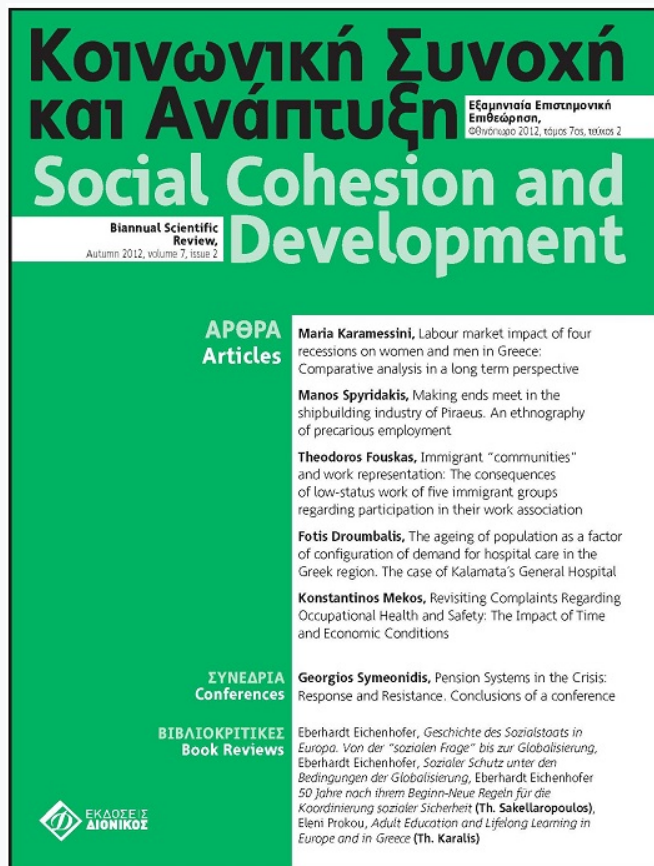


## Social Cohesion and Development

Vol 7, No 2 (2012)



### Labour market impact of four recessions on women and men in Greece: Comparative analysis in a long term perspective

Maria Karamessini

doi: [10.12681/scad.8978](https://doi.org/10.12681/scad.8978)

#### To cite this article:

Karamessini, M. (2016). Labour market impact of four recessions on women and men in Greece: Comparative analysis in a long term perspective. *Social Cohesion and Development*, 7(2), 93–104. <https://doi.org/10.12681/scad.8978>

# Labour market impact of four recessions on women and men in Greece: Comparative analysis in a long term perspective

Maria Karamessini, *Panteion University*

## Επιπτώσεις ανά φύλο τεσσάρων υφέσεων στην ελληνική αγορά εργασίας: Συγκριτική ανάλυση σε μακροπρόθεσμο ορίζοντα

Μαρία Καραμεσίνη, *Πάντειο Πανεπιστήμιο*

### ABSTRACT

The current economic crisis in Greece has produced a dramatic fall in male and female employment and driven unemployment to historically unprecedented levels. This article compares gender differences in the labour market impact of the current crisis with those of the three previous recessions: 1974, 1980-83, 1990-1993. We have found large discrepancies in the gender impact between the four recessions. These are due to differences in their nature and duration, the sectors and industries hit each time and the trends of women's labour force participation before the eruption of the crisis. The structural nature of the current crisis and the negative repercussions of the deep and prolonged recession on the services sector that concentrates the great bulk of female employment explain why the gendered labour market impact of the current crisis is different from that of previous recessions. Male employment has been more hit than female employment until now, but the spread of the recession to services reversed the long term trend of increase in the female employment rate. By contrast, in all three previous recessions, the tertiary sector had played a protective, compensating and enhancing role for women's employment.

**KEY WORDS:** Recession, labour market, gender

### ΠΕΡΙΛΗΨΗ

Η τρέχουσα οικονομική κρίση στη χώρα μας έχει οδηγήσει σε δραματική συρρίκνωση της ανδρικής και της γυναικείας απασχόλησης και την ανεργία σε επίπεδα χωρίς ιστορικό προηγούμενο. Στο άρθρο αυτό συγκρίνονται οι επιπτώσεις της τρέχουσας κρίσης σε άνδρες και γυναίκες με αυτές των τριών προηγούμενων υφέσεων: 1974, 1980-83 και 1990-93. Διαπιστώνουμε μεγάλες διαφορές μεταξύ των τεσσάρων υφέσεων, που οφείλονται στη διαφορετική φύση και διάρκειά τους, τους κλάδους που κάθε φορά πλήττονται και τη δυναμική της γυναικείας συμμετοχής στο εργατικό δυναμικό πριν το ξέσπασμα της κρίσης. Η διαφορά της τρέχουσας ύφεσης σε σχέση με τις προηγούμενες ως προς τις επιπτώσεις φύλου απορρέει από το δομικό της χαρακτήρα και τις επιπτώσεις της παρατεταμένης και βαθιάς ύφεσης της οικονομίας στον τομέα των υπηρεσιών, όπου συγκεντρώνεται ο μεγάλος όγκος της γυναικείας απασχόλησης. Αν και, μέχρι σήμερα, η απασχόληση των ανδρών έχει πληγεί περισσότερο από αυτή των γυναικών, η επέκταση της ύφεσης στις υπηρεσίες αντέστρεψε τη μακροχρόνια τάση αύξησης του γυναικείου ποσοστού απασχόλησης. Αντίθετα, και στις τρεις προηγούμενες υφέσεις, ο τριτογενής τομέας είχε παίξει προστατευτικό, αντισταθμιστικό και ενισχυτικό ρόλο για τη γυναικεία απασχόληση.

**ΛΕΞΕΙΣ-ΚΛΕΙΔΙΑ:** Ύφεση, αγορά εργασίας, φύλο

## 1. Introduction

**S**overeign debt crisis triggered the most severe structural crisis in Greece's recent history, which has already had extremely damaging effects on employment and has caused a dramatic increase in unemployment. The cumulative decrease of GDP in 2009, 2010 and 2011 was 13.5% while, between December 2008 and December 2011, employment fell by 12.6% and the unemployment rate rose from 8.9% to 21%, which is a historically unprecedented level. Male employment has decreased more than female employment since the beginning of the crisis, but the unemployment rates of men and women rose equally by 10 percentage points. Nothing of the like had occurred in the three previous recessions (1974, 1980-83, 1990-93). Hence this article aims to document and explain differences between the four recessions regarding their labour market impact by gender.

To comparatively analyze the gendered labour market effects of the last four recessions in Greece, we adopt the societal approach of gender and recession put forward by Rubery (1988) in order to interpret cross-country differences in the impact of the recession of the 1980s. This approach emphasizes the role of the institutional context in explaining the effects of recession in concrete country cases; in particular the role of the gender regime at the time of the crisis and its links with the particular features of the employment system and the welfare state. The framework can be also used for analyzing different recessions/crises in the same country.

The main argument in this article is that the dissimilar gendered labour market effects of the 1974, 1980-83, 1990-93 and 2008-... recessions in Greece are accounted for by differences in their nature and duration, the relative positions of women and men in the employment system and the extent and patterns of female labour force participation at the time of their advent. The current crisis is the first to have reversed the upward trend in the female employment rate since the beginning of the 1980s. Its structural nature and long duration and the severity of the austerity policy in recent years have greatly affected the service sector where women's employment is mostly concentrated. At the same time, female labour reserves have been mobilized as 'added workers' in the context of family strategies aiming to cope with reduced family income as a result of unemployment and austerity.

In the second section we briefly present the theoretical hypotheses on the relationship between economic crisis and women's employment and labour force participation. Our empirical investigation starts in the third section where we outline the developments of GDP and employment overall and by sector of economic activity during the last four recessions in Greece and comment on their nature, gravity and repercussions on female and male employment. In the fourth section we examine whether employment segregation by sex and industry has operated in favour of women during the current recession by taking into account the sex of employment in industries and the dissimilar distribution of men and women across them. In the fifth section we set the labour force participation behaviour of men and women during recessions in the context of the dominant male and female activity patterns in the periods preceding their advent and examine the joint impact of gendered employment effects and participation strategies of households on male and female unemployment rates. In the concluding section we summarize the reasons why the current crisis is original with respect to its gendered labour market outcomes.

## 2. Gender and economic crisis: analytical frameworks

**I**nternational literature theorizing gender and economic crisis distinguishes between first-round effects of recession on employment and second-round effects resulting from participation strategies used by households to cope with declining income; both effects vary by gender (Sabarwal et al. 2010). As regards employment effects, the relationship of women's employment and the recession has been summarized by three distinctive theoretical hypotheses giving different predictions (Humphries 1988, Rubery 1988). Under the 'buffer' hypothesis women are considered as a flexible reserve and will tend to be dismissed more than men from jobs in downturns; under the 'substitution hypothesis' women are a source of cheap labour and will tend to be hired in recession by employers willing to save costs by replacing men in jobs. The 'job segregation' hypothesis relates women's employment with labour demand in female-dominated sectors and occupations. According to this hypothesis, the concentration of women in certain industries, occupations and types of firms, specifically ones which are relatively insulated from cyclical variation in output and employment, affords them relative protection in the downswing (Milkman 1976, Bettio 1988). At a particular recession, these hypotheses can apply simultaneously to different subsectors of the economy (Humphries 1988) although their importance in determining the final employment outcome may vary according to the context.

The first two hypotheses refer to cyclical effects and labour market flows while the third to secular trends of the job structure, which remains rigid in the short term. However, they can be compatible if one considers that female labour reserves are mobilised at particular historical junctures that will determine the sectors and occupations in which women will be concentrated in the next period. Recessions and major crises can be thought as critical historical junctures. The above-mentioned hypotheses have not gone without criticism. Most importantly, especially in the economically advanced countries, women have made significant progress not only into paid work but also in the permanent and protected segments of the workforce. This has diminished their role as a buffer mechanism, since only a minority of them is concentrated in unstable jobs or participates voluntarily in labour market flows (Rubery 1988).

With respect to labour supply strategies, the added and discouraged worker effects (Mincer 1962, 1966) operate simultaneously during the crisis leading respectively to an increase or a decrease of female activity rates. The 'buffer hypothesis' mentioned above is compatible with the discouraged work effect, since women's activity rate may fall as discouraged women leave the labour force, while the 'substitution hypothesis' matches with the added worker effect, since households respond to substitution by 'adding' to the labour force inactive female members (Humphries 1988). However, neither the added nor the discouraged work effect are tied to the buffer or substitution effects, since inactive women can be driven in the labour force by lack of household income regardless of any job offer while discouragement can be caused by lack of job opportunities among the inactive and not only among the victims of labour shedding.

The longer run economic and social context of a recession is crucial in determining the specific implications for women, since the reaction of employers, workers and families to recessions vary with national industrial and trade union circumstances and the prevailing family model. Besides, policy responses to the crisis and changes in the character of policies matter since their labour market effects differ by gender. Economic policies can be counter-cyclical or aim at fiscal consolidation while employment and social policies may be used to maintain employment or facilitate withdrawal from the labour force (Smith and Villa 2010).

### 3. Employment effects of four recessions on women and men: A sector analysis

Research on the labour market implications of recessions/crises for women and men in Greece is scarce and carried out exclusively by historians. As regards the interwar period, Avdela (1990) has convincingly demonstrated that rising unemployment in the 1920s and 1930s became an excuse for men unionists and antifeminists to repeatedly demand the institutionalization of male precedence in paid work in both the public and private sector. She has documented that the rules for dismissals in banking and the public sector prioritized female employees, especially those married, while in 1935 women were banned from hires in the civil service to posts other than teachers, nurses, typists and cleaners. The last measure was though immediately revoked, after the successful appeal of the Greek feminists, namely the League for Women's Rights, to the International Labour Office (ILO). In 1933, the ILO conducted a survey that revealed extensive substitution of men for women in jobs. This was due to the very low female relative to male wages and/or the introduction of new production methods that allowed the replacement of skilled male by unskilled female workers e.g. tobacco industry (Liakos 1993, p. 297). Given the analytical framework presented in the previous section, we can ask the following question. Did the 'substitution effect' prevail over the 'buffer effect' in the interwar period or vice versa? It seems that the former is true, since the female activity rate and women's employment was on the rise in the 1920s and 1930s. This has led Avdela (1990) to conclude that the issue at stake in the interwar period was not women's entitlement to paid work as such, but rather the kinds of paid work women would be allowed to do. It is though certain that substitution practices of employers were fiercely resisted by the male-dominated unions of this era.

Research on the employment effect of post-war recessions by sex and its determinants is lacking. To some extent this is due to the incompleteness and limitations of official employment statistics. Until 1974, the only available statistics on employment, apart from those of population censuses, were quarterly data on employment in manufacturing establishments with at least 10 employed persons. The Labour Force Survey started in 1974 but covered until 1980 only urban and semi-urban areas. Notwithstanding the aforementioned difficulties, we present in Table 1 empirical evidence on the employment effects by gender of the 1975, 1980-83, 1990-93 and 2008-... recessions.

We have no intention to discuss here in detail the nature of the four recessions, for which an extensive literature exists. We recap some well-known facts about them and focus on their sector dimension which helps us understand gender differences in their employment impact.

**Table 1: Four recessions - GDP and employment Annual or base-to-final year changes (%)**

	1974	1980-83	1990	1993	2008-11
<b>Gross Domestic Product</b>	<b>-1.8</b>	<b>-3.7</b>	<b>-0.9</b>	<b>-1.7</b>	<b>-13.5</b>
Primary sector	4.8	13.7	-13.4	-0.3	
Secondary sector	-11.1	-6.1	-0.9	-1.4	-25.1***
Manufacturing	-2.8	-4.1	-5.0 (1989-93)		-27.2***
Construction	-31.2	-28.3 (1979-83)	-10.9 (1991-95)		-59.4***
Tertiary sector	2.6	5.9	1.6	-2,7	

	<b>1975*</b>	<b>1981-84</b>	<b>1990-94</b>		<b>2008-11</b>
<b>Total employment</b>	<b>4.2</b>	<b>-0.9</b>	<b>1.9</b>		<b>-13.6</b>
Men	3.5	-3.4	1.8		-15.4
Women	6.8	4.7	2.1		-11.0
<b>Primary sector employment</b>	<b>-1.0</b>	<b>-5.1</b>	<b>-11.2</b>		<b>-3.9</b>
Men	-2.0	-7.8	-7.2		-4.4
Women	1.6	-1.4	-16.2		-3.2
<b>Secondary sector employment</b>	<b>4.2</b>	<b>-4.7</b>	<b>-13.2</b>		<b>-32.0</b>
Men	3.5	-5.0	-12.1		-32.9
Women	7.3	-3.5	-17.1		-27.7
<b>Tertiary sector employment</b>	<b>5.2</b>	<b>5.2</b>	<b>17.1</b>		<b>-9.2</b>
Men	4.4	0.9	15.8		-8.4
Women	7.6	14.6	18.6		-10.2
Percent female of all employed - start year	23.8	31.4	35.2		39.3
Percent female of all employed - final year	24.3	33.1	35.3		40.5
	<b>1975*</b>	<b>1980-87*</b>	<b>1990-97</b>		<b>2007-11</b>
<b>Employment in construction</b>	<b>-4.2</b>	<b>-27.5</b>	<b>-1.3</b>		<b>-43.2</b>
	<b>1975*</b>	<b>1981-84</b>	<b>1990-92**</b>	<b>1993-97**</b>	<b>2008-11</b>
<b>Employment in manufacturing</b>	<b>8.0</b>	<b>-1.7</b>	<b>-2.9</b>	<b>-3.6</b>	<b>-27.3</b>
Men		-0.8	-2.8	-4.3	-25.8
Women		-4.0	-3.1	-1.9	-31.5

\* Employment data for 1975 and 1980-87 refer to urban and semi-urban areas only.

\*\* 1992 and 1993 data are not comparable due to changes in the NACE classification.

\*\*\*Production indexes.

**Sources:** ELSTAT (Labour Force Survey, production indexes) and Bank of Greece (Long-term statistical series of the Greek economy 1992 and Governor's Annual Reports 2000, 2001).

The 1974 recession encapsulates the joint impact on economic activity of the fall of the 1967-1974 dictatorship and the 1973 oil shock that pushed inflation from 4.4% in 1972, to 15.4% in 1973 and 27.2% in 1974. The secondary sector was the only one to contribute to the recession, since both the primary and tertiary sectors continued to grow in spite of it (Table 1). Construction was the worst hit industrial activity (-31.2%) followed by manufacturing (-2.8%). In 1975 the economy returned to strong growth that continued until 1979, although at lower rates than those achieved during 1967-73. At the same time, from 1974 onwards profitability and private investment engaged into a downward trend that lasted until the mid-eighties. With the recession of 1980-83 the economy openly entered a structural crisis from which it would recover only after the 1990-93 recession. The current recession, sparked by the global crisis of 2007-08 and prolonged by the sovereign debt crisis, put an end to the growth pattern of 1993-2008 and its underlying class coalition and compromises.

In all four recessions, the secondary sector was at the heart of negative developments in both GDP and employment. Besides, construction was more hit than manufacturing. The difference between the 1990-93 recession and the two previous ones is that primary sector activity also contracted. Additionally, in 1993 only, the activity of the tertiary sector decreased much more than

that of the secondary and primary sectors, thus contributing more than the latter to the recession. The current recession is the deepest and longest from all four, given its degeneration into a sovereign debt crisis in the end of 2009 and the magnitude of the fiscal consolidation effort undertaken since 2010. Although the recession started from construction and manufacturing, it was transmitted to services when unemployment and wage and pension cuts reduced income and consumption. The severity of the current on-going recession has no equal in Greece's recent history. It corresponds to a big structural crisis of Greek capitalism while the other three recessions corresponded to the peaks of a long-run industrial crisis that started in 1974, led to deindustrialization and prompted structural adjustment of industry in the next three decades. This long-run crisis is now intertwined with the other aspects of the current structural crisis of the Greek economy.

As for the employment effects of recessions, these generally appear one year after GDP contraction. Interestingly, the 1974 and 1990-1993 recessions are associated with an increase in employment.<sup>1</sup> Only during the current recession employment decreased while during the early 1980s it stagnated. In 1975 employment in the secondary sector increased (4.2%), because the growth of manufacturing employment (8%) more than compensated the decline of employment in construction (-4.2%). The large increase in manufacturing employment in 1975, despite the decline of activity by 2.8% in 1974, can be accounted for by the recovery of high growth rates in 1975 which were maintained until 1979. If the 1974 recession looks like a brief episode between two periods of strong growth, the recessions of the early 1980s and 1990s were much longer and can be thought as opening and closing phases of a long period of economic stagnation. Both had a deleterious impact on industrial employment while, in both, employment in the primary sector declined as much as industrial employment and employment in the tertiary sector increased to a smaller or larger extent. The distinctive feature of the current recession, apart from its severity, is that tertiary sector employment has received and is still receiving a strong blow by fiscal consolidation policies that are insistently cutting down public sector employment (reduction of temporary staff, non-replacement of exits to retirement) and reducing disposable income which purchases private services. The recessionary impact of fiscal consolidation and the ensuing job losses in the private sector of the economy further dampen the income of households and demand for private services.

We can now turn to the employment impact of recession by sex. Table 1 data indicate that women's employment increased during all recessions except for the current one, while men's employment grew during the 1974 and 1990-93 recessions and decreased significantly in the first half of the eighties and dramatically during the current recession.

The comparative growth of male and female employment in services, much stronger in the case of women than men, explains why overall female employment has not declined between 1981 and 1984 and why it has expanded more than the overall male employment between 1990 and 1994. The sharp fall in tertiary sector employment during the current recession, which has so far had a greater adverse effect on women than men, put an end to the protective, compensating and enhancing role that this sector has played for women's employment during previous recessions. The higher concentration of female than male employment in services (79.1% against 35.6% in the last quarter of 2008) has thus increased the vulnerability of women to the crisis during its second phase.

The contraction of employment in services drastically deteriorated after the implementation of austerity policies from 2010 onwards, aimed to achieve the fiscal adjustment goals prescribed in the Economic Adjustment Programme 2010-14 and the Memorandum of Understanding signed between the Greek government, the European Commission, the ECB and the IMF. The female employment rate fell by 3.6 percentage points between 2008 and 2011, thus interrupting the long term trend of upward growth established since the early eighties; 83% of the fall in the rate took place in 2011.

Men have suffered more than women from contraction of secondary sector employment during all recessions because of their high concentration in construction, which is a male-dominated sector. Although men have represented 70-73% of all employed in manufacturing since the mid-seventies, during the recession of the first half of the eighties and the current recession, women's employment decreased more than men's in this sector. This means that these recessions have hit disproportionately the female-dominated manufacturing industries (e.g. textiles, apparel) and/or that women have been more disposable than men within manufacturing industries (buffer hypothesis).

#### 4. Testing the 'amended' job segregation hypothesis in the current crisis

As mentioned in section 2, according to the job segregation hypothesis, the concentration of women in industries, occupations and types of firms that are less sensitive to the cycle provides them with relative protection against the adverse employment impact of recession. Hereafter we are going to test this hypothesis for job segregation by industry and sex in the current crisis. We distinguish between the initial and latest phase of the crisis by making the hypothesis that the negative employment effect of austerity policies started unfolding in the last quarters of 2010. Given that almost all industries have been negatively affected by the recession, we amend the job segregation hypothesis: women may be more or less affected than men according to the speed and acuteness with which the crisis is transmitted to the tertiary sector and the female-dominated industries.

**Table 2: Employment effects of the crisis in male-dominated, female-dominated and mixed-sex industries and contribution of these groups of industries to overall change in employment**

	Male-dominated industries*	Mixed-sex industries**	Female-dominated industries***
Share (%) of all employed in 2008Q4	26.7	59.4	13.9
Employment change (%) between 2008Q4 and 2010Q4	-15.3	-2.9	1.6
Contribution to change In overall employment	72.8	31.3	-4.1
Employment change (%) between 2010Q4 and 2011Q4	-15.2	-6.3	-7.0
Contribution to change in overall employment	42.8	44.9	12.3
Female share (%) of employment in 2008Q4	16.1	42.8	68.6
Female share (%) of employment in 2011Q4	17.2	42.2	67.5

\* Men>70% of all employed. These include: construction, mining and quarrying, transportation and storage, water supply-sewerage-waste management, electricity-gas-steam, manufacturing.

\*\*Women>60% of all employed. These include: real estate activities, information and communication, arts and entertainment, public administration-defense-social security, agriculture-forestry-fishing, wholesale and retail trade and motor vehicle repairs, professional-scientific-technical activities, food and accommodation, activities of extraterritorial organisations, administrative and support services, finance and insurance, other services.

\*\*\*70%≤men>40% and 60%≤women>30% of all employed. These include: education, health and social work, domestic services.

**Source:** Own elaboration of data from the Labour Force Survey (ELSTAT).



To be able to test the abovementioned hypothesis we have used the female share of industries in the beginning of the recession and certain criteria for the fe/maleness of industries to calculate the share of all employed concentrated in male-dominated, mixed-sex and female-dominated industries and the contribution of each group of industries to the change in total employment in each phase of the recession: -5.6% between the 4<sup>th</sup> quarters of 2008 and 2010 (first two years) and -8.5% between the 4<sup>th</sup> quarters of 2010 and 2011 (third year). We then compare the female shares of industries in the start and end of the whole period in order to identify the different impact of the recession on male and female employment within each industry and each group.

The results of the exercise are presented in Table 2. We can clearly deduce from them the following:

- (a) The male-dominated industries account for 72.8% of the contraction of total employment in the first phase and 42.8% in the second phase; remarkably more than their share of all employed at the start of recession (26.7%). This group gathers all the industries of the secondary sector.
- (b) The mixed-sex industries have contributed less than their share of all employed in the beginning of the crisis (59.4%) in both phases of the recession. However their contribution has increased between the initial and the latest phase from 31.3% to 42.8%. This group gathers the primary sector with most of service industries.
- (c) The female-dominated industries – education, health and social work, domestic services – concentrated only 13.9% of all employed at the start of the recession. Employment in this group of industries increased by 1.6% in the first phase of the recession. This is due to a substantial rise of employment in health and social work activities and domestic services, which was not compensated by the contraction of employment in education. In the latest phase of the recession, employment in this group of industries decreased dramatically (-7%). As a result, the contribution of the group to the decline of total employment was 12.3% in this phase, almost equal to the group's share in total employment in the beginning of the recession (13.9%).
- (d) Over the whole period of recession, male employment was hit proportionally more than female employment in the male-dominated industries; the opposite occurred in the mixed-sex and female-dominated ones. These developments must have been the joint outcome of 'buffer' and 'substitution' effects. However, given the overall contraction of employment in all groups of industries, the former effects must have dominated the latter in producing the final outcome.

The general conclusion we can draw from data analysis is that, although the male-dominated industries have contributed the most to the acute contraction of employment since the beginning of the current recession, the mixed-sex and female-dominated industries are tending to take the lead with respect to job losses as the recession proceeds. At the same time, these latter industries become de-feminized, since female employment is hit more than male employment in these groups.

## 5. Activity, employment and unemployment rates during recessions: a comparative assessment of the labour market effects by gender

**T**he labour market effects of recessions are not confined to their employment impact but extend to their effects on participation behaviour and unemployment. Table 3 shows that the decrease in the male employment rate during all the four recessions was followed by a smaller decline in the male activity rate, except for the recession of the first half of the 1990s

when the latter rate increased. In the case of women, their activity rate increased during all recessions: to the same extent as the employment rate in the mid-seventies; three times more than the employment rate in the first half of the eighties; moderately, against a slight decrease of the employment rate in the first half of the nineties; and considerably, against a great fall in the employment rate in the current recession.

**Table 3: Activity, employment and unemployment rates (%)**

	MEN	WOMEN
	Activity rate (15-64 years)	
1974*	79.9	22.5
1975*	79.8	23.3
1981	81.8	35.6
1984	81.5	39.9
1990	76.7	42.6
1994	77.4	43.8
2008	79.1	55.1
2010	78.9	57.5
2011	77.7	57.5
	Employment rate (15-64 years)	
1974*	78.5	22.0
1975*	77.6	22.7
1981	79.0	33.5
1984	76.5	34.9
1990	73.4	37.5
1994	72.2	37.1
2008	75.0	48.7
2010	70.9	48.1
2011	65.9	45.1
	Unemployment rate	
1974*	1.7	2.1
1975*	2.6	2.8
1981	3.4	5.9
1984	6.2	12.5
1990	4.3	12.0
1994	6.7	15.2
2008	5.0	11.4
2010	10.1	16.4
2011	14.9	21.4

**Source:** ELSTAT, Labour Force Survey.

As pointed out in section 2, the developments of the female activity rate during recessions can be understood only when placed in the longer-run context in which they belong. Namely, the 1960s and 1970s saw a significant fall in the female activity rate in Greece, but since the early 1980s we have witnessed a steady increase in this rate over the next decades. In a previous study, we have underlined that urbanization had a dampening effect on women's labour force participation in the 1960s and 1970s (Karamessini 2012). In 1961 the activity rate of women living in urban areas was 25.7% against 55.2% of those living in rural areas. Besides, twenty years later it had risen only by 2 percentage points, in spite of the considerable rise in the educational attainment of women. In the same study, we have attributed the stagnation of female activity rate in urban areas in the 1960s and 1970s to insufficient job creation in industry and services, indirect discrimination against the hiring of married women with children, direct wage discrimination which kept female wages very low and incompatibility of the working hours of full-time jobs with women's family responsibilities, which produced unfavourable working conditions for this group of women in the formal sector of employment (Petraki-Kottis 1990). Insufficient job creation in the urban areas explains why the increase in the female activity rate was modest in 1975 in comparison with subsequent recessions.

The continuous increase in the female activity rate from the early 1980s through the current crisis has been driven by a great number of supply and demand-side factors, in turn influenced by political, institutional and cultural changes (Karamessini 2012): the spectacular rise in women's education attainment levels; the shift in their attitudes about traditional female roles and paid work after 1974 and the fall in the fertility rate; the rapid development of services and the public sector and their needs for wage labour; the increase in female wages and the narrowing of the gender pay gap; and the need for a second income in the family to cover higher child costs entailed by more and better education and higher consumption aspirations. To the above factors one should add the availability of female migrants for care work since the beginning of the 1990s (Lyberaki 2011a) and the expansion of public childcare services in the 2000s. However, the employment growth in services by 5.2% between 1981 and 1984 (Table 1) must have played a decisive role for the spectacular increase in the female activity rate during the recession of the early 1980s (4.3 percentage points). The rise in the female activity rate was less important during the recession of the first half of the nineties, since the sharp fall of female employment in the primary and secondary sector may have attenuated the boosting effect of the spectacular increase of employment opportunities in services.

The current recession resembles to the previous ones in some respects and differs from them in some others. As in previous recessions, the female activity rate rose in 2009 and 2010, enhanced by the increase in employment in the female-dominated occupations and pointing to the dominance of the 'added worker effect'. When female employment collapsed in 2011, due to the great contraction of employment in services – including in the female-dominated industries – the female activity rate stabilized. This implies the rise in discouragement among many unemployed and inactive women, to an extent not seen in the previous recessions. The role played by migrant women in the changes in the female activity rate in the current recession is crucial (Lyberaki 2011b, Karamessini 2013).

## 6. Conclusions

The gendered labour market effects of the 1974, 1980-83, 1990-93 and 2008-... recessions differ in several respects. Differences are due to their nature and duration, the relative position of women and men in the employment system and the extent and patterns of female labour force participation in the preceding period.

The first three recessions were related to difficulties in capital accumulation in the industrial sector, mainly construction and manufacturing, and its repercussions on the whole economy. All three recessions had a stronger negative impact on male employment essentially because of men's over-representation in construction and manufacturing. During these recessions, the value added and employment in the tertiary sector expanded and women were the beneficiaries. At the same time, job growth in services had a stimulating effect on women's labour force participation boosted the female unemployment rate.

The current recession differs from all previous ones in that it corresponds to a big structural crisis of Greek capitalism which has shaken all spheres and sectors of the economy, not just the industrial sector. Fiscal consolidation policies that are being implemented since 2010 have deepened and prolonged recession and augmented its initial impact on services where 79.1% of women and 35.6% of men were concentrated in the last quarter of 2008. As a result, the female employment rate declined by 3.6 percentage points between 2008 and 2011 and the significant rise in the female activity rate during the first two years of the crisis was held back in 2011. Moreover, although the male-dominated industries have contributed the most to the acute contraction of employment from the beginning of the recession until now, the mixed-sex and female-dominated industries are tending to take the lead with respect to job losses as the recession proceeds. Sustained recession fueled by adamant fiscal consolidation has invalidated the protective, compensating and enhancing role that the tertiary sector has played for women's employment in previous recessions and has reversed the long term upward trend of the female employment rate, which started at the beginning of the 1980s. Its greatest impact though is to have totally upset the lives and plans of women and men who have lost their jobs, suffer from long term unemployment, and have seen their income and social rights drastically cut, struggle to survive or cope with reduced means and experience great uncertainty about their future. At the societal level, it is seriously damaging social cohesion.

## Notes

1. Since we cannot observe changes in employment for 1974 from Labour Force Survey data, we have looked at the index of industrial employment, based on a quarterly survey that started in 1964, and found that employment in manufacturing establishments with at least 10 employed persons increased by 1.1% in 1974. It is likely that employment in construction declined in 1974, but there are no available data to calculate change.

## Bibliographical references

- Avdela, E. (1990) *Female Civil Servants. Sexual Division of Labour in the Public Sector, 1908-1955*, Athens: Commercial Bank's Foundation for Research and Education (in Greek).
- Bettio, F. (1988) 'Sex Typing of occupations, the cycle and restructuring in Italy' in J. Rubery (ed.) *Women and Recession*, London: Routledge, pp. 74-99.
- Humphries, J. (1988) 'Women's employment in restructuring America: the changing experience of women in three recessions', in J. Rubery (ed.), *Women and Recession*, London and New York: Routledge, pp. 20-47.
- Karamessini, M. (2012) 'Female activity and employment trends and patterns in Greece: Women's difficult road to economic independence', in A. Buğra and Y. Özkan (eds.), *Trajectories of Female Employment in the Mediterranean*, Houndmills, Basingstoke, Hampshire: Palgrave MacMillan, pp. 65-90.
- Karamessini, M. (2013) 'Structural crisis and adjustment in Greece: social regression and the challenge to gender equality' in M. Karamessini and J. Rubery (eds.), *Women and Austerity: the economic crisis and the future for gender equality*, London and New York: Routledge, forthcoming.
- Liakos, A. (1993) *Work and Politics in Greece in the Interwar Period: the ILO and the emergence of new social institutions*, Athens: Research and Education Foundation of the Commercial Bank of Greece. (in Greek)
- Lyberaki, A. (2011a) 'Migrant Women, Care Work, and Women's Employment in Greece', *Feminist Economics*, 17(3), pp. 103-131.
- Lyberaki, A. (2011b) 'Greece caught between labour market and macroeconomic imperatives' in European Parliament, Directorate General for Internal Policies, *Gender Aspects of the Economic Downturn and Financial Crisis*, Note PE 453.208, Brussels: European Parliament, pp. 139-159.
- Milkman, R. (1976) 'Women's Work and Economic Crisis: Some Lessons of the Great Depression', *Review of Radical Political Economics*, 8(1), pp. 71-97.
- Mincer, J. (1962) 'Labour force participation of married women', in H.G. Lewis (ed.), *Aspects of Labor Economics*, Princeton N.J.: Princeton University Press.
- Mincer, J. (1966) 'Labour Force Participation and Unemployment', in R. A. Gordon and M. S. Gordon (eds.), *Prosperity and Unemployment*, New York: Wiley.
- Petraki-Kottis, A. (1990) 'Shifts over time and regional variation in women's labor force participation rates in a developing economy. The case of Greece', *Journal of Development Economics*, 33, 117-132.
- Rubery, J. (1988) 'Women and recession: a comparative perspective', in J. Rubery (ed.), *Women and Recession*, London and New York: Routledge, pp. 253-286.
- Sabarwal, S., N. Sinha and M. Buvinic (2010) 'How Do Women Weather Economic Shocks? A Review of the Evidence', *Policy Research Working Paper 5496*, The World Bank Poverty Reduction and Economic Management Network. Gender and Development Unit.
- Smith, M. and P. Villa (2010) 'Gender Equality, Employment Policies and the Crisis in EU Member States', Synthesis Report 2009, EU Expert Group on Gender and Employment, [http://ec.europa.eu/justice/gender-equality/document/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/document/index_en.htm)