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Gendering the inequality debate

Diane Perrons

In the past 30 years, economic inequality has increased to unprecedented levels, and is generating widespread public concern amongst orthodox, as well as leftist and feminist thinkers. This article explores the gender dimensions of growing economic inequality, summarises key arguments from feminist economics which expose the inadequacy of current mainstream economic analysis on which 'development' is based, and argues for a 'gender and equality' approach to economic and social policy in both the global North and South.

Key words needed Gender Inequality Social-Norms Austerity Socially Sustainable Development

Introduction

Development has traditionally focused on economic inequality between countries, and different approaches to it have paid varying degrees of attention to the political roots of this inequality, and on the political and social impact of neo-liberal approaches to development. The new and growing public interest in increasing economic inequality within countries reflects widespread anxiety that contemporary levels of inequality within countries are unsustainable, undermining economic growth, social and political stability as well as economic and social well-being. They also call into question the neo-liberal orthodoxies of global development policies.

These realisations have the potential to result in radical policies which change the course of global development. However, there is, as yet, little recognition on the part of global and national leaders of the importance of the moment. In particular, it is critical to devise policy that is founded on a recognition of how inequality is simultaneously gendered, racialised and marked by other dimensions of social disadvantage if more equitable and economically and socially sustainable development is to be achieved. Yet the main policy recommendations from leading thinkers on the issues, similar to that of Piketty (2014), focus on attempting to effect some redistribution of wealth via taxation. Coincident with calls for redistribution and greater inclusion, the majority of countries worldwide (119 in 2013 and 132 in 2015) are pursuing and expected to intensify austerity policies (Ortiz and Cummins 2013: i) that for the most part have served only to aggravate inequality, especially gender inequality, and to date have not led to a reduction in sovereign debt, the stated rationale for their introduction.

This article argues for an 'equalities and gender' perspective on global development. This perspective highlights the need for redistributive economic policies to redress extreme inequalities to be accompanied by measures to *prevent* inequality. Feminist economists have long argued that international and national economic policies need to be rooted in a broad understanding of the economy. Macro-economic policies have *social content* (Elson and Cagatay 2000); that is, they have very different implications for differently positioned social groups. Nowhere is this more so than in the austerity policies developed in response to the economic crisis of 2007-8 which started in the financial sector of North America and

Europe. These austerity policies are currently having very negative consequences for low-income people in general, and women and ethnic and racial minorities in particular, while the incomes of those responsible for the crisis have continued to increase. It is vital to challenge the view that what is considered good for the economy is good for everyone; or, in the case of austerity, anyone.

I argue here that economists need to question and change their fundamental ideas about the economy and to recognise the social implications embedded in orthodox macroeconomic thinking and policy making and the monetary values attributed to different forms of work. Gendered, class and racialized social norms influence ideas of what constitutes the economy , and the worth attributed to different kinds of work. All work deserves to be remunerated fairly and equitably. A gender and equality approach would favour policies guaranteeing workers a basic income, and/or a living wage. This approach also calls into question the economic austerity policies adopted in the wake of the 2007-8 crisis in many countries, including the UK, since these are clearly unsustainable and inequitable. Instead, it challenges policymakers to evolve policies to reduce inequalities between countries as well as within them, in particular giving attention to the need to address the issue of sovereign debt and consider the different ways in which the debt issue can be resolved.

I begin by highlighting the gender dimensions of contemporary inequality in the next section. I particularly focus on wages and payments in the informal sector, showing how these are influenced by gendered social norms.

The gender dimensions of growing economic inequality

The burgeoning literature on growing economic inequality pays little or no attention to the enduring and universal question of gender inequality, and how economic inequality is simultaneously gendered, racialized, and marked by other dimensions of social disadvantage. While attention in North America and Europe is drawn to headline cases of maltreatment and injustice experienced by women especially relating to violence and when it takes place in other countries less attention is given to the everyday maltreatment and injustice experienced especially by women worldwide as a consequence of economic injustices within market economies (1). With some exceptions, the economic dimensions of gender inequality have not aroused the same degree of public interest either amongst academics and policy makers, even though women continue to be disadvantaged in the labour market, underrepresented in decision-making and are more likely than men to experience domestic violence (ILO 2015). As Christine Lagarde (2014: 3) has put it, women are 'underutilised, underpaid, under-appreciated and over-exploited'.

What makes this situation in Europe and the United States surprising is that there have been five decades of equality policies (2) and the majority of countries worldwide have committed to a range of human rights including the Convention on the Elimination of All Discrimination Against Women (CEDAW) (ILO 2015) without acknowledging that their economic policies risk breaking their commitments to avoid retrogression and maximise the satisfaction of minimum essential levels of economic and social rights (Elson 2012). As the ILO (2015,1) has pointed out, while progress has been made in terms of the scale of women's labour-force participation, the conditions identified in the Beijing World Conference on Women twenty years ago have not been addressed, and:

...in most parts of the world women are often concentrated in undervalued and low-paid jobs with poor working conditions. They suffer from lack of access to education, training, recruitment and equal remuneration, and have limited bargaining and decision-making power. Women have unequal access to productive resources, and are over-represented in informal work and non-standard forms of employment. They undertake a disproportionate level of unpaid care work, and many are at risk of violence at home and at work.

While gender inequality figures as a concern in many national and supra-national policies, it is not considered intrinsic or central to the neoliberal model of development, and is quickly sidelined in times of economic crisis. There is an implicit assumption that the economy and economic policies are wealth-creating or productive, and that social policies to address inequality concerns, including gender inequality, are costly, and concerned with redistributing rather than creating wealth; they should therefore be set aside in times of crisis, to enable policy-makers to focuses on the 'more urgent' task of dealing with the crisis, and restoring growth. An example is the EU Recovery Plan drawn up in the wake of the 2007-8 financial crisis, which mentioned neither gender nor economic equality (Bettio et al, 2012). The ideas that economic growth can be redistributive, or that social policy can be economically productive, are consequently overlooked (Perrons and Plomien 2013) - and yet austerity policies lead to low growth, and, as discussed below, have marked gender and class impacts.

Furthermore, many of the solutions for greater equality, such as those proposed by Christine Lagarde (2014), the World Bank (2012) and the European Commission (EC 2010) prescribe increasing women's integration within existing market economies as a resolution to gender inequality, without appreciating the significance of inequalities within the labour market, for both participation and levels of pay, and despite evidence of a worldwide gender pay gap in the formal sector and parts of the informal sector (Chant and Pedwell 2008). Outside of these policy circles, attention is given to the significance of wages as a primary source of increasing income inequality (Piketty 2014; OECD 2011), but these analyses still overlook gender issues. These macro and micro-level issues relating to overall economic management and the value of labour are discussed below.

Inequality in returns to labour, and gendered social norms

Two key trends have influenced rising inequality in high and medium income countries. One is the growth in the proportion of service sector employment and a related polarisation in earnings between highly paid jobs - in professional, technical and managerial occupations - and low paid jobs in catering, cleaning and security. Thus both ends of the service sector have expanded while the manufacturing sector, which provided relatively well paid jobs for working people, has declined. Some economists have attributed these changes and corresponding polarisation in earnings to globalisation and increased trade as some manufacturing has been outsourced from the Global North to lower-income countries, while other economists have focused on skill and argued that workers in highly paid jobs are paid a premium for their skill, while low paid workers are assumed to be less skilled and therefore face increasing competition from workers in low income countries and from inward migration (Krugman 2002). The OECD (2011) re-estimated the significance of these differing explanations, and found that weaker labour market regulation is also significant while David Rosnick and Dean Baker (2012) found the growth of the finance sector important.

The second and related trend influencing the polarisation in earnings affects countries worldwide is the fall in the share of output or value added going to workers rather than to capital holders or owners and this is especially the case for low paid workers (UNCTAD 2012). This decline in the workers share has happened even though in many countries there have been increases in workers productivity which is completely opposite to the predictions of conventional economic theory which links wages to the output produced. As a consequence this understanding of wages being connected to output has been challenged. Engelbert Stockhammer (2013:4) in a study of 71 countries- '28 advanced and 43 developing and emerging economies' between 1970 and 2007 found that globalisation processes had, overall, negatively affected the earning power of workforces in developing and emerging economies, as well as advanced economies. He also found that technological change had a negative effect on advanced economies, because skilled jobs had also shifted to developing and emerging economies, benefiting workers there. However, he also found that the effect of these processes on workers' wages was much less significant than either the growing role played by the finance sector and (in the advanced countries), institutional change, in particular the retrenchment of the welfare state and the declining power of trade unions. As a consequence he argues that strengthening the welfare state and 'changing union legislation to foster collective bargaining could help increase the wage share with little if any costs in terms of economic efficiency' (ibid, viii). This finding is very important not only for discussions of inequality, but also with respect to austerity policies discussed in the final section.

Thomas Piketty (2014:**24**) has shown that the rise of wage inequality in the United States since the 1970s (as well as other countries) is due mainly to the increasing earnings of an elite, which he terms 'supermanagers' **(page number please)**. Their extremely high earnings cannot be explained (or justified) in terms of increased output, as there is no association between the pay of CEOs and their education or skill levels, in terms of company performance (Chemi and Giorgi, 2014) or by national growth levels. Instead, Thomas Piketty finds that these high earnings are a consequence of these supermanagers' 'power(s) to set their own remuneration' (ibid.,24), which, in turn, depends on their bargaining capacity and prevailing social norms, which vary between countries. This recognition matters, because it moves explanations for wage inequality away from purely individual characteristics and economic explanations, and invites a discussion of social processes influences wages and how these social norms are simultaneously gendered and racialized, though these issues are not developed by these writers (3). It is important to note that Thomas Piketty rejects the conventional economic theory only for top earnings, maintaining that it offers 'plausible explanation of the long-run evolution of the wage distribution at least up until a certain level of pay and within a certain degree of precision' (ibid.,333)

By contrast, feminist economists highlight the disjoint between the value of work performed, and the economic returns of the work, for all workers, not only the highest-paid.

These insights are critical at this time of increased concern about extreme and growing inequality (Perrons 2014). Feminists recognise that there is a link between the value of the work that is done, and the social value attached to the individual who does it. This makes remuneration for work a subjective concern (Phillips and Taylor 1980) and something influenced by social norms or social expectations and traditions regarding the value of different forms of work, the value of different people and what their roles should be. Feminist economics therefore calls into question the idea of the economy as a concept free from 'the social'**.** This insight is useful when we look at the complexity of the tasks expected of economists in terms of measuring concepts such as 'individual output' for which a worker is supposedly rewarded in an objective and value-free way. In fact, it is very difficult to measure individual output in a wide range of occupations, especially in labour-intensive and highly feminised sectors such as caring, teaching, cleaning or catering. Care provision, for example is complex, consisting of guarding, (preventing any harm), caring for identifiable bodily needs and nurturing (Himmelweit 2007). It is relational, and so inherently encompasses an affective dimension that often is discernible only by the recipient, but has long term social benefits for individuals and society. Despite the general view in society that care-work is socially valuable, this is not reflected in economic value; care work is generally low paid. In the case of social care for the elderly and unwell, the average wage for a full-time worker in the UK in 2012 was £18,000 p.a. (ICF GHK 2013) which is £8,000 less than the average UK worker.

The low pay in the care sector is linked to the difficulty of raising productivity in this sector (4), due to increasing privatisation and to the increasing presence of finance firms including private equity organisations which are motivated solely by profit. Private equity firms buy up existing companies with a view to making quick returns through modernisation and efficiency savings. However they raise the necessary funds by borrowing rather than by having shareholders, and interest on this borrowing has to be paid first, that is, before any profit can be taken. While the social care sector is growing and so attractive to private equity firms its labour-intensive character makes it very difficult to increase profitability except by reducing employees pay and conditions. The growth of private firms in the care sector helps to explain why social care workers are increasingly those that experience labour market disadvantage, including women and migrants. In addition, their low wages are rooted in gendered social norms which admire and treasure women's 'natural' talents, rather than recognising and rewarding their skills and material competencies (Glenn 1992). Overlooking how social norms are gendered reflects the customary gender-blindness in economic matters. Within orthodox economics, the economy is portrayed in a rather abstract way, as an entity with needs of its own, which have to be met in order to satisfy the needs of society as a whole. There is an assumption that everyone is affected equally by economic policies, and a disregard to the impact of gender, race and class biases. Such a conflation between the interests of the economy and the interests of the people whose lives it shapes is dangerous, as it leads to the prioritisation of economic stability over economic and social well-being. This thinking is currently very evident in austerity policies discussed further below.

The macro-picture: austerity – economic necessity or class- and gender-biased policy?

Widening inequalities, a fall in wages for lower-paid workers and the corresponding lack of demand for goods and services were underlying causes of the 2007-8 crisis (Fakuda-Parr et al 2013). As labour's share of value-added fell overall, and for low paid people in particular, the effective demand for goods and services either declined, or was maintained only through credit expansion and rising consumer debt. It became difficult therefore for investors to make profit through traditional means of making and selling goods and services. This led to the expansion of - and dramatic changes in - the finance sector. Rather than being a 'good servant' of the real economy, by providing funds for people to engage in material investments in small and medium enterprises and for social and physical infrastructure such as care services, hospitals, and transport and for mitigating risk, the finance sector has become a 'bad master', not only by failing to provide investment funds but also by aggravating risk (Griffith-Jones and Jolly 2013: 56).

In the US, the 2007-8 crisis was brought on by this dynamic, in combination with a fall in real wages made it difficult for low income workers to service their debt, leading to mortgage arrears and defaults. As the debt had been packaged and sold on to many financial institutions, when the income stream to service these products stopped (with the defaults) these institutions were unable to pay their savers. To prevent the collapse of the banks and financial institutions, the public sector stepped in at a cost of trillions of dollars (in the US $3 trillion) (Gill and Roberts 2011; 155) , both domestically and worldwide, as these financial markets had become global. This collapse also led to a fall in bank lending to the real economy – which in turn led to low growth, unemployment and sustained recession.

The first phase of austerity: Keynes revisited

In the first two years after the 2007-8 crisis, the G20 countries embarked on a response to it which reflected the economic approach of John Maynard Keynes, in a departure from the classic neo-liberal approaches which have dominated economic thinking over the past thirty years. Basic Keynesians economics suggests that the state should act in counter-cyclical ways – that is, to invest and spend in times of recession, and pay off the debt in times of growth) (Krugman 2013). Not only did decision-makers make public money available to bail out the banks, but the G20 engaged in a co-ordinated response to try and sustain the economy and employment more generally through increased state expenditure.

These policies were not gender-neutral in character, despite the conventional views that the economic is devoid of social content, due to the gendered nature of employment which generally sees women in lower-paid, 'feminised' parts of the labour market. Much of the state expenditure to stimulate the economy in the US and Europe went on physical infrastructure to boost male employment which had been badly hit by the decline in the construction industry and manufacturing, especially cars (Seguino 2010). Initially, female employment was more protected owing to the fact that in these countries women are disproportionately concentrated in the public sector **(**Fakuda-Parr et.al. 2013). Perhaps of greater concern is the use of vast sums of public money to bail out the banks which is a highly regressive redistribution from tax payers to investors and creditors , who are disproportionately male and predominantly in the upper income groups. Had this not happened then the austerity policies which have had such negative effects on the well being of ordinary people, and especially women would not have been necessary.

The second phase: Structural Adjustment revisited
By 2010, there were a few small signs of recovery, and states became concerned about the high level of government spending, prompted in part by an economic theory that predicted a dramatic decline in growth if the public deficit exceeded 90 per cent of GDP (Reinhart and Rogoff 2010, 573) - a theory that was subsequently shown to be flawed (Krugman 2013). This led to a rapid reversal of strategy (Ortiz and Cummins 2013).

The features of the second-wave policies include efforts to reduce the scale of the public sector deficit and debt through cuts in public sector spending and with some countries including Greece and Ireland having to borrow from IMF in order to remain solvent. Such policies enforced in part by conditions attached to the borrowing result in slower growth and reduced employment as well as cutbacks in public sector services and employment. The public sector cutbacks have particularly negative implications for women who, in many countries, are not only more likely than men to work in the public sector, but also more likely to be the users of government services and the ones who have to fill the gap when the services are withdrawn (WBG 2015).

The economic rationale for the second wave of austerity policies is highly questionable (Fakuda Parr et al 2013); there is little evidence to suggest that they are working, and growing evidence, similar to their antecedents in the structural adjustment programmes of the 1980s and 1990s, that these policies are damaging the welfare of the vast majority of the population worldwide (Elson and Cagatay 2000; Ortiz and Cummins 2013). These policies are very similar to the structural adjustment policies of the 1980s and 1990s, which Diane Elson (1991) argued contained three specific biases: deflationary-bias, male-bias, and a bias toward commodification. Paul Krugman (2013) has suggested that the only possible explanation for their continuation is a political choice, reflecting the interests of the elites. Alternative positions, such as those adotpted in the first round based on Keynes are presented as being unsound and profligate (Elson and Cagatay 2000); yet, as Thomas Piketty (2014, 540) has shown with respect to Europe the issue is clearly one of ‘distribution rather than profligacy, as Europe currently has ‘the highest level of private wealth per capita in the world and the greatest difficulty in resolving its public debt crisis- a strange paradox.’

Austerity policies and fiscal space

The three types of bias identified by Diane Elson are present in the second wave of austerity policies, have had devastating impact, and are ‘prevent[ing] the formulation of gender-equitable people-centred macroeconomic policies’ (Elson and Cagatay 2000, 1348). In 2013, the International Monetary Fund (IMF) began to recognise that the new policies were having a much greater negative effect on economic growth than it had predicted (Blanchard and Leigh 2013).

These biases arise because economic stability is presumed to depend on the size and sustainability of the ‘fiscal space’ – that is, the public money available to spend which shapes a government’s capacity for influencing economic and social development. Neo-classical economists consider that this fiscal space should be minimised, advocating a small state, low budgetary deficit, and minimum taxation, to allow maximum market flexibility. Peter Heller (2005: 1), writing in the IMF magazine, sees fiscal space as the ‘room in a government's budget that allows it to provide resources for a desired purpose without jeopardizing *the sustainability of its financial position or the state of the economy*' **),**(my emphasis).

In this definition, the needs of 'the state', or 'the economy' are prioritised over wider social wellbeing. This view presents what is in reality a political choice as a technical necessity, as the interests of the economy are assumed to be in the interest of all, and yet are much more to the advantage of wealth-holders protecting the value of their money. It makes the markets the arbiter of social decision-making, and restricts the size of government debt to the willingness of creditors to provide finance.

However, fiscal space can be seen in very different ways. The UNDP's definition fits within a wider view of the economy as serving human development and wellbeing: 'financing that is available to government as a result of concrete policy actions for enhancing resource mobilization, and the reforms necessary to secure the enabling governance, institutional and economic environment for these policy actions to be effective, for a specified set of development objectives. (UNDP 2007, I). This definition could be modified further to recognise the existence of different interests within different groups in society, including gender and class interests. It could become 'fiscal space is the available financing, designated by policy choices, to provide the necessary resources for a specific set of social, economic, and environmental objectives, taking into account the specific needs of marginalized groups using race, gender and class impact analysis' (Ida 2013 **page ref**).

Such alternative definitions of fiscal space bring questions of social purpose and gender justice into decisions regarding fiscal policy, highlighting that these have a political rather than technical character. In effect, they understand the appropriate role of the economy as working for society, rather than vice versa. They show awareness of the impact of the economy on society, allowing for the possibility that particular policies will have an impact on poverty and inequality.

There are a number of ways in which fiscal space can, or could be, managed, in the wake of the 2007-8 crisis, and each of these has gender-differentiated outcomes. Figure 1 (modified from the UNDP 2007) identifies the fiscal space or the capacity for government spending, which is determined by the elements identified on the four corners of the diamond. These are the amount received from official development assistance, the amount of domestic revenue raised through taxation, the extent of government expenditure, and the deficit or the gap between the amount of government expenditure and the amount of revenue raised either through taxation or borrowing **(UNDP 2007)**.

The relative size of all these elements can vary; as John Loxley – one of the leaders of the Canadian Alternative Federal Budget – has pointed out, 'there is always an alternative macroeconomic strategy that is economically feasible; but different strategies imply different distributions of the costs and benefits' (cited by Diane Elson [2006, 120]). Clearly, countries cannot create more fiscal space by running up government deficits and debt indefinitely, not least because large amounts of public money would have to be spent on interest repayments to creditors. But there is no clear idea as to what a maximum should be, and this would depend in part on what the additional money borrowed was being used for – whether it was generating returns in the future or whether it was being dissipated in unproductive ways.

To maintain returns on their investments, creditors, prefer low inflation and low government expenditure - so leading to what Diane Elson (1991), mentioned earlier, terms a ‘deflationary bias’. This bias has particularly negative effects for women, as they are more likely to be employed by the public sector and so face unemployment; to have greater reliance on state entitlements, which are often cut, and have fewer safety nets to draw on, owing to their lower level of labour market attachment (Elson and Cagatay 2000). Diane Elson’s ‘male bias’ (ibid) refers to the way that state entitlements are based largely on assumptions of a pattern of full time working over the lifetime, something that women (given the uneven division of labour with respect to domestic work and caring) are less likely to do. Finally, the ‘commodification bias’ (ibid.) refers to the privatisation of public services such as education, health or care, discussed above, which have to be paid for at the point of use, rather than being entitlements paid for indirectly, via taxation.

Conclusion and alternatives to austerity

To reduce inequality, not only does there need to be an increase in the taxes on high incomes and wealth-holders in society, but there also needs to be a radical reassessment of the social worth of different kinds of work, and an assertion of labour and social rights through living wages and a basic income (Davala et.al. 2015). As the OECD has (2008, 116) pointed out with respect to formal employment in medium- to high-income countries, ‘relying on taxing more and spending more as a response to inequality can only be a temporary measure. The only sustainable way to reduce inequality is to stop the underlying widening of wages’. A gender and equalities approach reminds us of the politics which exists beneath the ostensibly technical and value-free concept of the economy, and alerts us to the insights of feminist and other alternative economists which challenge the idea that the economy either is or should be separate from society and where market forces should be allowed to operate in a ‘free ’way. Instead they recognise that the economy is part of society and this relationship should be acknowledged shift understandings of the relationships of the economy to society.

So far, the response to the economic crisis in the global North which started in 2007-8, and the issue of rising public debt has predominantly been one of austerity, and not one of taxation. As Piketty (2014: 541)argues, this prolonged austerity is ‘the worst solution in terms of both justice and efficiency’ ; a problem magnified when also taking into account, as I have here, the issue of gender inequality.

In terms of justice, both the structural adjustment programmes of the 1980s and 1990s and contemporary austerity policies embed gender and class bias to the disadvantage of women, given the prevailing gender division of labour, with women being over-represented among those working in the public sector, using state services and being more likely to be entitled to various forms of income support, where available. Since care work which is largely unpaid or paid at very low rates, yet invaluable to society, is also largely performed by women, a focus on this is critical.

However, these biases which profoundly shape both the economy and the lives and wellbeing of women, their households and communities are not recognised in orthodox economic thinking which divorces the economy from society and presumes that issues of low levels of inflation and government deficit are purely technical necessities in the sense that they are politics-free by ultimately benefiting everyone equally, rather than political priorities that favour wealth holders and increase inequality. As Paul Krugman (2013) among many others has argued, the consequences of second-wave austerity policies have been devastating for ordinary people, especially women and the socially marginalised – whether the impact is measured at household level, or for individuals. However, austerity continues reflecting the long standing wishes of elite groups to reduce the role of the state.

Many alternative and transformative proposals have been put forward which link social and economic objectives and challenge the desirability of austerity policies. These include the Casablanca group and their vision for a better world (UNDP 2010) and proposals linked with gender budgeting including the Feminist F plan (WBG 2015). To date, few if any of these proposals have been implemented. However, Syriza, a leftist party was elected in Greece in January 15, on a platform based on challenging austerity. Rania Antonopolous, a feminist economist , has been appointed Deputy Minister of Labour and Social Solidarity. In her academic work with Kijong Kim (Antonopoulos and King 2011) she demonstrated the social and economic benefits of increasing state employment in times of low growth. She also showed that expenditure on social infrastructure, such as social care, has a higher multiplier effect or positive impact on overall growth and creates more jobs especially for low income women than equivalent levels of expenditure on physical infrastructure, such as road building . So far the Greek government has introduced policies to expand employment but it is not clear yet whether these will be in the care sector. Hopefully policies related to their analysis will be implemented in Greece and elsewhere. More generally what is undoubtedly clear is that austerity policies have had a profoundly negative impact on the vast majority of the populations in the global north and south and while there are some signs of economic 'recovery' this has yet to affect the wellbeing of those who were least responsible for the crisis and who have suffered most through the attempts to restore the economy via austerity.

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Endnotes

(1) For example, the gang rape in Delhi which led to days of protest in India, but was also reported widely in the UK press and TV (Kabeer 2013)

(2) By 'equality policies' I am referring to continual presence of strategies for economic and social cohesion in the European Union as well as for gender equality since the original Treaty of Rome in 1958 though in practice commitment has varied. Financialisation refers to 'the increase in quantity, velocity and complexity of financial transactions in the global economy; the expansion of financial motives in the operation of the economy and the expanded power of financial interests' (Fukuda Parr et al 2013: 8). This expansion has led to increasing instability in the

global economy and increasing pressure for quick returns on investments which leads to a deterioration in working conditions.

(3)

(4) See Diane Perrons (2014) for a fuller explanation.

(5) The low pay can to some extent be attributed to the difficulties of increasing the productivity of caring for dependents, and corresponding tendency for costs to rise (Baumol 1967). Productivity is difficult to increase owing to the relational qualities of the work: that is, affective labour itself cannot be reduced without changing the actual character, content and end result of the work. To illustrate this problem , William Baumol (1967) gave the example of trying to increase the productivity of a string quintet, that is a piece of music played by 5 players with stringed instruments. Just as speeding up the tune would change the quality of the music, likewise, expecting childminders to look after six, rather than four, children, undermines the attention and care each child can receive.

(6) This change to finance has happened as finance increasing takes on an immaterial form, such as financial derivatives and 'collatorised debt obligations' (CDOs) and the connection with any real assets declines. A collatorised debt obligation (CDO) is an asset backed security that arises from the pooling of debt linked to bonds or mortgages, and the investors will be paid from the income arising from the debt. CDOs arise from the pooling of debt (for example from mortgages) and are used 'as a platform for ever more speculative financial constructions that can be so complex they challenge empirical analysis, let alone moral evaluation' (Sassen 2014,117).

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Figure 1 Bringing gender to the negotiation of fiscal space

Source: Modified from UNDP 2007