In Europe, decades of work to ensure gender equality and women’s economic independence are being compromised by the regime of austerity. Moving forward requires changes in economic policies and the economic thinking that underpins them.

Austerity and women’s economic independence

In Europe the financial and economic crisis has turned into the crisis of public budgets. As the location of the crisis has changed, indebted, overspending and irresponsible governments have taken the place of the risk-taking, profit-seeking and selfish bankers as the villains of the story.

The so-called Troika (European Commission, the European Central Bank and the International Monetary Fund) is closely scrutinizing the budgets and policies of the crisis countries, such as Greece, Spain and Portugal. Also economically stable EU countries are under constant pressure to reduce public deficits and debts. The deficit and debt limits for Euro countries established back in the 1990s have, in the aftermath of the economic crisis, been complemented with new EU-level mechanisms for economic governance, which have given the European Commission significant power over national economic policy.

The necessity and unavoidability of large cuts in public spending and the sacrifices “we all” have to make in order to save national economies have become the staples of government rhetoric around Europe. This has been the case also in countries, which do not suffer from acute economic problems. For example, in Finland the newly appointed government presented in May 2015 a harsh austerity plan for the next four years.

Governments have failed to assess the gender impacts of the implemented cuts and structural reforms, but women’s organisations and academic gender experts have documented the gendered effects of austerity. Gender equality and women’s economic independence have been particularly affected in the crisis countries such as Greece, where the Troika has required great reductions in public sector wages and employment, successive cuts in pensions and other social benefits, radical changes in the employment model and reductions in funding for care services and education in return for financial help. As a result, women’s employment rate has stopped increasing, interrupting the progress towards women’s economic independence through better integration in paid work. Cuts in the already low public pensions have pushed older women into poverty.

All over Europe, cuts in public spending have affected the availability and costs of public care services, transferring the responsibility for care from the society to individuals, mainly women. At the same time, the number of female breadwinner households has increased, intensifying women’s double burden. Finally,

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1 See, for example, Maria Karamessini and Jill Rubery (eds.) Women and Austerity. The Economic Crisis and the Future for Gender Equality. London: Routledge
in crisis countries but also across Europe, the gender equality architecture has been dismantled or its funding reduced.

When welfare states are being dismantled, it is not enough to call for piecemeal measures to improve women’s economic status. Ensuring gender equality and women’s economic independence requires a full turn in economic policy and in the mainstream economic thinking that underpins it.

**From austerity to neoliberalism**

The unquestionable dogma of austerity is part of a bigger picture, namely, the neoliberalization of European societies. The readiness of governments to tackle the fiscal crisis with measures that dismantle the welfare state reveals their implicit or explicit commitment to the deregulatory, market-friendly and state-downsizing neoliberal economic project. In other words, the crisis of public budgets is being used as an excuse to turn European welfare states into neoliberal ones.

The orthodoxy about austerity is also connected to what Wendy Brown has described as the expansion of neoliberal rationality. Neoliberalism is more than a set of economic policies and the theory behind them. Rather, it is a normative way of thinking, which models everything from the state to human beings according to the model of the market. This neoliberal “economization of everything” eradicates borders between the economic and the social and the economic and the political.

The states have turned from the servants of their citizens to the servants of the economy: competitiveness, economic growth and - as the persisting austerity has revealed - good credit ratings have become the main goal and legitimization of governments. All policy from gender equality to education is assessed through cost-benefit calculations and against the goals of growth and competitiveness. Market values, priorities and metrics have conquered our everyday lives too. They determine the way decision-makers see us - as human capital rather than as citizens - and the ways we see ourselves.

**Economy as “truth”**

Feminist economists have shown that the economy is a gendered structure and that economic decisions have gendered effects. They have also provided a basis for an alternative economic strategy that insists on the incorporation of reproductive and care work into economic thinking and policies.

The economic status quo has, however, proven particularly resistant to critique. One reason for this is that the economy has for centuries been seen as an autonomous sphere detached from democratic decision-making, given over to economic experts and institutions. Still today, dominant economic thinking represents itself as objective and value-free, and politicians as well as the media tend to treat mainstream economists’ assessments and recommendations as such. As a consequence, economic decisions, such as public spending cuts, are portrayed as necessities that follow from economic truths, detached from justice, equality and human rights.

The cloak of objectivity and neutrality that surrounds economic knowledge and decisions casts opposing views, such as those of feminist economists, as biased and irrational. In reality, of course, economic knowledge is based on normative views about society and involves value assessments. It is also gender-biased.

This false neutrality is dangerous not only for gender equality but also for democracy. Whether made by governments or by EU institutions, economic decisions are always political decisions that can and should be contested. They are made by particular people - elite and mostly male - and guided by particular interests. These decisions are not neutral in their effects either, as they benefit some at the expense others.

Achieving a feminist economy requires, therefore, struggles over both knowledge and policies. Feminist economists’ work on alternative economic models must be disseminated and discussed, with the aim of challenging economic “truths”. At the same time, feminists have to challenge economic decisions from a gender perspective and propose alternatives.
**Alternatives to austerity**

The rhetoric of necessity that surrounds the austerity in Europe hides the fact that alternatives do exist. First of all, in many cases it is open for debate, whether the fiscal crisis is real or constructed. Deficits can be tolerated. In countries where public debt is not exceptionally high, taking more debt in order to invest in well-being and employment creation, for example through investing in social infrastructure, would be a real option.

When the need to narrow down the deficit is real, cuts in public spending are not the only way. Too often the other side of the coin, increasing public revenue, is not examined to the same extent. For example, the Finnish government decided to cover the deficit entirely with spending cuts and structural reforms with no increase in the overall tax base. Cutting benefits and services rather than increasing taxes means that the least well-off carry most of what decision-makers like to call “the common burden”. It is also always a gendered choice.

Finally, when cuts are inevitable, there is plenty of choice as regard to where to cut. In Finland, the main argument used for cutting social security benefits, care services and education was that these form a large part of the state budget. But so does, for example, military spending. At the time when the Finnish government’s cuts from crucial benefits and services in the name of economic necessity, it finds an equal amount of money to invest in new warships and planes.

**Feminist resistance**

The established anti-austerity political parties, such as Syriza in Greece and Podemos in Spain, have not been very inclusive of women and gender equality issues. The Greek Syriza government has only six women among its 40 ministers. However, feminists have been visible in the broader anti-austerity movements, such as the 15M-movement in Spain.

The crisis has also sparked new forms of feminist activism, which focus on budgets and economic policies. In Finland, where little feminist attention used to be paid to the economy, austerity has changed the situation. New forms of collaboration between women’s organisations and trade unions have been created in order to contest austerity plans detrimental to gender equality. Also the feminist research community has taken action and conducted a preliminary gender impact assessment of the government’s austerity programme.

However, feminists who engage in debates about the economy must be careful with the way in which they frame their claims. It is not only the dominant economic thinking and austerity policies they have to contest. They should also challenge the expansion of the neoliberal rationality, the economization of politics and of all aspects of our lives.

This is not easy. Neoliberal gender equality discourses, which frame gender equality as a contribution for economic growth, competitiveness and business profitability rather than as a value and a question of justice and human rights, are widely used by European governments and the EU institutions. It often seems that only arguments about costs and benefits are able to turn the heads of decision-makers and make them see the importance of gender equality.

The pull of economized arguments and language is strong, and their use in the struggle for a feminist economy may be unavoidable. It is, however, important to remember that gender equality is a value and a question of justice and women rights. If feminists do not hold on to this frame, no one else will.