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The Association for Women’s Rights in Development (AWID) is an international, feminist, membership organization committed to achieving gender equality, sustainable development and women’s human rights. AWID’s mission is to strengthen the voice, impact and influence of women’s rights advocates, organizations and movements internationally to effectively advance the rights of women.
The Global Economic Crisis and Gender Relations: The Greek Case

By Lois Woestman
2010 Edition

Mexico was the first developing country to default on its foreign debt in 1982, and the first to implement a structural adjustment programme to deal with the crisis. In the wake of the default, it was chaotic in the lower middle-class neighborhood where my host family lived. Men were losing their jobs because they could not afford to pay the bus fare to get to work, since subsidies had been cut and inflation was driving up the price of the bus tickets. My host mother and the women in the neighborhood were worried about feeding their families, as even tortillas (the staple bread) were becoming expensive. The women were whispering in apprehension among themselves, tiptoeing around their houses, in fear of their husbands who were starting to beat them more frequently.

Everywhere, everyone was asking: What is going on? Why is our Government doing this? Why are foreign governments and powerful global organizations pressuring our Government to do what they want? What about the politicians and the rich people? They are still driving around in their “limos”, just with more bodyguards.

It is déjà vu for me in Athens, my second home, in 2010. Greece is the first eurozone country on the brink of defaulting on its foreign debts. There is much confusion, anger and fear among the Greek population over the succeeding harsh structural adjustment measures the socialist government is implementing. This includes the European Union-International Monetary Fund (EU-IMF)-brokered “bail-out” that would purportedly preclude Greece from declaring bankruptcy and put the economy back on its feet.

The Greek case demonstrates clearly that neoliberalism has come home to roost in the eurozone, causing growing class, gender and north-south rifts within it.

Background

Until recently, the Greek socialist and conservative governments have resisted introducing structural adjustment measures similar to those that other eurozone countries have implemented over the past decade. This has been partly on philosophical grounds and partly because they knew such measures would cost them the next election.

In the lead-up to the October 2009 Greek national elections, it was clear that Greece’s 250 billion
The euro economy was on the cusp of recession, and the Government had a serious budget problem. Greece was to have incurred the second largest budget deficit as a percentage of GDP in the entire eurozone – or so we were led to believe by the New Democracy Government then in power. (Later on, the new Government would declare that Greece actually had the highest budget deficit.) The IMF predicted our public debt would swell to 6 percent of GDP in end of 2009, well above the 3% EU cap for eurozone members.

The New Democracy regime responded by bailing out banks with a 28 billion euro liquidity package, but also called for privatizations, freezing of public sector salaries, pension and new hiring, and one-off taxes on high earners. The socialist Pasok party proposed injecting money into the economy to stabilize it and kick-start growth, increase social spending to mitigate the effects of the crisis on those with low incomes, crack down on tax evasion, and enhance government transparency. Pasok won by a landslide.

At the European level, successive Greek governments, joining their European counterparts, had also been resisting structural adjustment, calling for retention of the European welfare state. These governments resisted such changes in part, however, by providing inaccurate economic and financial statistics to the national and international community.

One of the first things that the Pasok Government did upon taking power last fall was to disclose revised statistics, including that our budget deficit was already at 12.5 percent of the GDP, the highest in the eurozone. This announcement set off a series of events involving financial speculators, EU eurozone counterparts, and the IMF. Under pressure from the latter two, the Pasok Government has reversed tack, reneging on its pre-electoral promises. The measures it has introduced encapsulate, and even go beyond, the structural adjustments implemented in other eurozone countries. Within a few months, Greece changed from a “regular” indebted southern European country – one of the “PIGS” (Portugal, Italy, Greece and Spain) – to a guinea pig for the first EU-IMF brokered structural adjustment programme imposed on a eurozone country.

The crisis and the EU-IMF bail-out are heightening class inequalities and social unrest in Greece. They are aggravating many gender inequalities and causing a crisis in the unpaid “care economy”. They also highlight a growing intra-eurozone north-south divide. Northern eurozone countries that are counterbalancing recessionary measures with economic stimulus packages, and whose banks are among those profiting the most from the Greek debt crisis are also pressuring Portugal, Italy, and Spain to undertake further recessionary structural adjustment measures. These countries are doing so to avoid having to resort to a harsh “rescue” package, like the one in Greece.

The Greek population is resisting. There have been trade union-led general strikes and protests on the streets of Athens against the new wave of structural adjustment measures. These large protests are colorful and loud, and in one case, ended in violence. But while there are placards showing, for instance, Greek and immigrant workers’ solidarity, there is, as usual, no placard espousing women’s rights or causes.

Footnotes

Causes of the Greek crisis

As other countries that have undertaken structural adjustment programs, Greece’s economic and financial woes are a result of home-grown dynamics embedded in and fostered by an unsustainable neoliberal global economic and financial system largely beyond the country’s control.

Home-grown causes

Pasok Prime Minister George Papanderou has “sold” the succeeding harsh versions of our Stability and Growth Programme to the Greek public as measures needed to redress long-standing structural problems. Most of the population agree with the need to address the problems, but not the measures taken to do so.

For decades now, Greece has had a modest productive sector since coherent strategies to foster industry, agriculture, tourism and expatriot remittances have not been developed. The economy declined due to the effects of the international economic crisis in 2009.

This economic malaise has been combined with incompetent and corrupt political elites who have treated the state as if it were the private property of a small group of politicians, bureaucrats, media barons and their families. The public sector has been badly managed and is plagued by corruption. Bribes are expected to be paid to get the work done. Votes have been bought with public sector jobs. Government offices and pensions funds have overspent budgets. While the Greek Government has long borrowed from European countries, the dwindling revenues from export, tourism and expat remittances were supplanted by the European convergence funds. Recently, cheap loans from the eurozone became the alternative source of enrichment for those feeding off state coffers. The result is a mountain of debt and a stumbling Greek economy. The mounting economic and financial crises were covered up by successive creative statistics issued by the Government.

The Greek Government taxes middle- and lower-income people more than the wealthy. Wealthy groups, such as ship owners, operate tax-free. Angry at this unequal treatment, many people pay less taxes than they owe. Partly due to low incomes, and partly tax evasion, 65 percent of the population declare less than 12,000 euros as income per year. The most culpable tax evaders, however, are those hard-to-trace, well-connected, high-income earners mentioned by Georgia, a civil servant who easily earn in a day what public servants earn in a month, but often declare the same amount of earnings. A massive 95 percent of taxpayers declare an annual income of less than EUR 30,000.

Enter speculators, EU Governments, and the IMF

Pasok's disclosure of the revised statistics opened Greece to attack by speculators who saw the country as the weak link in the eurozone. They profited from the uncertainty of the Greek financial situation. The disclosure also exposed Greece to pressures from the EU and the IMF, which are aimed at whittling away at the welfare state system that many parts of Europe have already been dismantling over the past decades. As evident in Figure 1, the actions of the speculators and the EU and IMF interventions have brought Greece to accept increasingly harsh austerity measures in rapid succession.

Footnotes

4 - Ibid.
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<table>
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<th>Event Description</th>
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<tr>
<td>Nov 10</td>
<td>European Commissioner for Economic and Monetary Affairs suggests raising sanctions of EU disciplinary excessive deficit procedure against Greece.</td>
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<td>Dec 2</td>
<td>Eurogroup vote of confidence in Greece economy/fiscal management to ease speculation against Greek bonds but demands further austerity measures.</td>
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<td>Dec 8/9</td>
<td>Speculators push cost of debt upwards: Greek state pays higher rates of return on bonds it sells to pay debts, and cost of insuring debt against default/restructuring rises.</td>
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<td>Dec 22</td>
<td>Moody’s Investors Services downgrades Greece’s credit rating.</td>
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<td>Jan 14-20</td>
<td>Stability programme unveiled to cut budget gap to 2.8% of GDP in 2012. “Speculators react positively, government bond issue oversubscribed — but government pays hefty premium.”</td>
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<td>Jan 18</td>
<td>Speculation causes price of Greek debt to rise further.</td>
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<td>Feb 2</td>
<td>New austerity package: New tax on petrol, 10% budget cut in ministries, freeze on public sector wages &amp; hiring — including those making below 2,000/mo and Ministries of Health and Education; 10% cut in civil servant wage supplements.</td>
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<td>Feb 3</td>
<td>EC backs Greece’s plan, but urges more austerity - including overall wage bill cut.</td>
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<td>Feb 10</td>
<td>Public sector strike and demonstrations</td>
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<td>Feb 11</td>
<td>Eurozone finance ministers agree on mechanism to help Greece — but no details. Call for more austerity measures.</td>
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<td>Feb 12</td>
<td>New tax measures introduced to collect additional EUR5 billion in 2010.</td>
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<td>Mar 3</td>
<td>New public sector pay cuts, &amp; tax increases, totalling EUR4.8 billion: VAT raised to 21%; civil servant wage supplements cut 30%; increase in fuel, tobacco, alcohol taxes; pension freeze.</td>
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<td>Mar 11/6</td>
<td>General public and private sector workers strikes and demonstrations.</td>
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<td>Mar 25</td>
<td>Greek “contagion” hits euro, EU-IMF financial safety net agreed – not activated.</td>
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<td>Apr 21</td>
<td>Investors downgrade Greek debt, drive prices to record highs, based on suspicions EU-IMF funds will not come in time to avoid default.</td>
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<td>Apr 23</td>
<td>Activation of EU/IMF aid package. EUR110 billion: EUR80 billion from EU countries, EUR30 billion from IMF.</td>
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<td>Apr 27</td>
<td>Despite EU-IMF package activation, debt servicing costs soar to all-time high.</td>
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<td>May 2</td>
<td>More budget cuts of 30 billion over three years announced.</td>
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<td>May 4-5</td>
<td>Public-private workers strike on eve of signing of EU-IMF austerity programme.</td>
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<tr>
<td>End June</td>
<td>Speculators keep Greek debt costs high with rumors that Greece may restructure its debt / revert to drachma.</td>
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Recession with no way out

As a result of the austerity measures being introduced, the Greek economy is entering a planned recession. Government statistics predict that the GDP will contract by three to four percent this year, while other sources suggest it is closer to six percent. In 2011, the GDP is projected to contract further, albeit by a small amount. Growth forecast for 2012 is based on enhanced competitiveness due to lower labour and debt-servicing costs.

Greek workers are wondering how they are to be competitive when tax hikes are raising the cost of living. “Europeans say our tourism is expensive compared to others in the region; and they are right, it’s due to our rising cost of living, due to all the tax hikes, not due to our incomes”, commented Yiannis, a teacher (Interview with author, June 2010).

People are aware that “competitiveness” is being used as a code word for taking away decent working standards and wages, and unemployment protection that they have worked hard to win, which had been part of the entitlements of living and working in Europe. “And who are we supposed to be competing with anyway? Ultimately, they want us to compete with the Chinese, with countries which have no labor protection”, said one protester (Interview with author, June 2010).

Centre-right newspaper Eleftheros Typos claimed that the Government was telling the Greek people that they must die in order to live, and it also described the Government’s economic medicine as being “more harmful than the disease”.

Effects on the Greek population

The crisis and the EU-IMF bailout are heightening class inequalities and social unrest in Greece. They are aggravating many gender inequalities and are causing a crisis in the unpaid “care economy”.

While there has been much discussion about the class dynamics of these processes, little has been said about their gender dynamics. This is due to a lack of gender awareness and interest of the majority of Greeks, both in and outside the government, and also due to a lack of gender-specific statistics for those wishing to address gender issues. The main tools for gender mainstreaming (gender impact assessments, gender-sensitive budgeting) are underdeveloped and underutilized. Filling the data gap is a sine qua non for understanding the gendered effects of the economic and financial crises, and understanding and redesigning measures adopted to address them. Some general trends on the gender as well as class impacts of the crisis are identified here.

Unemployment, part-time and temporary work on the rise

In 2008 and 2009, even before the 2010 austerity measures aggravated it, unemployment was already increasing in Greece due to the economic crisis. The GDP started to be in the negative in 2009. Between 2008 and 2009, for the first time since 1991, private sector unemployment increased by about two percent; equivalent to over 50,000 people in a workforce of approximately 4.5 million and a population of 11 million. Greek unemployment hit a five-year high of 10.6 percent in November 2009, and is climbing and approaching 12 percent this year.

Men, however, have benefited disproportionately from government employment support measures. Prior to austerity measures in 2009, the government pumped some money into construction and tourism, some of the sectors hardest hit by the crisis. Construction is male-dominated and tourism has a higher share of male than female employees. However, govern-

Footnotes

7 - Ibid 3
8 - Thomson Reuters, 3.5.2010
10 - Ibid: 3

Between 2008 and 2009, the female unemployment rate rose by around 1.7 percent, especially for women between 35 and 44 years of age (2%) and followed by women aged 25 to 34 (1.5%). This led to a reversal of a long-term trend towards closing the gender gap in employment. However, men’s unemployment was rising by only about half that of women’s. Within this rising unemployment, permanent employment, primarily “men’s jobs” in construction and manufacturing, was hit hard. Also hit were the jobs of family business assistants who are primarily women and immigrants.
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Management support measures overlooked the equally hard-hit female-dominated retail sector.

During the same year, while permanent employment decreased, temporary employment increased by around 4%. Part-time employment for men increased by 25%, whereas for women, just under 20%. Despite the rise in men’s part-time employment, women constitute three-quarters of all part-time employees with low salaries and limited social benefits.13

“How are we supposed to make ends meet on 400 euros a month [half of the basic salary]?” asked Fotini, a part-time female employee (Interview with author, June 2010).

Due to unemployment and employers’ preference to hire freelancers for whom they pay no social insurance, self-employment was also on the rise. “I had no choice but to go to work as a freelancer, as even public institutions such as universities, where I work, stopped hiring permanent staff over two years ago,” commented Vasiliki, a researcher (Interview with author, June 2010). Self-employed persons with staff, mostly men, rose by 1.4 percent, whereas the higher number of self-employed people without staff, mostly women, increased by 1.2 percent.

Private sector unemployment is increasing in tandem with austerity measures. In 2009, while the Government provided some support to firms for easy access to credit,15 Greece’s 910,000 companies are now experiencing a severe lack of liquidity. If banks do not loan at low rates, more private sector jobs will go.16 “How can we create jobs if we have no money to pay our staff, much less expand our business?” asked Yiannis, an Athens businessman (Interview with author, June 2010).

Between 2008 and 2009, public sector unemployment rose for the first time, but by a small amount of 1.63%, corresponding to 16,689 people.17 As a result of the austerity measures, many are taking early retirement but no replacement staff are being hired.

Youth unemployment is also growing, and is predicted to rise to 28 percent by the end of 2010. With the newly introduced minimum requirement of 40 years of paid employment for full pension, youth are despairing of ever seeing a pension.

We are the 700 generation”, commented one young protester. “We will be paid 700 euros per month, with no pensions in sight.” (Interview with author, June 2010). In the past, families often provided informal “social security” for the unemployed youth. However, cuts in pensions mean that the amount of such family support will be greatly reduced.

Public sector job cuts hit women hardest

The most recent hiring freezes in the public sector are in the health and education sectors, believed to be traditionally “women’s” jobs. These freezes have shut out women from areas of employment and exacerbate a care crisis, as discussed in the pension section below.18 Cutting public sector jobs also means a reduction in the number of persons with greater social protection, including unemployment benefits and generous maternity leaves, which women employees in the private sector do not enjoy.

“I am against cuts in maternity leave in principle,” commented Sophia, who works in the private sector, “although I wish I had had such an option.” (Interview with author, June 2010).

Return to traditional family values

Ermioni, a Greek psychologist/analyst, suggests that one of the effects of the dismal prospects for young adults to have meaningful careers is a likely return to traditional “family values”: “If young women in particular feel they have little chance of a meaningful career, they may decide to forfeit it entirely, and focus on those things that have most meaning and value, which in the Greek context would likely mean focusing solely on a role as mother and homemaker.” (Interview with author, June 2010).

Footnotes

14 - Ibid 
15 - Ibid 12 
17 - Ibid 13 
18 - Ibid 16 
19 - Lyberaki/Platon, 11.4.2010. ELIAMEP blog. 
22 - In Greece, women take home about three-quarters what men earn at the same job. Reports published by the Statistical Office of the EU (Eurostat) show that the greatest pay inequalities are found in the higher-income groups, the older age groups and among the highest educated. Women are paid less than men for the same jobs. 
23 - Thomson Reuters, 35.2010. 
24 - Ibid. 
26 - Ibid 16
Wage cuts

Public sector incomes were cut first, followed by wage cuts in the private sector. The private sector gender-based wage gap is approximately 20 percent\(^21\), while the gender gap in wages is smaller, but still exists, in the public sector\(^22\). As a result of this gender gap in wages, income cuts will constitute a larger percentage of women’s disposable income than men’s.

In general, in contrast to media reports, the Greek public sector wages were already low prior to the recent cuts.

Increasing taxes and cost of living

To get an idea of how far this money stretches, it is important to know that before the financial crisis, the cost of living in Athens was already higher than in Amsterdam or Berlin\(^23\). For example, rent (without utilities) for a small two-bedroom apartment in a “regular”, lower-middle class Athens neighbourhood costs at least 400 euros – a third of a public servant’s income, or half the minimum wage. An extremely careful food budget for a family of four easily surpasses 400 euros. This means that the minimum wage or two-thirds of a public servant’s pay will already be consumed with just these two basic expenses. A family of two requires at least 1,500 euros to make ends meet in any decent way; it’s 2,500 euros for a family of four.

While wages are being depressed, the cost of living is rising due to tax hikes aimed to enhance government revenues. If the structural adjustment measures do not meet their targets, more tax hikes are likely to come. The value-added tax (VAT) hikes hit the poor harder than the better-off, as a larger percentage of their incomes is spent on consumption. VAT taxes are also skimmed off the incomes of the freelance workers. VAT hikes are also bad for business, as they lower consumption and feed into the recessionary cycles\(^26\). The emerging recession, being shouldered by lower- and middle-income earners, will further reduce the amount of revenues that the Government obtains from income taxes, unless the Government becomes stringent on making high-income earners pay more taxes.

Rising poverty

The cumulative effect of these austerity measures has been to exacerbate poverty in a country which, already prior to the economic crisis, had greater poverty than the rest of the Eurozone countries. In 2007, before the global economic crisis started to pound Greece, 20 percent of the population were already living in poverty, compared to 17 percent across Europe. Half of family households had difficulty meeting basic needs. Due to lower salaries and pensions, and part-time/sporadic employment, women were more vulnerable to the crisis than the men; 21 percent of them were already living in poverty compared to 18 percent of the men. Elderly people were also most likely to be poor, due to their already low pensions prior to recent cuts. Social safety nets in Greece, especially for those working in the private sector, were less well-developed than in the rest of the eurozone.

As the Pasok Government had noted in its pre-election campaign, the Greek Government needs to spend more money to support those hardest hit by the economic crisis and the attendant austerity measures. However, pressures to balance the budget make such support expenses unlikely to be undertaken by the Government. The already poor and the growing newly poor surviving on a minimum income level, e.g. the civil servants who describe themselves as the lower-middle class transforming into the lower class, are being largely left to fend for themselves.

Politicians are out of touch

Member of Parliament Sofia Sakorafa warned that the people see politicians as being out of touch with society’s plight. “Those in high places think it’s demeaning to speak of food. The reason? They..."

Growing “black economy”

One of the ironies of the Greek structural adjustment programme is that it is causing an increase in the magnitude of the “black economy”, a segment of the economy that the Government has been aiming to regulate and tax. In Greece, the “black economy” constitutes about one-third of the country’s economic activities. In order to make ends meet, many Greek people today are considering shifting at least part of their economic activities to the “black economy”.

Most Greek people are against taxation of income-generating activities that supplement their meagre wages. One way in which families have provided their children with private tutoring is through exchange of services. Family tables have also been provided with olive oil, cheese and other goods sent by relatives on the islands. Taxing such informal transactions and support mechanisms, when the state cannot even provide subsistence incomes, does not make sense to these families. As incomes drop, it is only natural for people to resort to such survival strategies.

Rural residents may be able to ride out the crisis better than those in the urban areas. Many younger and middle-aged Athenians have told me, half-jokingly, that they have planted food on their balconies, and that they are considering returning to their villages to live off the land. But older Athenians are not joking; they are reminded of World War II, when people flocked out of Athens because they could not find food. Those who had village homes and garden plots were able to feed themselves and their families, and make money by selling their produce to hungry townsfolk.

Rising xenophobia, immigrant unemployment, trafficking in women

Greece has the highest number of immigrants, as a percentage of its population, in the entire European Union. Xenophobia is on the rise as foreigners are increasingly seen to be taking jobs that Greeks are now willing to do. Immigrant men are seen as more of a threat than immigrant women. Competition for low-paid jobs now include construction and agricultural work, which are considered “men’s jobs”, among others. Male immigrants are losing jobs as a result.

Due to unemployment, many middle-class Greek women have fallen into the category of the “new poor”, and are taking on more of the unpaid house work, such as cleaning and child care, which was work previously done by immigrant women. Immigrant women are losing jobs as a result, although to a lesser degree, compared to their male counterparts.

Since very few immigrants have been granted legal status by the Greek state, they have no access to social security benefits. They have access to free public education and health care, however, which were already severely overburdened before the recent hiring freezes.

Impact on migrant women

Martha, an immigrant woman working as a nanny, commented: “My employer did not want to let me go. She preferred to keep her paid job, to continue as we were. But she lost her job. As a result, I lost mine. My husband had already lost his last year, when the first wave of the crisis hit us.” (interview with author).

While immigrants are losing their jobs, Greece continues to be a main hub for trafficking of women for sex work. According to Amnesty International, up to 90,000 people are believed to have been trafficked into Greece from Central and Eastern Europe, a large number of whom are women trafficked for prostitution in the year 2000 alone27. Police protection for trafficked women is only given if they agree to testify in court against their traffickers and the protection offered is insufficient. The option of moving to another European country is not made available to them28.

Prostitution of women: a survival strategy for men

In a sinister variation of “black market” survival strategies, one port worker, who is about to lose his job, spoke of a plan to exploit immigrant women’s economic plight by using them for sex work: “My buddies and I are talking about opening up a brothel using East European women. What are we going to do when we lose our jobs and there aren’t other jobs out there?” (Interview with author).

In February 2010, the Coordination of Greek Women NGOs for the European Women’s Lobby (EWL) presented its views on “domestic violence and women, and children protection” to the Greek Parliament and in the presence of the Vice-Minister for Civil Protection. They demanded that concrete
measures be taken to end violence against women in all its forms, including trafficking of women in Greece for prostitution, and also to stop using the financial crisis in Greece as an excuse for further inaction.

Pension changes and care crisis

Public sector pensions have been reduced as part of the austerity measures. Prior to these cuts, the elderly were already the most vulnerable to poverty. Greek women live longer than men, but many have lower pensions than men because of lower wages and being pulled out of the workforce for years as a result of raising families. Lower pensions mean that more women pensioners will be looking for a second job, because they cannot subsist on pensions alone, and it is more likely that they will live the remaining years of their lives in poverty.

As part of recent policy changes, the official retirement age has been raised and equalized at 65 for women and men. Previously, women often took early retirement, despite the cost to their careers and pensions. In the public sector, women were entitled to retire up to 15 years earlier, if they had under-age children. The removal of these options affects younger women the most, as a small number of women between 40 and 50 years old will find their retirement age rising slightly, while those above 50 can already exercise their right to early retirement.

Many people believe that the leveling out of the retirement age between the sexes is equitable. Women in the public sector, however, consider early retirement a fair compensation for their greater role in childbearing, even if this blocks their career development and brings income inequality in old age.

Because public crèches are in short supply, and private child care services are too expensive, much of the unpaid childcare has been handed up the generational ladder, to grandmothers, as well as to immigrant women. In 2009, a positive move was taken by the Government to facilitate younger women’s participation in paid employment and release grandparents from childcare duties. This meant setting up additional places that provided free services to (employed or unemployed) mothers who had young children in private and public nurseries. The negative side of the entitlement is that it is granted only to mothers, not parents, thus reinforcing the stereotype of women as the sole or primary carers. Because of the limited number of public child care services, there are long waiting lists to access this service. The Government measures may even increase these waiting lists.

The lack of affordable and quality crèches, the reduced affordability of families to hire immigrant women as helpers, and the eradication of early retirement for women have created a looming care crisis for individual women and families and for Greek society as a whole. Individual women are facing longer working lives and heavier unpaid work burdens. The economy and the people are reaching the breaking point.

Rising domestic violence

Intra-household tensions are also rising as a result of the crises. Men are now starting to feel their masculinity threatened by unemployment and the increasing problems faced in feeding their families. Many are beginning to express their frustrations verbally and, to a lesser degree, physically, by inflicting violence against the women they live with. Like the desperation felt by my Mexican host mother, many women in Greece are now reaching their breaking point, trying to make both ends meet by combining paid work with increasing unpaid work in the house, and dealing with abusive partners as well. Children, inevitably, bear at least some of the brunt of their parents’ frustrations.

Footnotes

28 - Ibid
30 - Lyberaki/Platon, 22.4.2010, Eliaem blog. In moves most Greeks find fair, however, some obsolete approaches to pensions have been discontinued, including pensions transferred from deceased spouses to unemployed widows below age 50, or to divorced or unmarried daughters of civil servants, many of whom exploited this option their entire lives, by remaining unmarried.
31 - Lyberaki/Platon 22.4.2010 Eliaem blog
Broader implications

Welfare State under attack

These occurrences are part of a broader scenario connected with the whittling away of the European welfare state, a process that has been underway for some time now, although at a slower pace in many parts of Europe. As one trade union representative, Stathis Anestis, Executive Committee Member of the Greek Confederation of Labour (GSEE) puts it: “European unions realise that we in Greece are the guinea pigs, and that the real target is the European social welfare state”34. In the European governments’ economic recovery programmes, neoliberal economic measures are claimed to have been cushioned, to some degree, by social policy commitments to class and gender equality. In practice, however, the balance between the two has been continuing to shift towards neoliberal economic measures, with social policy fading slowly.

Intra-eurozone North-South divide

As the Greek case shows, there is a largely north-south divide emerging within the eurozone between countries that have been spared from some of the ravages of austerity measures, and those that have introduced full-fledged austerity measures. A divide is becoming apparent between the large economies of Western and Northern Europe, which have been able to “spend” their way out of some of the crisis effects, and the smaller economies of countries mostly located in the Mediterranean and Iberian peninsula (Portugal, Italy, Ireland, Greece, Spain – “the PIGS”). These latter countries, for example, lack the capacity to support economic growth through high spending levels, and to pay off their debts, even though the latter are just slightly higher than those of the large export-oriented economies.

The pressure on the weaker economies is coming primarily from Germany, France and Britain, countries that have maintained high spending levels throughout 2010 to stimulate economic recovery. The German Government is subsidizing the wages of millions of its workers to prevent employment levels from falling, while Britain and France are using debt-fueled spending, to stimulate demand.

“It’s not just Greece – all of southern Europe is under attack.... It is no coincidence that they chose the acronym PIGS,” said Yiannis Michelakis, editor of Eleftheros Typos (Free Press)35.

Mounting tensions around this intra-eurozone North-South divide can be seen in press exchanges between Germany and Greece. In the lead up to the EU-IMF agreement, the German press expressed some of German resentment about the possibility that they may have to dig into their own pockets to bail out an unreliable partner to save the euro. The February 22 issue of Focus featured an image of the famous Venus de Milo statue, covered by a Greek flag, with the middle finger sticking up. The headline read “Frauds in the Eurofamily”, with the kicker: “Greece is grabbing our money — and what about Spain, Portugal and Italy?”

This heightened nationalist sentiments in Greece and reminded many Greek people of their treatment at the hands of the Nazis. The conservative Greek opposition daily Eleftheros Typos featured its own version of the Berlin Victory Column, with a swastika symbol, instead of a wreath, aloft the golden Victoria statue. “Economic Nazism threatens Europe,” read the newspaper headlines36.

The German conservative press reports often commented on “those lazy Greeks”, when in reality, Greece, along with Eastern European member states, belongs to the group of EU countries with the highest average weekly working hours37.

This is not to suggest that all the German people support these media attacks against the Greek people.

Much commentary in the Greek as well as foreign press about the Greek case appears to be grounded in the conviction that Greeks should move away from a welfare system - “join the race to the bottom”, as one protester called it - instead of remaining steadfast to the principle that all European – and global - citizens deserve a welfare state. As a result of the shock therapy, however, and with so many rapid changes taking place, some Greek citizens are beginning to internalize this logic, and are turning from anger to apathy and self-blame. What were once considered as rights and entitlements, such as decent work, better working conditions and quality care, are slowly but surely becoming accepted by many Greeks as “extras” that their state can no longer afford.

Governments under attack by bailed out banks

The Greek people are also angry because of the behind-the-scene deals involving the Greek and other European Governments and their banks. The sums involved in bank bailouts dwarf, many times over, the annual amount of debt and budget deficit of Greece. But no questions were asked
when Western governments and their central banks poured in trillions of dollars or euros to save the world’s biggest banks from bankruptcy after the crash of the subprime mortgage market in the United States in 2008. An accurate report of such bailouts in the public accounts of other EU countries might have led to a much faster collapse of their economies, similar to the recent events in Greece.

Several bailout beneficiaries, including the biggest banks in Germany and the speculators in Greece, have used state handouts to spearhead recent market runs on Greek bonds, earning hefty profits in the process. Instead of allowing Greece state-funded and subsidized remedies, the same financiers initiated a media campaign to prevent Greek Prime Minister Papandreou from negotiating an affordable interest rate for the EU-IMF rescue plan as agreed at the 25 March EU summit. These financiers used the uncertainties in the rescue plan’s design to push the country’s borrowing costs to historic heights. Yet, unlike the highly exposed Greek banks, the German Government continues to back its own banks.

Greece as deterrent

The Greek people are also angry because they feel that the country’s distress is being used as an example to deter other eurozone countries from trying to resist austerity measures, and from turning to the EU for assistance.

On 10 May, a few days after the Greek Parliament signed into law the EU-IMF-brokered structural adjustment programme, a three-year EUR 750 billion European Stabilization Mechanism was announced. The EU finance ministers promised to back up the bilateral loans and loan guarantees worth 440 billion euros for the troubled “PIGS” governments in eradicating huge deficits and paying debts. The eurozone policy-makers also demolished a taboo in EU regulations; they allowed the European Central Bank (ECB) to intervene directly in the market by buying EU Government bonds to stabilize their prices and prevent the speculators from gambling on the countries’ bank defaults. The Greek public is upset that this rescue mechanism was introduced after it had been forced to accept the harsh EU-IMF ad hoc programme.

The European Commissioner for Economic and Monetary Affairs, Olli Rehn, argued: “The mechanism should be unattractive so that other countries are not tempted to use it other than as a last resort.” It has been used to increase pressure on Italy, the eurozone country with the highest

Solidarity with Greece

“Some of us are in solidarity with Greece”, argued one German feminist scholar. “Changes such as those in Greece should not be taking place anywhere. For example, the German Greens have organized a campaign for Germans to holiday in Greece this summer. But… many of us in northern European countries have already undertaken similar measures to those that Greece is undertaking now, with significant social protest at home, for example, in connection with pension changes [in Germany]. Maybe the pension cuts in Greece are more draconian, as they started out from an already lower basis; we don’t know these things. There are limits to solidarity from other European citizens who think that it is fair that Greece, which has an “old fashioned” welfare state, now has to undertake such changes too.” (Interview with author, June 2010).

Footnotes

39 - Ibid.
40 - Ibid.
41 - The Sunday Times, 30.4.2010.
debt-to-GDP ratio, and France, with a substantial structural budget deficit. Spain belatedly joined the eurozone’s austerity bandwagon in order not to access such assistance, with even harsher conditionalities.43

However, the Greek’s EU-IMF programme and the new rescue mechanism did not become a deterrent for some Eastern European countries. At a mid-May meeting of European Bank for Reconstruction and Development (EBRD), some delegates said that the EU response to Greece’s crisis made entry into the EU more attractive.44 Others argued, however, that the Greek experience made negotiations with the IMF even tougher.45

Range of alternatives proposed

Some alternatives to the austerity measures and programmes have been proposed. Since most of the austerity measures have been quickly enacted into law, these alternatives will be reactive rather than pro-active: “band aid” solutions for the next three years (at least) when the EU-IMF programme is being enforced.

Make those responsible pay

This call put forward at Greek mass demonstrations included bringing corrupt politicians to court and taxing the rich. Some of the people are fed up with the political elite’s behaviour that they are willing to accept some loss of national autonomy as a possible recourse to help redress some of the problems.

A few of the austerity measures have begun to address the issue of tax evasion by the well-off. However, these came after the easy-to-tax lower-paid workers had already borne the brunt of the increases.

The “Onassis” solution

In the early days, when the scenario of “doing it on our own” was still imaginable, the idea of asking shipping company owners and other wealthy citizens to step in and cover the debt out of a sense of filotimo (pride and obligation) was also raised. This, however, did not materialize.

Making the rich pay

According to Georgia, a civil servant, “I never thought I would say this, but I am so fed up with our politicians that maybe it [will be] good if outsiders step in. I am adamantly against the IMF, but if European oversight could make our rich pay taxes, and make our politicians … come clean about what is going on – then some aspects of these programmes may actually be a change for the better. But what are the chances of that?” (Interview with author, June 2010)

Selling off state assets

The privatization programme is a move in this direction. However, most Greek people reacted strongly against it, as foreign buyers usually take the profits from the sale of state assets and siphon them out of the country, as in other countries where such programmes have been introduced under IMF oversight.
Take the state to court for contravention of EU social policy/laws

As the austerity measures become law, the Greek people have begun to take their resistance to the courts. A class action suit is being prepared in connection with the changes in the retirement law, for instance. It is based on some clauses in the European social law stipulating a decent standard of living for the elderly, which is contravened by the revised pension law. Lawyers note that such class action suits are unlikely to change the austerity laws, but may have a political impact in the longer term, i.e. three years down the line when the EU-IMF agreement expires. In the meantime, at the European level, it is clear that neoliberal policies are taking precedence over social policies.

Balance austerity with growth

John Maynard Keynes, a firm believer in the role of government intervention in the economy, would be turning in his grave given what has become of the IMF, said Kostas Vergopoulos, Professor of Economics at University of Paris VIII.46 Vergopoulos argued that if governments want to balance production with consumption, they should boost growth-generating activities rather than austerity itself. He added that it was unfair to leave countries such as Greece at the mercy of speculators who are out to make a fast buck from bonds.

Stem the tide of the neoliberal EU project

Maria Kerassimi, one of Greece’s prominent feminist scholars, has been active in the activities of transform!, a European network for alternative thinking and political dialogue. Along with her transform! colleagues, she has been emphasizing the need for a broad-based coalition to revise the entire European project. They have been clarifying that the EU support mechanisms provided in Greece and elsewhere are but short-term, stop-gap measures that do not challenge the monetarism and neoliberalism “straightjackets” embedded within the existing and proposed parameters of what is known as the “European project”.

In a similar vein, but with a greater focus on feminist and ecological approaches, the WIDE Network, based in Brussels, has been elaborating a critique of the global economic and financial crisis and conducting lobbying activities on this basis. As part of a longer-term feminist framework, WIDE members are demanding a radical rethink of what constitutes the “economy”. According to WIDE, economics should focus on provisioning activities that maintain life – human and environmental – thus providing the basis for the radical reworking of development models towards a more humane and environmentally sustainable economic system.

New global economic governance structure

Greek Prime Minister Papandreou has been attempting to rally European and American leaders to usher in a new era of global economic governance that would rein in unregulated, volatile and opaque derivative transactions. “This crisis is an opportunity to correct many of the excesses of globalization,” Papandreou said. “It calls for deep structural changes, changes to our global institutions, to our system of global governance.” “What has become very clear in this affair is that over and above the fiscal problems that any particular country has, there are the kinds of questions about what use people can make of things like credit default swaps (CDS), how opaque these markets are, how it’s not clear who’s trading what and how these can push countries to the brink,” commented Greek Finance Minister Papamostantinou in a CNBC television interview.

A tax on financial transactions, which would be a first step in this direction, has been supported, in words, by the European Parliament and the President of the European Commission, Jose Manuel Barroso, as well as Belgium, France, Austria, and has sparked a debate in England. However, such a tax has not been introduced.

Stiglitz suggested that a bond be launched by European states with better credit rates for those countries most in need. European socialists had proposed something along these lines, but it was not implemented. Stiglitz also argued that the ECB should lend money to governments at the same interest rate that it lends to the banks. He added that it was unfair to leave countries such as Greece at the mercy of speculators who are out to make a fast buck from bonds.

Footnotes

47 - Ibid.
Women’s issues sidelined

In Greece, political organization has traditionally been along party and trade union lines, which have overshadowed and sidelined feminist causes. In the current crisis mentality, feminists are hesitant to advocate women’s issues too strongly. As Maria, one feminist activist explains, “Women’s unemployment is rising faster than men’s. But when so many men are also losing their jobs, many women – including many women active in the parties and trade unions – don’t feel it is the right time to bring up ‘women’s issues’. They are taking second, or even third, place, to what is considered to be the primary issue at hand.” (Interview with author)

Greek feminist alternatives

As seen above, Greek feminists have been reflecting on and reacting to some of the ongoing austerity measures. However, feminist alternatives have not as yet emerged, for a number of reasons. In Greece, the feminist movement is fairly small, especially the feminist movement working outside traditional party and trade union structures. This is partly because widespread conservative notions about gender roles, held also by most women as well as men, make broad-based feminist organizing difficult. Since many men and women are losing jobs and the opportunities for meaningful careers, feminist concerns are being sidelined further.

The Greek people, including the trade unions, are having a hard time knowing which way to turn, as the austerity measures are being introduced by a socialist government. The portending dire circumstances and the ineffectiveness of traditional unions and parties to stem the austerity tide creates greater potential for women’s organizing outside these structures. “Perhaps our female feminist colleagues in the trade unions will be more willing to collaborate with non-party-aligned feminists, now that their position is deteriorating,” commented Maria. “The good thing is that they have had fora and funds for their work, and this has undoubtedly been important for ... the feminist movement. But, their work has had to take place within the constraints of party and labor union politics. If we look at things positively, we are seeing the potential for a ... broader-based feminist organizing of a new type, that puts women’s issues first”.

There are opportunities to form new coalitions to address, among other things, the following issues:

- Need for more public child care services

Currently under discussion is a plan to use EU funds to subsidize child care at private child care services. This would help address, in the short term, the shortfall of child care places for low-income parents. However, as feminist trade unionists have pointed out, a much better plan would be for these funds to be used in creating new public crèches. This would institutionalize these funds into the budget, thereby demonstrating a commitment to provide easily available and affordable child care. It would also create permanent jobs, especially for women, in the public sector. Unfortunately, both of these long-term commitments appear to be what the Government is trying to avoid.

Footnotes

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• **Counting care work in the pension system**

In theory, one of the advantages of the equalization of women’s retirement ages with men’s would be the raising of women’s pensions based on years of paid work. This would decrease women’s economic dependence on men during old age. However, the recent pension cuts may counterbalance such pension raises based on paid working years.

Instead of the woman taking child care leave at the end of her career, as has been the tradition in Greece, an alternative proposal would be to recognize unpaid care work in the pension system as unpaid care leave, at whatever stage in her career a woman chooses to take it. Such unpaid care “leave” should also apply to men’s pensions, to encourage them to take on some of the unpaid care work in the family.

• **Cut military spending**

Because of its long-standing and ongoing tension with Turkey, Greece has the highest military spending/GDP ratio in the EU and a better equipped air force than Germany. In other parts of Europe, feminist groups have long proposed that military spending should be cut, instead of social spending. The financial crisis has shifted official Greek policy, and in May, a mutual cut in defence spending by 25% was proposed by Greece to Turkey.50 Greek feminists should support this government proposal, and campaign for savings to be earmarked for more public crèches, covering years of unpaid work in retirement schemes, as well as embedding gender-sensitive budgeting in government processes. However, Turkey’s response was unclear, making it unlikely that Greece will cut its military spending. International support for such a proposal came recently in the European Social Forum held in Istanbul. It is hoped that other EU institutions and organizations will also support such proposals.

• **Gender mainstreaming**

The lack of availability of gender statistics has hindered a gender analysis of the above-mentioned processes and proposals, as well as their revision to integrate gender considerations. The main tools for gender mainstreaming such as gender impact assessments and gender-sensitive budgeting are also underdeveloped and underutilised.51 Greek feminists should call for the improved collection and use of gender statistics in all public proposals and processes. The outcomes of gender budgeting and impact assessment reports and gender-inclusive pilot project guidelines should be widely distributed. Central and local governments should be pressured to integrate the pilot projects gender-based approaches in all their programmes and activities, and at all levels of administration.

• **Strengthen the General Secretariat for Equality Research and Centre for Gender Equality (KETHI)**

Greece has had a General Secretariat for Equality since 1985. It also has a Centre for Gender Equality (KETHI), funded by the General Secretariat, which supports the Secretariat with research and activities focused on community outreach activities. Both these organizations were particularly active under previous PASOK Governments, but were “de-radicalized” and downsized under the New Democracy regime.

The Secretariat has recently been relocated from the Ministry of the Interior to the Ministry of Justice, Transparency and Human Rights. It is hoped that this move will provide it with more independence, and that the advent of a new PASOK government will give it and KETHI renewed impetus – including enhanced funding. However, given the budget constraints, this will not occur without consistent feminist campaigning.
Conclusions

As the Greek case shows, the economic crises and its attendant “recovery programmes” within the eurozone are hitting both men and women hard, but in gender differentiated ways. They are also causing crises in the largely invisible unpaid “care” economy, where women bear the brunt of the unpaid work burden. Most of us here in Greece face a future of declining wages and pensions, increasing taxes, and little social security support. We feel that there is little room for us to change this course, at least for the next three years, except to agitate for some “band-aid” measures within the framework enforced by the EU institutions and the IMF.

The Greek case is a warning to the other countries, especially Portugal, Italy and Spain, of the impacts of these measures that they are being pressured to undertake. It is also a call to them to not only protest against the measures being undertaken in their own countries, but also the attack on the welfare state system by stronger eurozone governments. It poses a warning to European politicians of a broad-based resistance against the dismantling of the welfare state. It also serves as a warning to all about the consequences of unregulated financial market players who prey on the weaknesses of the economy, both real and manufactured, and turn against governments that have managed to bail them out. Greece’s “shock therapy” is additional proof that aggressive neoliberalism, if left uncontrolled, will drive all of us worldwide into the ground. We hope that there will be strong protests, not only in Europe, but also globally, that will cause global leaders to reject such a development model.

One of the advantages of Greece being at the centre of international attention over the past few months has been the opportunities presented to Greek activists to get much needed exposure and support in the international arena. In our search for new types of political alliances, the solidarity of other feminist movements in Europe and globally will continue to be welcomed with genuine Greek hospitality.

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Impacts of the Crisis on Women’s Rights: Sub regional perspectives

New from AWID is this 2010 edition of the brief series: Impacts of the Crisis on Women’s Rights: Sub regional perspectives. We are excited to present an update, by region, to the exceptional research conducted in 2009 on the impact of the global financial crisis on women’s rights. This update provides relevant new data, testimonies, and voices from women activists on the ground. Each case presents an opportunity to unpack the in-depth challenges faced by different women in diverse contexts while examining possible policy solutions from a feminist perspective. This work takes us on a journey to help us think beyond the financial crisis and its implications, and start reflecting about the new world being created. At AWID we believe these studies contribute to building and supporting women’s movements.

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This publication is part of AWID’s initiative: Influencing Development Actors and Practices for Women’s Rights (IDeA) that seeks to contribute to advancing feminist understandings of the relationship between development and women’s rights issues with a particular focus on the aid effectiveness agenda and the Financing for Development process at the UN.