of the wider consequences on women in particular are not immediately visible and have long-term ramifications. Public spending cuts, framed as a strategy to promote economic recovery, have negative effects on women’s incomes, access to services, and future job and training opportunities. Services more likely to be accessed by women, such as early-years care and education, have been dramatically reduced. Extensive changes in the way social security benefits are administered and the eligibility criteria for many benefits, including those for children, have reduced women’s incomes relative to men’s. Similarly, given that public-sector employment is dominated by women, a public-sector pay freeze disproportionately affects female earnings.

In order to fully understand and accurately account for the effect of the Great Recession and its aftermath, impact analysis from a gender perspective must be an integral feature of the policymaking process. The evidence as of mid 2013 suggests that the gender-blind approach adopted by the current UK government has resulted in a marked deterioration in the economic welfare of women both relative to that of men and in absolute terms.