

HOW THE EUROPEAN CRISIS IS IMPACTING WOMEN'S LIVES

A report of the WIDE PLUS at the
XII AWID Forum
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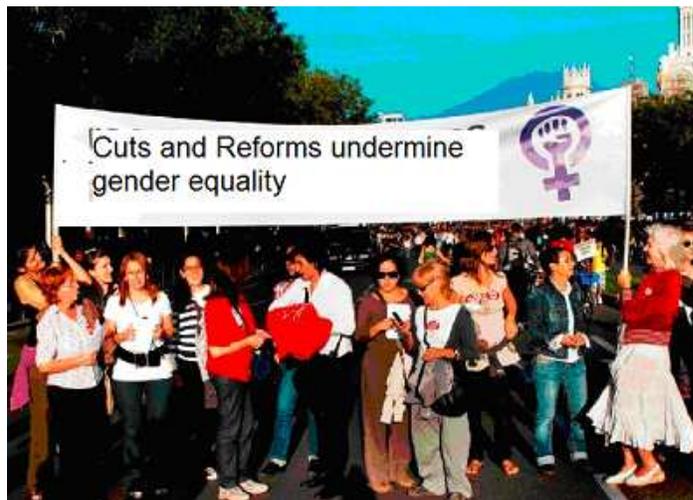
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WIDE plus organized a session entitled "The European Crises" at the AWID Forum. The session's speakers were all WIDE plus members from countries heavily affected by the current economic and financial crisis in Europe: Begoña San José, (Spain), Wendy Harcourt (Italy), and Lois Woestman (Greece). In addition, Christa Wichterich (Germany) gave a succinct account of the specifics of the current European crisis in comparison with earlier debt crises. The session was moderated by Silke Steinhilber (Germany).

The session met a lot of interest at the Forum, and time was short to do full justice to the contributions from the audience and to engage in a deeper debate. After comparing the analysis of the impact of the crisis and so-called policy solutions, examples of local experiences and resistance against sweeping austerity policies, all participants in the session expressed a shared need for cooperation and for developing a critical European feminist voice in face of the ongoing debates in Europe. Here, we are sharing the speakers' statements at the panel as a first contribution by WIDE plus toward a feminist Europe voice against the crisis.

Understanding the Debt Crises in the EU and possible solutions

By Christa Wichterich

The Debt Crisis goes West

Like earlier debt crises – Mexico, Argentina, South East Asia – the present European debt crisis is a result of the growth and accumulation logic of the capitalist economy. In the 1970s this generated an overproduction based on a steep increase in productivity and technological development, an overflow of commodities in western markets and high profit rates of the corporate sector. Against the background of prosperity in the post-war period, Scandinavian and western European states developed the social welfare model. The surplus of capital was searching for profitable investment, in countries of the global South and in the financial sector. This expansion of markets was facilitated by states who deregulated and liberalised markets and investments.

To safeguard the demand side for the commodities, cheap loans were offered in the 1980s to consumers and to countries in the South. Those countries were unable to repay when the interest rates were raised during the Reagan administration in the US. The so-called “Washington-Consensus” thus invented a set of methods and measures to enable the countries to repay. At that time, the IMF was the main actor who - on behalf of the creditors – imposed so-called “structural adjustment measures” on the indebted countries, including, firstly, liberalisation of markets and, secondly, drastic austerity policies by means of downsizing the state sector and public services. This package resulted in privatisation of state-owned enterprises and services and in shifting the burden – responsibilities, labour, costs and risks - to the private households, in particular to women and their caring capaci-

ties. Structural adjustment and debt repayment guaranteed for years a steady transfer of capital from the South to the North. However, austerity policies and budgetary discipline had adverse effects on the national economies because they led to a reduction of domestic demand, de-investment in crucial sectors like employment, education, health etc and further impoverishment. Structural adjustment makes those pay for the debt who did not cause it. Empirical evidence shows that counter-cyclical budgets and fiscal policies which focus on state revenues plus employment and growth-stimulating policies are much more useful for the consolidation of the economy. For highly indebted countries like Ecuador and Argentina, debt audits, refusal to pay illegitimate debt and debt cancellation were finally the only way out of the crisis.

The reason for the rapid expansion, liberalisation and deregulation of the financial sector since the 1990s was again a surplus of capital looking for “innovative” investment products and governments who liberalised and deregulated the financial market by abolishing control of capital transfer and allowing hedge-funds and derivatives. The expansion and acceleration of financial trade, financialisation and speculation in search of fast monetary returns led to one bubble after the other, finally to the subprime crisis, and the crash of US banks. Subprime credits were cheap mortgage loans offered to low-income citizens, among them many black and latina women who were unable to repay when the interest rates went up. Due to the transnationalism of the financial industry and the interdependences of globalised markets, the crash immediately destabilised the whole global financial system.

Governments of all industrialized countries started to pump money into the banking system in order to avoid a collapse and to rescue those bankrupt or near-bankrupt banks who were supposed to be "too big to fail". They used public money to bail out and shelter banks and to finance stimulus packages to reduce the impact of the crises on the real economies. Thereby, the financial crises of failed and bankrupt banks were translated into a fiscal crisis, private corporate debt was converted into public debt. This is the root cause of the present high indebtedness of all European countries following the global financial crisis.

Structural Adjustment, Conditionalities and Austerity also Go West

However, the case of the European debt crisis is more complex than the earlier debt crises in Third World countries since the 1980s. Since then, financial investment, speculation and virtualisation of financial transactions have increased and accelerated tremendously. Rating agencies heat up the crisis situation. Financial investors speculate on the bankruptcy of states. Sectors, earlier considered to be outside of the market are now subjected to financialisation, such as climate change and emission rights, the life expectancy of pensioners and care institutions. Economic governance by the corporate sector is getting more powerful meaning that banks, the financial industry and rating agencies have become the drivers of policies. During the debt crisis of Third World countries, each country was dealt with separately e.g. by means of currency depreciation. This is not possible within the Eurozone. There, the main measure of devaluation is a reduction of wages – with obvious and predictable impacts on wage earners and their families.

Austerity measures – propagated as the one and only solution to the debt crisis - directly translate into high costs for the majority of people in terms of wage and pension cuts,

unemployment, dismantling of public services, increase in VAT as well as the privatisation of public goods. Austerity policies undermine the capacities of the state to care for the public good, to fulfil basic needs and rights, to safeguard commons and public welfare. The ideology of self-responsibility – everybody is an entrepreneur of her/his own life – upholds the myth that austerity is a precondition for growth. A lot of the care burden is shifted onto private households and familiarised at the expense of women. In Greece, for example, austerity resulted in a downward spiral of less domestic demand, less tax payment and impoverishment of a third of the population. It triggered a recession which widened the budget deficit and the debt-GDP ratio. Greece is an outstanding example for the need to focus on the revenue side of the budget. For decades, rich Greeks enjoyed the freedom to transfer their wealth to foreign banks and tax heavens, betraying the Greek people and the state.

The objectives of the structural adjustment programmes dictated by the Troika (European Commission, European Central Bank, International Monetary Fund) to Greece is debt repayment, not the rebuilding of a just and sustainable economy. The demand to privatise the harbours, a substantial source of income for Greece, shows this clearly.

The Crisis as a Project of Restructuring the European Union

The present crisis highlights the internal contradictions of the EU and of European integration: common monetary policies but no common wage, fiscal and industrial policies; a growing gap between the real economy and the financial sector, a lack of employment equivalent to the huge amounts of financial capital; high inequalities between countries.

The Fiscal Pact, which was decided at the beginning of March 2012, establishes a cap on fiscal debts in the 24 states of the EU: deficit should not exceed 0,5 % of the GDP. The EU-wide acceptance and legalisation of the Fiscal Pact implies one more step of disempowerment of national parliaments without strengthening the EU Parliament. National parliaments loose control and decision-making power regarding fiscal policies which should be shaped according to specific needs, rights and principles of the public good, redistribution and social justice. In Greece and Italy, technocrats have come into power without elections – a big blow to liberal democratic principles. The Fiscal Pact and the Sixpack⁽¹⁾ give more power to the European Commission with its expertocracy and to the European Central Bank, institutions which are not controlled democratically.

Alongside a restructuring of democracy, the Fiscal Pact is at the same time a neoliberal ideological project of creating a social consensus on austerity and on a cut in labour costs and social security all over the EU. One stereotypical justification is that “we” lived for long “beyond our means” – ignoring the growing social differences within each of the EU societies and creating an imaginary collective. Another legitimation for austerity policies is to blame and shame others along the principle of self-responsibility: Greece, Spain, Portugal, Ireland, Italy – the situation they are in is ascribed to “their own fault”.

The crisis exacerbates the tendencies of restructuring labour markets towards more flexibilisation and precarisation of employment, more contract labour and greater disparities between a smaller core group of employees and a mounting number of marginal and flexible employees. Increasingly, men are effected by informalisation and precarisation, trends that have in the past overwhelmingly characterized women's employment. Austerity measures with downsizing of public institutions, cuts in services and dismantling of social protection e.g. ever increasing user fees for health services, have particularly adverse ef-

fects on women, as public sector employees, and as working poor or elderly poor citizens. Once again, women bear the brunt when it comes to substitute public services in the unpaid household economy.

Social inequalities within Europe and within countries are growing; social cohesion and social contracts are under severe strain. The social movements on public squares in a number of southern European countries show that for the first time the intergenerational social contract is broken: the pensions for the elderly are not enough to survive, while the young, often high skilled, generation has fewer chances than the parent generation.

To counter austerity policies, everywhere in Europe, progressive taxation, a tax for the rich and capital owners, and a financial transaction tax have to be introduced to increase state revenues. This has to go hand in hand with a restructuring of financial markets: capital control has to be re-introduced; tax heavens must be closed; the power and size of banks that are “too big to fail” has to be reduced: banks that were saved by public money have to become public property and public service institutions.

(1) The EU economic governance Sixpack describes a set of European legislative measures to reform the [Stability and Growth Pact](#) and to introduce new macroeconomic surveillance .

Economic shock therapy in Greece

By Lois Woestman

What is Life Like in Greece These Days?

Tough for most of us. Greece has been undergoing economic shock therapy, with two structural adjustment packages in two years. The effects of the second are just starting to be felt. Our lenders are the “troika” – the European Commission, the European Central Bank, and the IMF. With a few exceptions, most of the conditionalities are like most structural adjustment programmes that have been carried out in the global south – measures aimed at cutting the public deficit, enabling us to repay our foreign loans, and become more “competitive”. Though, the EC institutions have been more austere than the IMF; maybe we should be speaking of a “Brussels consensus” instead of a Washington one.

To reduce government expenditure, large cuts in public sector services, jobs, and pensions have been carried out. Significant tax hikes – primarily VAT and income taxes – have been introduced, to increase state revenues. These tax hikes have hit hardest lower and middle class workers with steady incomes, not better-off professionals such as doctors and lawyers who still manage to “hide” much of their incomes. (Not to mention our “political class” which has spirited much of its substantial funds out of the country.) The tax hikes are causing our cost of living - which was already higher Berlin or Amsterdam before the tax hikes – to go up. A few privatizations have been carried out to enhance public revenues; many more planned.

Being in the Eurozone, we have been unable to devalue our currency, to make our goods cheaper, as many other adjusting countries have done. So, wages have been cut on average 40 to 50 percent to date, to bring down costs of labor, which is supposed to encourage foreign direct investment. A regular public servant now earns around 800 Euro/ month, close to the approximately Euro 700 minimum

wage. Youth start their first jobs at around Euro 500.

Fear is growing, as the gap between incomes and cost of living widens. A quarter of us are unemployed; youth unemployment has hit 50%. A third of us live in poverty. Hunger and homelessness, practically unknown before, are becoming public phenomena. Our health system is declining. Day to day life is made harder, with all the strikes.

Our democracy and sovereignty have taken knocks. For months, we had an unelected ‘technocrat’ PM. Police repression has increased. Foreign advisors have been placed in our economic ministries, and the Troika plays a role in setting our election dates. Little control remains over how the government uses the loans: the second adjustment package stipulates that first the loans go to pay back debts, and then what left can be used by the state.

As a result, many Greeks are losing their “Zorba the Greek” joie de vivre, ironic sense of humor – tenacity - and are depressed. Our suicide rate has increased 40% over the past year.

The outcome of all this pain is no gain. Adjustment is not working. We have had a recession for five years running. GDP has dropped by 16%. With no growth mechanism in place, this trend looks to continue for the unforeseen future. Dropping income tax revenues due to lower wages/unemployment are causing our public debt to grow, not shrink. The cost of servicing our debt remains fairly high, due inter alia to EC/ECB insistence on interest rates higher than those recommended by the IMF. Our debt/GDP ratio has ballooned to 170%. One of the main aims of the second adjustment programme is to bring it back down to 120% by 2020 – where it was before we started structural adjustment!

Feminist analysis

Women's labor force participation, low by European standards, was increasing prior to adjustment. This trend has reversed. More men than women lost their jobs initially. But, with public sector job cuts, more women than men are losing them now. More young women than men are unemployed. Many young women "choosing" to be "just housewives" because they see no chance for a meaningful career.

Time poverty is on the rise, for men and women, in different ways. According to an OECD study, "the lazy Greeks" were already working more hours than their European counterparts before the crisis. Trying to fulfill their breadwinner roles, given low salaries, many men are taking on more paid work. Women's unpaid work is increasing to make up for cuts in state services and in monies families were paying out to others to help with the house/care work – causing many immigrant women to lose their jobs. Few men seem to be stepping in to help with the unpaid work. Single heads of household, mostly women, face a particularly difficult combination of income and time poverty, are becoming increasingly indebted and economically dependent on family and friends.

Resistance, solidarity and survival strategies

Not much needs to be said about Greeks' resistance. The marches, the "discontenteds" occupation of Syntagma square and direct democracy practices, the "I won't pay / I can't pay" campaigns, have been publically broadcast. What you may not have noticed is that none of these protests are specifically feminist. Gender issues have taken a back seat to class ones, not least because the feminist movement (as the left more broadly) remains divided along party lines.

As traditionally the case, families and friends circles continue to support each other. While they can provide less financial assistance than before (e.g. grandparents giving part of

their pensions to their grand/children), unpaid exchanges of services within these circles (a grandmother doing the child care work, a dentist taking a chicken instead of cash) are on the rise. Traditionally, there was little sense of common good outside these circles; instead, they would compete for resources. And this behaviour is growing, as fear grows.

However, in counterbalance, new kinds of (extra-state) solidarity – and with them new notions of citizenship – are emerging beyond these circles. Producers are starting to directly market their produce, which brings prices for consumer down by cutting out "middlemen". Exchange currencies have emerged that facilitate people bartering for necessities. Direct exchanges without currencies are often organized spontaneously on squares. And, "giftings" – cleaning of sidewalks, free yoga classes – are on offer by people who "just want to do something to help" and/or are working toward creating new types of all-encompassing, non-profit-oriented, citizenship. These movements are as yet not coordinated with each other, to form a cohesive "alternative".

Women and men are involved in these extra-party movements. However, a clearly feminist voice has yet to emerge from within them. It remains to be seen if, as in formal politics – especially because most of these activities are unpaid – whether women will be doing most of the work while men do most of the talking.

Feminist vision – strategic demands and proposals

For Greece

Greek feminists need to do some "reactive" work – including gender responsive budgeting, support a debt commission – as well as to collaborate beyond party/movement divides. "Proactive" work, such as rapid qualitative assessment of the gender effects of the crisis, and economic literacy to form an informed and active feminist voice, are also needed.

For Europe

I came to and stayed in Europe because it had a better balance between the state and the market, and more developed practices of equality and solidarity, than what I had known growing up in the US. Instead of less, we should be demanding more Europe: a real economic union, with a common welfare state across EU, including a common minimum wage, minimum health care protection, etc.
(continued in next column)

The feminist movement in Europe has a great deal of experience in imagining and proposing what such a solidarity economy - that takes generational and non/citizen as well as class and gender dynamics into account - could look like on national and EU-wide level. We need to play a lead role in fostering the emergence of a pan-European 99% movement.
(continues below diagram)



Diagram developed by Lois Woestman

One of the challenges we will face in this process is the fact that feminists in "core" economies (Germany, Netherlands, etc) that have been slowly "adjusting" over the past decade or so while enjoying economic growth, and whose states still provide however minimized gender and broader social solidarity support, may still see the state as an ally. Many of us in Greece (and I suspect in the "peripheral PIIGS), whose states are indebted largely because they bought core country weapons and borrowed from core country banks to maintain their

growth, are experiencing our state as changing into a primarily extractive one. In elaborating our common strategies, we European feminists will have to overcome this core/periphery divide.

How the financial crisis is moving into democracy and equality for Spanish Women

By Begoña San José, ACSUR Las Segovias y Forum de Política Feminista

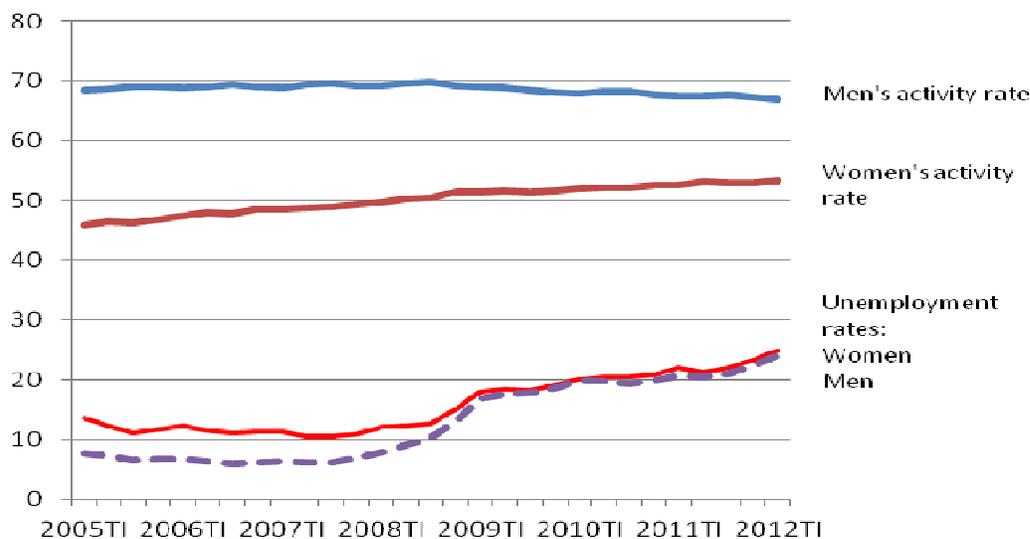
Spain has the highest unemployment rate in the European Union.

Unemployment is the worst consequence of the financial crisis in Spain. Spain has the highest unemployment rate in the European Union. According to the Labour Force Survey (LFS) of the first quarter of 2012, the male unemployment rate is 24.09%, the female one 24.86%. Over five and a half million people, 2.615.700 women and 3.023.800 men, are unemployed. Only 56% of men and 53% of unemployed women are receiving state assistance.

Unemployment is even higher among people under 25 and among immigrants: Over half of young people (52%) are unemployed. The unemployment rate of immigrants is 37%,

while they have fewer savings and poorer and less extensive families in the country to help them.

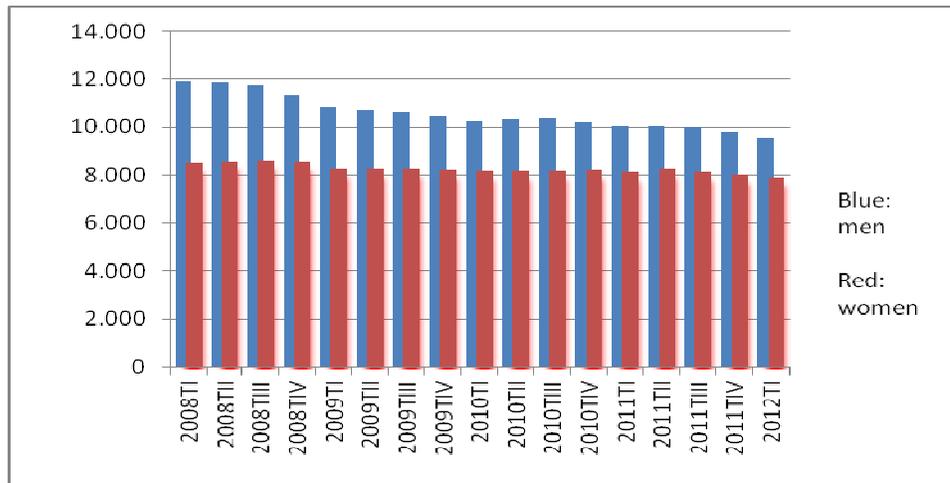
What about women? In this crisis, unlike in those of the 70s and 90s of the last century, women's unemployment rate remains slightly higher than that of men, though the difference between them is shrinking. So far, there has not been a "discouragement effect": Women do not withdraw from seeking employment. On the contrary, though slowing down now, the female labour force participation rate has continued to grow - from 50.5% in the third quarter of 2008 to 53.3% in the first quarter of 2012 - including 689.000 women newly employed or seeking for a job.



Unemployment and activity rates by gender, Spain 2005-2012

Does that mean that the financial crisis has a milder effect on the employment of women? No, because in addition to women's higher unemployment rates, women's jobs are worse: lower-paid, with less social protection

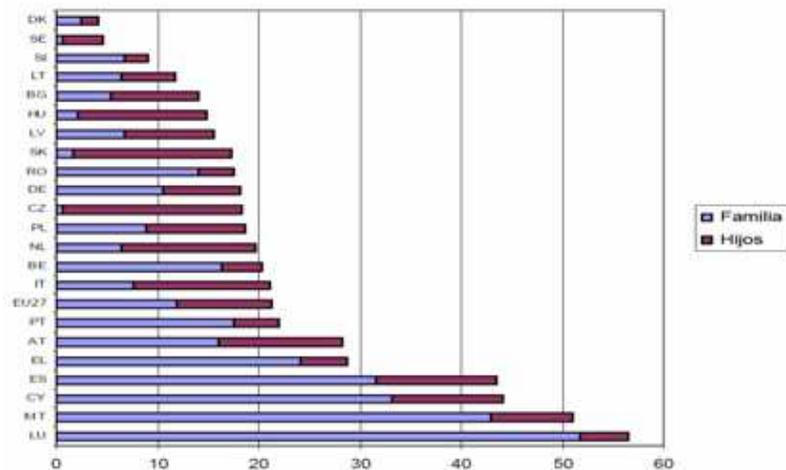
and greater seasonality. Moreover, the government is promoting (unwilling) part-time jobs for women, "for the conciliation of work and family life".



Employed men and women in Spain, 2008-2011 (in thousands)

The division of family care is more unequal in Spain than the average in the European Union. Spain is the fourth country in the EU, after Luxembourg, Malta and Cyprus, in the proportion of women outside the labor market caring for children or relatives, as noted in 2010 by the Beijing +15 Report of the EU. This leads to a lower labour force participation rate of women and lower productivity.

This feminization of care determines women's access to education, democracy and economic independence, and hinders the transition from a social model based on the breadwinner/man and the caregiver/woman, to a more balanced model with men and women sharing equally employment and care tasks.



Percentage of Women out of the Labour Market and Involved in Family or Descendant Care, by Country in the EU

Source: Eurostat-EU EPA. Reproduced in Figure 4.1.3 of the report Beijing +15: the Platform for Action and the European Union, the Swedish EU Presidency, 2010

The Property and Financial Bubble, the State and the Families.

The crisis in Spain, derived from a crash in the international financial system, was aggravated by the overgrowth of the real estate sector. The Spanish model of growth, employment and consumption was, in the last years, strongly supported by building and infrastructure construction industry, whose labor is mostly masculine (93%). From 2008 to 2012, the crisis destroyed 2.396.600 jobs among men (58.3% in the construction sector) and 572.500 jobs occupied by women (38% in industry and 40% in services).

The predominance of the construction sector in Spain's economy(1) and employment in the period 1995-2008, was consistent with a model in which both market and state collaborated to deregulate employment, and promote ownership of houses (only 13 % of the population lives in rental housing), financed by banks with mortgages loans for 20 or 30 years, leading to a frenzy of construction, with a significant adverse environmental impact.

One of the main contributions of feminism to debates about the economy is the demonstration that not only the market and the state produce goods and services, those taken into account by the official indicator, the gross domestic product (GDP). Instead, unpaid domestic work, done mostly by women, is productive work as well.

The feminist movement in Spain is organizationally fragmented, and the economic rights of women have not been its priority, but there is a sector working steadily on two basic lines:

- equality in employment and social protection
- recognition of the care of children and dependents and its sharing in family and society.

Some groups, like the women at the Youth Council of Spain, which has an observatory

on housing, have stated that the "property" model, which absorbed from 30% of household income in 1999 to 50% in 2007, is unsustainable especially for young people. Besides, it excessively constrains and delays their emancipation. Lawyers and women's organizations that provide counsel on divorce situations have warned: marriage was becoming a "project of common mortgage" that prevails over the will to live together and compromises the custody of the children.

In 2009, the Platform for Mortgage Subjects (2) was formed which has the motto "from the housing bubble to the right to housing". They stand for:

- The complaint that the ratio between household debt and income grew from 45% in 1995 to 140% in 2008. With the crisis and soaring unemployment rates, between 2007 and 2010, there have been 271.570 families evicted by banks from their half paid homes, and forced to continue paying the debt.
- Solidarity, providing advice, support and the organization of concentrations of dozens of people at the moments of forced evictions. They obtained a high visibility in media and society, achieving temporary freezes and sometimes negotiation of up to 216 eviction cases.
- The promotion of an alternative: They collected 500,000 signatures for a Popular Legislative Initiative, asking for the forgiveness of the mortgage debt after eviction. It also considers the possibility to renegotiate debts with rental contracts involving no more than 30% of the income, in order to avoid eviction of the unemployed.

Activities of the Spanish Feminist Movement

The Spanish feminist movement of the last years has embarked on popular activism focusing on political and regulatory norms as well as academic research and debate. Some key moments, actions and demands have been the following:

1. Three congresses of feminist economics, held in 2005, 2007 and 2009(3), which have encouraged work on the gender impact of public budgets, the assessment of unpaid housework, etc. From June 27th to 29th, 2012 the 21st Conference of the IAFFE (International Association of Feminist Economics) will be held in Barcelona.

2. The calculation of the value of unpaid housework as 27% of the GDP, a similar value to that of the public sector contribution. This was calculated by the National Institute of Statistics in 2008, implementing the Beijing Platform for Action of 1995. Unpaid housework in this calculation was valued at 4 Euro/hour, while the average pay of waged employees was 12 Euro for men and 8.9 Euro/hour for women.

3. The Act on Care of Dependent Persons (needing assistance in getting up, washing, eating, etc.) was approved in 2006 after nearly a decade of vindication by elderly and disabled people associations, feminist organizations and unions. It has been the most ambitious bet on social care delivery, by placing on the agenda the care of 2.3 million people, until now provided by women in the family (81%), domestic servants (13%) and in only 6% of the cases, by social

services. Its application is however very deficient. The funding initially foreseen as necessary was 3% of GDP, but so far has not gone beyond 0.64%. It should have created 600,000 new jobs but has generated only 165,000. Of the 2.3 million persons in a situation of dependence, only 760,000 have been

reached by the measures introduced by the law. Besides, half of the benefits have been paid to the caretaker relatives, thus perpetuating the sexist division of care. In 2012, the law has been rebated to exclude one third of the original beneficiaries, those with moderate dependence.



The revolution will be feminist or not

4. From global care chains to a fair status for domestic workers. Domestic service employs 750,000 people in Spain, 95% female and 60% immigrants. Almost 81% of them take care of children or dependents, and traditionally have had a special and disadvantaged labor law and social security situation. The Global Care Chains project of UN (INSTRAW 2008-2010) combines the feminist principles of caring with an analysis of migration. It shows how globalization has

maintained the sexual division of labor, creating feminized care chains that exports to the Southern hemisphere part of the care crisis of Northern countries. It also intensifies gender inequality of women migrants, without achieving a better family and social division of care in Northern countries.

The INSTRAW outcome were 17 proposals made by 29 associations of domestic workers, migrants and the feminist movement(4), demanding the integration of domestic workers in the general Health and Social Care System, the Workers' Statute and the Act on Care of Dependent Persons. They also demanded an immigration law to facilitate regularization by rootedness, family reunification and protection from violence and harassment, the rights of settlement of transnational families and the dialogue with the organizations of the workers themselves. In 2011, one hundred women and social organizations took on the claims and achieved three regulatory changes whose implementation, case by case and household by household, remains difficult:

- The Convention of the International Labour Organization on decent work for domestic workers, of June 2011.
- Amendment 39 of Law 27/2011 on social security, integrating progressively from 2012, domestic workers in the general Health and Social Care System.
- Royal Decree 1620/2011 which equates domestic workers to the rest for the minimum wage.

5. The paid paternity leave of 13 days, was included in the Equality Act of 2007, after the insistent plea of the Platform for Equal and Non-transferable permits for Birth and Adoption (PPIINA), which consists of 92 feminists and social organizations aiming at changing the model of man/provider and woman/caregiver for one with two-income and two-carer families. In 2010 the leave was enjoyed by 57% of parents.

6. A position against reductions in retirement pensions. In February 2010, at a public event, 75 women associations presented to the

spokespersons of the parliamentary groups, a Manifesto(5) for gender equality in pension reform, opposing the raise in retirement age, from 65 to 67. This reform is particularly unfavorable to women, as they frequently have had gaps in employee contributions. The alleged increase in contributors would be better achieved by the incorporation of 1.8 million women into paid labor.

7. Gender Impact of the National Budget. Since 2003 it is mandatory for all bills to be accompanied by a Gender Impact Report, but the Ministry of Finance has always refused to apply it to the National Budget Bills every year. In 2007 four women organizations, supported by several dozens of others working from the Platform for Gender Impact Now presented an appeal against the legal breach. Since 2009 the Government has presented such report, but just a rhetorical one, not mentioning monetary amounts or measurable goals and always claiming that everything being done is good for women's equality.

In 2012, nearly a hundred of feminist organizations have denounced that cuts affecting equality and welfare state policies, are particularly harmful for women. The public equality agency, besides being demoted, has had its budget reduced by 19.9% (the fight against gender violence, by 21.3%) while the overall ministries funds have gone down by 16.9%. In addition, funds to create pre-schooling have disappeared; there are large budget cuts for spending on unemployed and dependent people and development aid has gone down by 65.4%. Two days after the presentation of the 2012 National Budget, the Government announced a further cut of 10,000 million (3,000 in education and 7,000 in health care), together with additional payment for medication by retired citizens, and sharp reductions in other health benefits, such as those to pay abortions on women's demand.

8. The violet tide. On 10th October 2011, there were demonstrations of women wearing black and purple colors in 43 Spanish towns, complaining against cuts in public budgets and

black and purple colors in 43 Spanish towns, complaining against cuts in public budgets and the closure of State Institutions for Equality Policies and pleading for a Law of Personal Autonomy and a Law on Sexual and Reproductive Rights.

9. The alliances of the feminist movement to face the crisis.

Trade unions.

Since May 2010, when the previous government began cuts and deregulatory reforms, especially in employment, there have been two general strikes. The relationship of feminist organizations with unions had been worsening over the last decades, despite a history of collaboration on common platforms during the 1970s and 1980s. However, unions and feminist organizations working for equality in employment and maintenance of the welfare state have common objectives and need to join forces for democratic mobilization against the unprecedented cuts. Some, rather few, feminists have actively participated during the last strike campaigns.

The movement of the "angry" or 15 M.

Started in 2011 by two groups with meaningful names: Youth Without a Future and Real Democracy Now. Working through social networks, not the traditional social and political organizations, they were able to bring together tens of thousands on 15 May (therefore the name 15 M). This movement succeeded in drawing attention off the municipal election campaign, while not influencing the election results directly. Encamped in central streets, they extended the movement to neighborhood and village assemblies, mobilizing hundreds of thousands of people in June, July and October. They were evicted by police in Barcelona and Madrid, but the movement keeps alive. In Madrid, a few days after 15 M, a few feminist activists decided to pitch a tent with a banner saying "the revolution will be feminist or will not be" and started discussing a manifesto(6) against neoliberal policies, discrimination, violence and so

on. As in the parties and unions at the beginning of Spanish democracy, there are feminists with "double militancy" in both feminist organizations prior to 2011 and in 15 M, and are achieving an important pro-feminist ideological influence. However, the movement's dislike for organizations, not just the big parties and unions, but also social NGOs, hinders cooperation in actions not fitting in their way of work.

Feminists in Spain and Europe.

Many feminists have defended the "European Social Model" and the welfare state as a framework conducive to progress towards equality between women and men. However, in the recent past, the European Union seems to represent not only neoliberalism, but a solution to the crisis in which the state does help only the financial sector. Such a notion of the state is far from the goal of redistribution and reactivation of the economy, and far from responding to the citizens needs. If the destruction or privatization of public education, health care, and social solidarity services goes on, women are going to be especially harmed as caregivers, employees and citizens(7). There is evidence that a social division of care could constitute an alternative to mitigate the crisis and help to build a socially and environmentally sustainable model. The revitalization of WIDE, with the leverage and expertise of its previous stage, could serve to it.

Women of Latin America and worldwide.

Cooperation for development has helped Spanish feminists, usually loosely organized internationally, to find in Latin American feminists not only the enrichment of a movement very involved in the social issues and the vindication of the economic(7) and social rights of women, but a new window to the world. As noted by the Gender Group at the Coordination of Spanish Development NGOs (CONGDE), representing 400 organizations and 92 NGOs, the Master Plan for the Spanish Development Aid Agency 2008-2011, stated that 9% of its budget should be devoted to gender equality and 6% to reproductive health (6%). The amounts actually spent

should be devoted to gender equality and 6% to reproductive health (6%). The amounts actually spent on those objectives were however only 2.42 and 2.72%. The recent 65% reduction in the 2012 budget of the Agency forces us to search for emergency strategies to avoid previous efforts being wasted.

(1) Residential construction doubled its GDP share between 1997 and 2007, from 4.7% to 9.3% and multiplied by six the mortgages loaned to purchasing families and development companies. In 2005 over 800,000 homes were completed and in 2006, 900,000 were sold, with price increases that peaked 20% in 2004. [Click here for publication.](#)

(2) <http://afectadosporlahipoteca.wordpress.com/>

(3) Some of the participants have been have been Prof. Yolanda Jubeto, Paloma de Vil-

lota, Lina Gálvez (author of "Unequal. Men and Women in the Financial Crisis", Carmen Sarasua, Mercedes Larrañaga, María Pazos, María Luisa Moltó, Lourdes Benería, and Cristina García, as well as Cristina Carrasco, who, as Maria Angeles Duran, has spent decades publishing research on domestic work

(4) The project was launched in Spain by Amaia Pérez Orozco, Silvina Monteros and Silvia López Gil. The findings are shown in <http://www.acsur.org/Un-lugar-justo-para-el-empleo-de>

(5) [Click here](#) for publication.

(6) www.tomalosdatos.alboan.org/.../DossierComisionFeminismos15M

(7) See Helga María Hernes "The power of women and the welfare state". Ed. Vindicación Feminista, 1990.

Some Thoughts on the crisis in Italy

By Wendy Harcourt

Italy has been in recession for a while – there has been growing precarity of jobs, public sector cuts in education and health, leading to an increase in unpaid care work non cash economies (time banks and the like) and a growing insecurity resulting in fears and xenophobia including violent attacks on migrants. The one good thing about the crisis is that it ended Berlusconi's regime, but the public debt remains at 120% of GDP or around 1.9 trillion Euro.

The main issues Italy is facing is a lack of democracy as in order to deal with the crisis Monti, a suave Professor from the top university of Milan, and a Goldman Sachs man, has been brought in to govern through a technical

set of appointees. The talk is of rigour and robust government of the need for growth and austerity package - which was granted - 40 billion. Certainly the appointment of Monti has boosted confidence in the market and restored Italian sense of identity (after the buffonery of Berlusconi). The focus is now on 'Grow Italy' or economic growth at the expense of the deregulation of the labour market, cuts in subsidies on medicines, greater tax control, new taxes on property and wealth which is largely hitting the lower and middle classes and threats to pensions. The grow Italy bill was forced through parliament along with 1,700 laws en masse, which most people do not know or follow but will feel as it is played out. Despite the talk of growth it is now accepted that there will be now recover until

until 2014 and a deeper recession in 2012 and 2013. Certainly Monti as the confidence of the international financial world so there seems to be no risk of another Greece the IMF is not keen to push austerity means nor does the EU want a repetition of Greek style cuts.

There is broad recognition that these reforms are going to benefit the elite class represented by Monti. There is a very fragmented impact as Italy has always had big divides between the rich North and poorer (mafia ridden) south. But in both the north and south there is a two tier labour market with people over 40 employed for life and young people with no job security, or even jobs. The reform of Clause 18 where 15 or more employees had more or less unlimited employment is now being undermines with a lot of pressure from business to move to short term contracts. This loss of job security is mostly being negotiated behind close doors between the big unions and government. There is a growing recognition that all the strikes are making no difference, - they are just to allow people to let off steam – meanwhile it is business as usual and Fiat and others continue to shed jobs.

For women they have not had a big share of political or economic power so there is not a huge change, most are still traditionally doing jobs in public health and education – where the cuts are most evident. In some parts of southern Italy there is 70% unemployment for young women. The increase in informal work, care work is evident, particular as migrants who moved to Italy to do those jobs are now becoming less affordable, as Italian women take back the work of caring for children and the aged. The pressure is evident. There is a worrying increase of suicide – all over Italy though again higher in the poorer south, a breakdown of services in hospitals and schools:

In terms of responses – there are many marches, from organised to spontaneous demonstrations – Occupy welfare for example outside the ministry was a flash mob called at a particular cut in health provision. But overall I would say there is a sense of resignation as people are at loss at what to do beyond hang on their job, and hope their pension survives. As I said for women it has been such a struggle to gain child care and job security and a voice in politics the gains made are being rapidly lost.

Nevertheless unlike the firey response of the Greeks, the Italians are keeping face. I feel that there is a sense that Monti has rescued the Italian image, even if things will be difficult there is appreciation that he is in charge. Certainly he is a much more presentable face of Italy than Berlusconi. Overall, there is the need to get on with life – and Italy it is still the family and the church that provides support for most people. Despite the talk Italians are conservative. The anti-globalization movements and underground radicals are not engaging in mainstream politics for various historical reasons. Young people are voting with their feet and leaving to Germany or other European destinations. There is not much sense of hope nor solidarity among Italians – small businesses are closing every day and fly by nights spring up and close. Even if feminists have come out on the streets to protest against their lack of voice and continued domestic violence which is certainly inspiring, and women are finding ways to engage at the local level, at the national level there is no sense of political leadership certainly not a feminist one, nor even a progressive left voice. There continues to be huge fragmentation among the left and lack of long term vision. The democratic deficit is worrying as Berlusconi continues to control the media and he has such little integrity he could well try again to take power – it is a well-known he would like to be President of Italy.

GERMANY: Policies Divide People

By Christa Wichterich

It was Germany that blocked a substantial economic stimulus package on the European level. In 2009, it launched a constitutional amendment to cap fiscal deficit, saved banks and export corporations while a strict austerity course was announced and wages were frozen. While billions were at hand to rescue banks, the state is not in a position to provide – as promised- a sufficient number of kindergartens and day care centres, in particular in West Germany. For Germany's export industry, wage cuts and the precarisation of employment meant an increase in international competitiveness. Therefore, export rates quickly recovered; corporate and bank profits went up again; the capital of millionaires increased. Despite the EU cap on boni of bankers and brokers, in Germany these are back to the pre-crisis level. However, the same remedy – wage cuts - prescribed to Greece whose industries are internationally not competitive, has adverse effects over there.

As export-oriented country, Germany's trade balance is highly dependent on other countries, primarily on China but as well on the purchasing power and economic stability of other EU countries; 42 % of its exports go to other EU member states. Therefore economic stability and liquidity in the whole Eurozone are in Germany's "national interest".

German corporations are deeply involved in pushing Greece into debt. E.g. the German multinational Siemens which is notorious for corrupt business practices all over the world bribed Greek politicians to get highly profitable contracts in the country. The German arms industry sells military equipment worth billions of Euros to Greece and despite of all the austerity ideology even now gets into new contracts with Greece. Mrs. Merkel represents

German corporate interests when she insists on budgetary discipline and debt repayment.

Politicians and media link the economic performance of countries and individuals to stereotypes of hard work and laziness. This holds true for long-time unemployed people in Germany who receive social support as well as for Greek people. This strategy dismantles solidarity and divides people within the country and between countries in the EU. It is at high risk to nurture xenophobia and racism, and to strengthen right wing and nationalist forces.

For the majority of the German population, the crisis meant growing insecurity. They are highly disenchanted with political parties and lost confidence in electoral policies as there is not much difference between the parties after getting into power. Despite of the quick GDP recovery, restructuring of the labour market and the social welfare model is a continuous neoliberal project. Paradoxically, unemployment is decreasing, meaning more people have a job while the actual working time is stable and low-income precarious sectors, in particular in services, are growing faster than anywhere else in the EU; increasingly, precarisation effects now the middle class and high skilled people; upward mobility is low.

During the crisis, within the EU-propagated "adult worker model" and the ongoing erosion of the male breadwinner model, the number of women in Germany who are the main or even only breadwinners for their households increased though the majority is in part-time and low-paid employment. Like in the global South, women are willing to moonlight or take up two or three mini-jobs to make ends meet.

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In 2009 the government rescued those sectors which are “relevant to the system”, in particular banks and export industries. The social infrastructure and care work was not considered to be “relevant to the system”. This triggered an unprecedented feminisation of labour struggles: increasingly care workers demand both, recognition and better pay for their work: for example, employees in kindergartens, teachers who are no civil servants, nurses and caretakers in old age homes went on strike in parts of the country.

These strikes and protests are part of a democratisation from below which goes along with the disillusion with liberal democracy. After Fukushima, the revitalised anti-nuclear movement was able to force the government to set a date for closing down all nuclear power plants. The movement “Stuttgart 21” against the construction of a huge and costly new railway station in the middle of the city of Stuttgart claimed railway transport and the station as public good, as commons which should be open to democratic decision making. Similarly, protests against night flights at Frankfurt airport claimed the night for a peaceful sleep as a common good while industries insisted that globalisation makes 24 hour flights necessary. A court decided in favour of the local population and their right to sleep.

Occupy and blockupy are popular in many German cities, particularly in Frankfurt. However, the state is extremely nervous about protests close to the ECB, the stock exchange and the big banks, and recently tends to even forbid demonstrations.