

# Austerity isn't working and women in particular are paying the price for the folly of men who run the City and its institutions

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**Scarlet Harris** argues that austerity is failing to cut the nation's debt and has delivered high unemployment, stagnant wages, falling living standards, and poverty – with women bearing the brunt force of all these effects.



We are told we live in an age of austerity. It is an accepted truth that must be faced with a stiff upper lip and our Blitz spirit. Any deviation from the programme of deep and drawn out cuts will be punished by the only constituency that counts – the bond markets. The fact that no-one voted for austerity, or that the economic evidence is stacking up against austerity appears lost on the government.

But austerity is the course of action that has been chosen and it has already done immeasurable damage both to the economy and to gender equality. For all the damage it is doing, there is no evidence that it is having the slightest impact on the deficit. In fact, the deterioration of economic growth means the government is borrowing £158 billion more than it expected last year.

We were promised 'fairness' as a sweetener to austerity. In reality those who can least afford it are forced to pay the most. Women are paying the price for the folly of the men – and let's face it, it is largely men – who run the City and its institutions.

This age of austerity does not conjure up nostalgic images of plucky lasses mending and making do; not for me, anyway. Instead it conjures up images of an ever growing dole queue, poverty pay, access to justice and advisory services blocked, women's economic independence curtailed, access to vital services denied, and ever greater numbers of families living in poverty.

Women are being disproportionately hit by the pay freezes, pension reforms and massive jobs cull in the public sector. Women's unemployment is at its highest level in nearly a quarter of a century with over a million women now without work.

The fact that women are twice as likely as men to work in public services means they are bearing the brunt of the government's public sector jobs cull. Women make up 65 per cent of public sector workforce and in some sectors, such as education, four in five employees are female. It would be bad enough if the number of women losing their jobs was proportionate to the number of women working in the public sector but, according to GMB research last year, in 19 local authorities in England, 100 per cent of council jobs lost were women's jobs.

While the unemployment figures make the headlines with depressing regularity, what is less well reported is the level of underemployment. Increasing numbers of women are finding themselves in part time work, not through choice, but through a lack of full time alternatives. With the threshold for receiving tax credits set to change from 16 hours to 24 hours, those stuck involuntarily in part time work are set to lose out yet again. Furthermore, under Universal Credit new conditions will be placed on in-work benefits which will mean that employees earning less than £212.80 per week will be obliged to work more hours or face sanctions. Where all of this extra work is meant to be found remains a mystery.

For women lucky enough to hold on to their jobs, the public sector pay freeze, pension reform, and attempts to unpick so called "red tape" (also known as "hard won basic employment rights") all

threaten to undermine women's earning power and job security. And making it easier to sack people will not create a single job.

Anyone would think that women's labour market participation was a bad thing which should be discouraged. Government policies on public sector spending and on welfare seem to be expressly designed to push women out of the workforce. Unless of course you're a single mother in which case you must actively seek work from the day your youngest child turns five regardless of your skills, the availability of suitable work in your area, your childcare arrangements or any other factors. Single mothers have done especially badly out of cuts to benefits and tax credits too. TUC [research](#) showed that female lone parents would lose nearly 20 of their net income as a result of the 2010 Spending Review. Given that the government also seems determined that single parents (over 90 per cent of whom are women) should be charged for seeking maintenance from non-resident parents, you could be forgiven for thinking that single mothers are being singled out for cruel and unusual punishment. But that's another story.

Policies that squeeze women out of the labour market altogether are ill-conceived on several levels. Women's employment has been one of the great drivers of rising living standards and economic growth over recent decades. There are no doubt people that see women voluntarily dropping out of the labour market a good thing. They look back on an age where men are breadwinners and women are (unpaid) carers and homemakers with fondness. But this conservative vision fails to grasp that women work not just because they want to but because they *need* to. Not all of us, of course. It goes without saying that just as some women will choose not to work if they can afford not to, others will choose to work even if they do not need to through economic necessity. The reality is that after years of wage stagnation and rising inflation, very few families can afford to live on a single income.

We need to challenge austerity. Let's challenge the myth that it will be worth it in the long run; that the sacrifices we are making now will pay dividends at some unspecified date in the future; that somehow equality no longer matters because the greater challenge of tackling the deficit takes precedence over all else.

What austerity really means is high unemployment, stagnant wages, falling living standards, poverty, and an erosion of equality.

We need to ask not just what our economy will look like if and when we ever emerge from this era of austerity but also what our society will look like.

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*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics.*

### **About the author**

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