

Hagsveifla og vinnumarkaður

Áhrif á konur og karla

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Overview

- The current crisis – is it as other crises or is this one different?
- The role of men in creating the current crisis
- How the labor market reacts – Flexibility of labor markets-first round effects
- Second round effects – budget cuts
- What is likely to happen in the coming years?

Impact of financial crises

- Recession lasts 2 years
- Unemployment rises for four years
- Real housing prices fall for five years
- Massive increases in government debt at end

The current crash

- Debora Spar president of Barnard College:
 - “One gender’s crash”
- Excessive risk taking in the financial sector.
- Women make up 60% of the workforce at Fortune 500 finance and insurance companies
- 17.9% of corporate officer positions
- none of the chief executive positions



Gender differences in risk taking

- Men are more willing to compete than women.
- Men are found to be more overconfident than women.
- Overconfident investors trade more frequently than rational investors.
- Men trade stocks more frequently than women.
- Women managers tend to take less extreme risks than their male peers.

Addressing warning signs

- Perhaps women respond differently to danger signals
- Brooksley Born – called for greater disclosure and new rules to govern financial derivatives
- Sherron Watkins – Enron executive to warn the CEO that the company was headed for trouble.
- Something that warrants further research.



Effects on the labor market

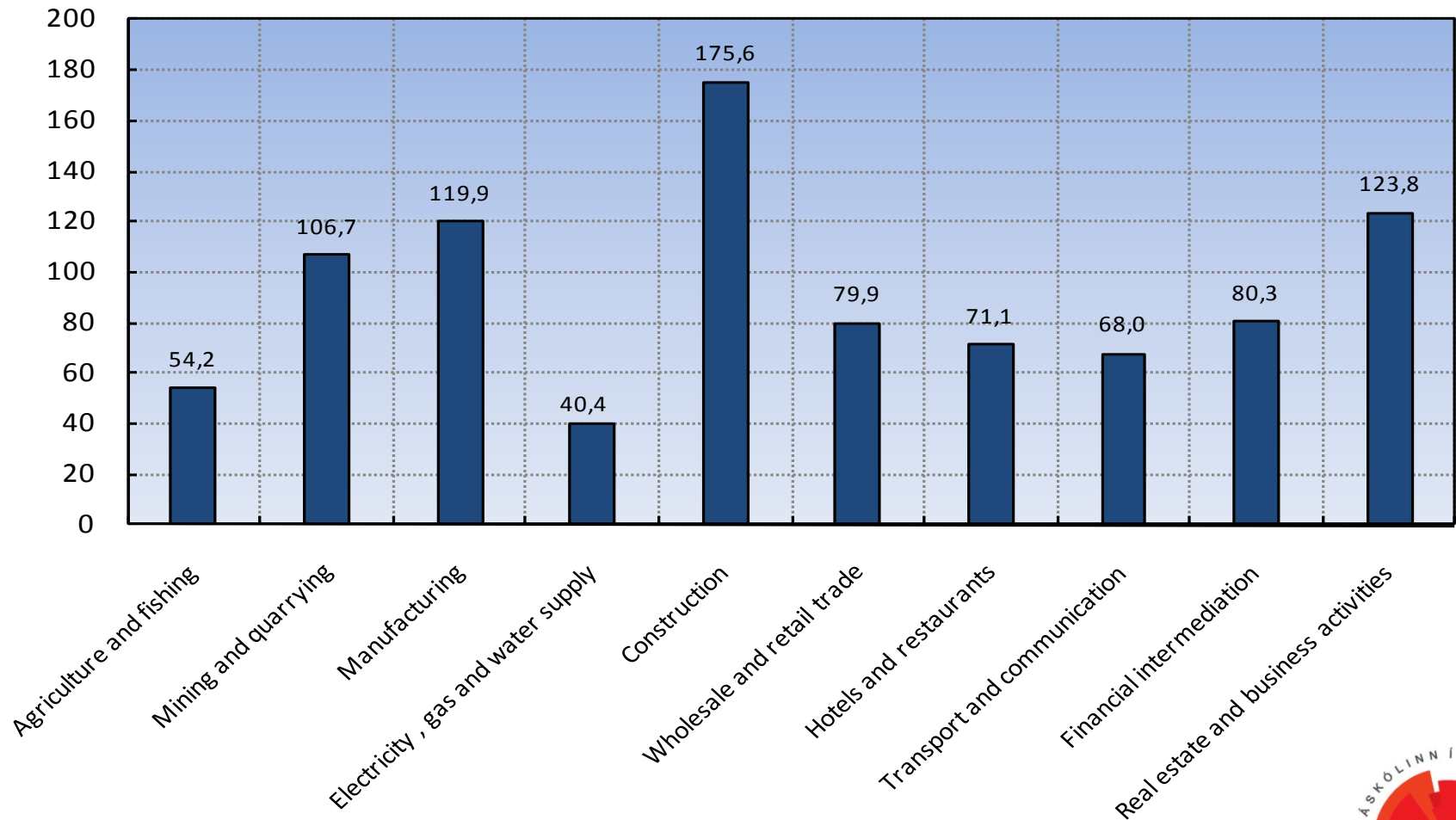
- Depends on flexibility of labor markets
 - Finland's unemployment went up to nearly 20%
 - Iceland's expected to stay close to 10%
- Reduced working hours (overtime, share of daytime)
- Unemployment
- Labor force participation rates
- Cut in nominal wages

Who gets hurt?

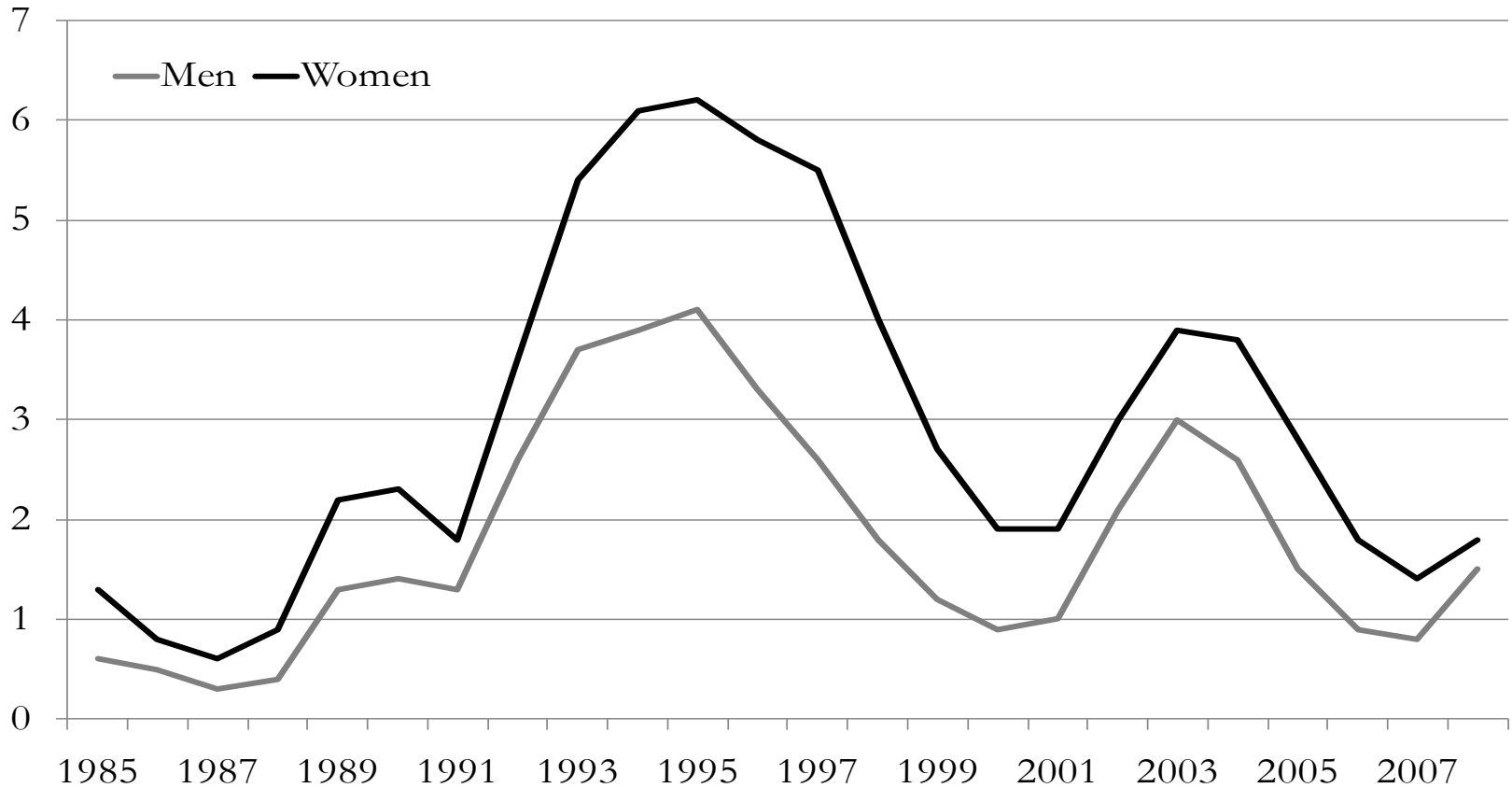
- People at the lower end of the income distribution.
- When it comes to wages women are generally harder hit than men.
- When it comes to employment men are hit worse by recession than women.

Sensitivity to economic cycle

1970-2005

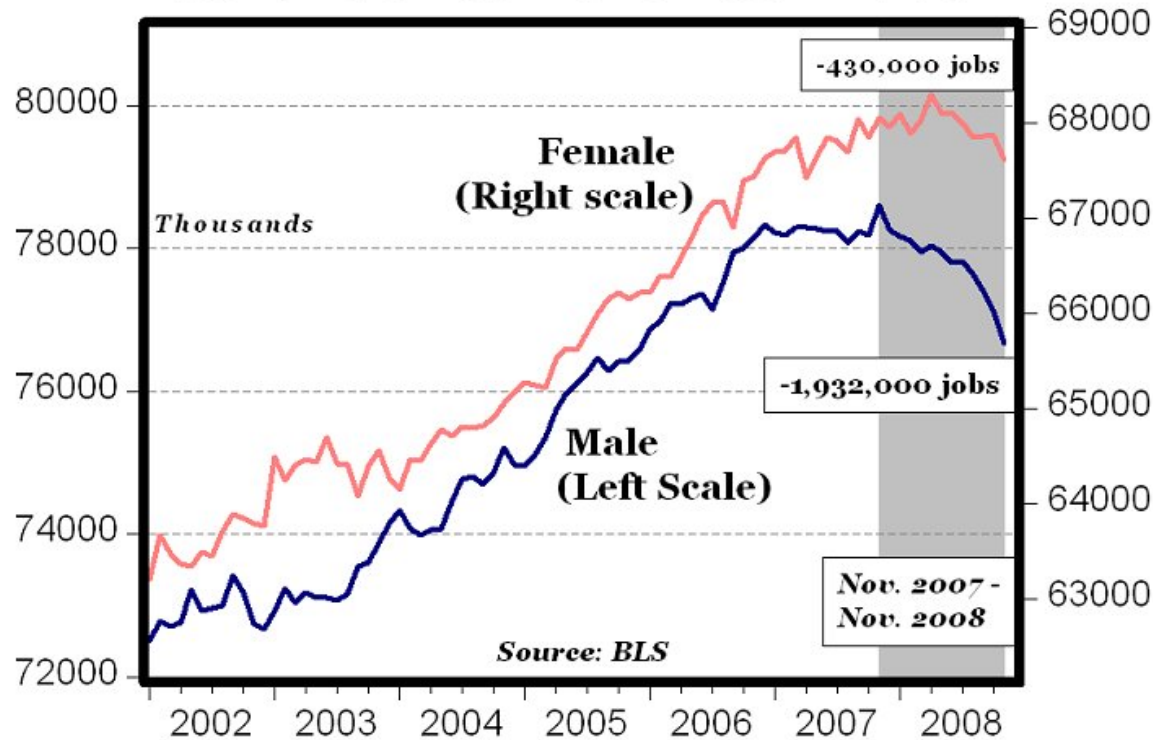


Unemployment in Iceland

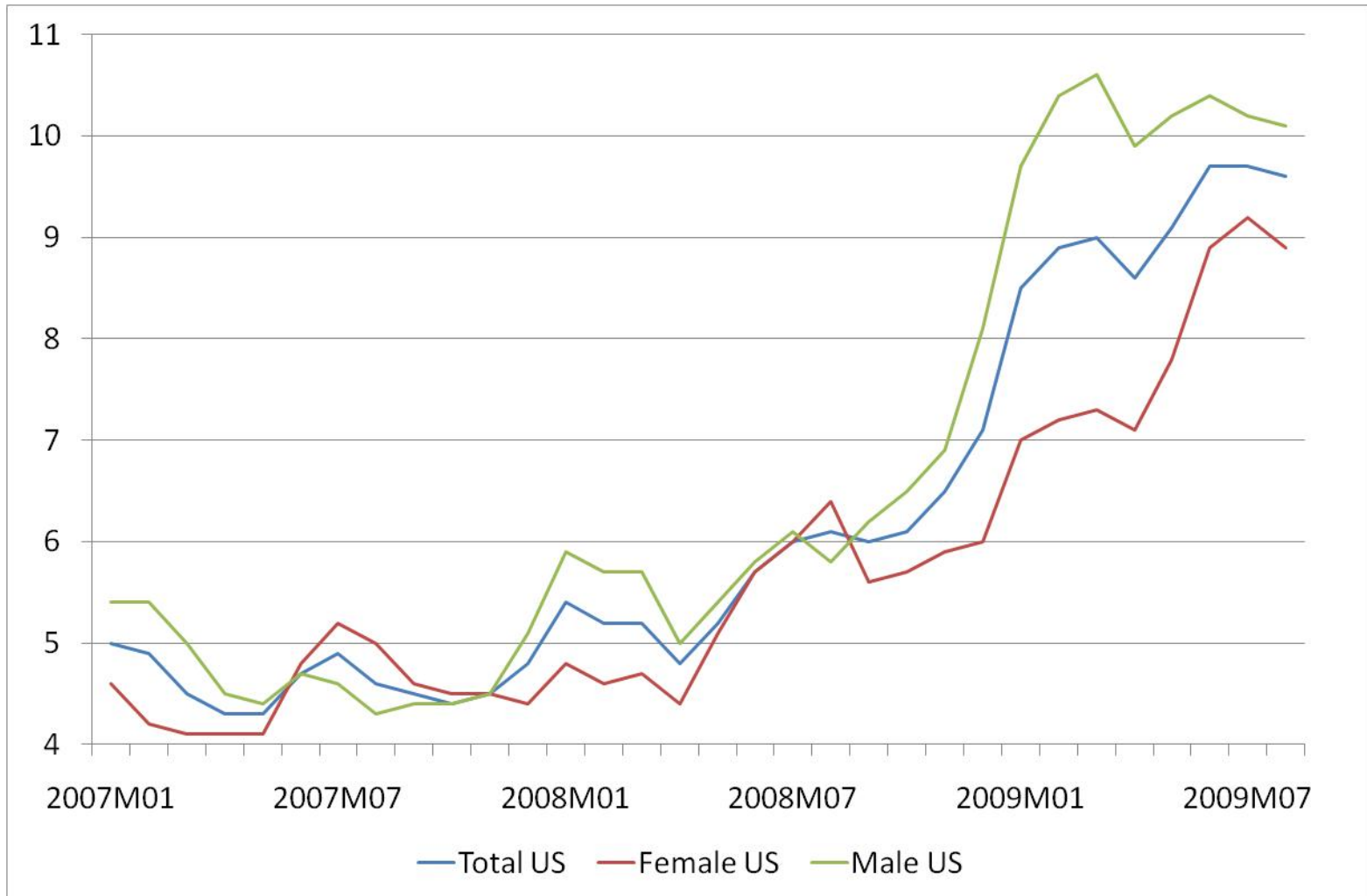


Employment in the U.S.

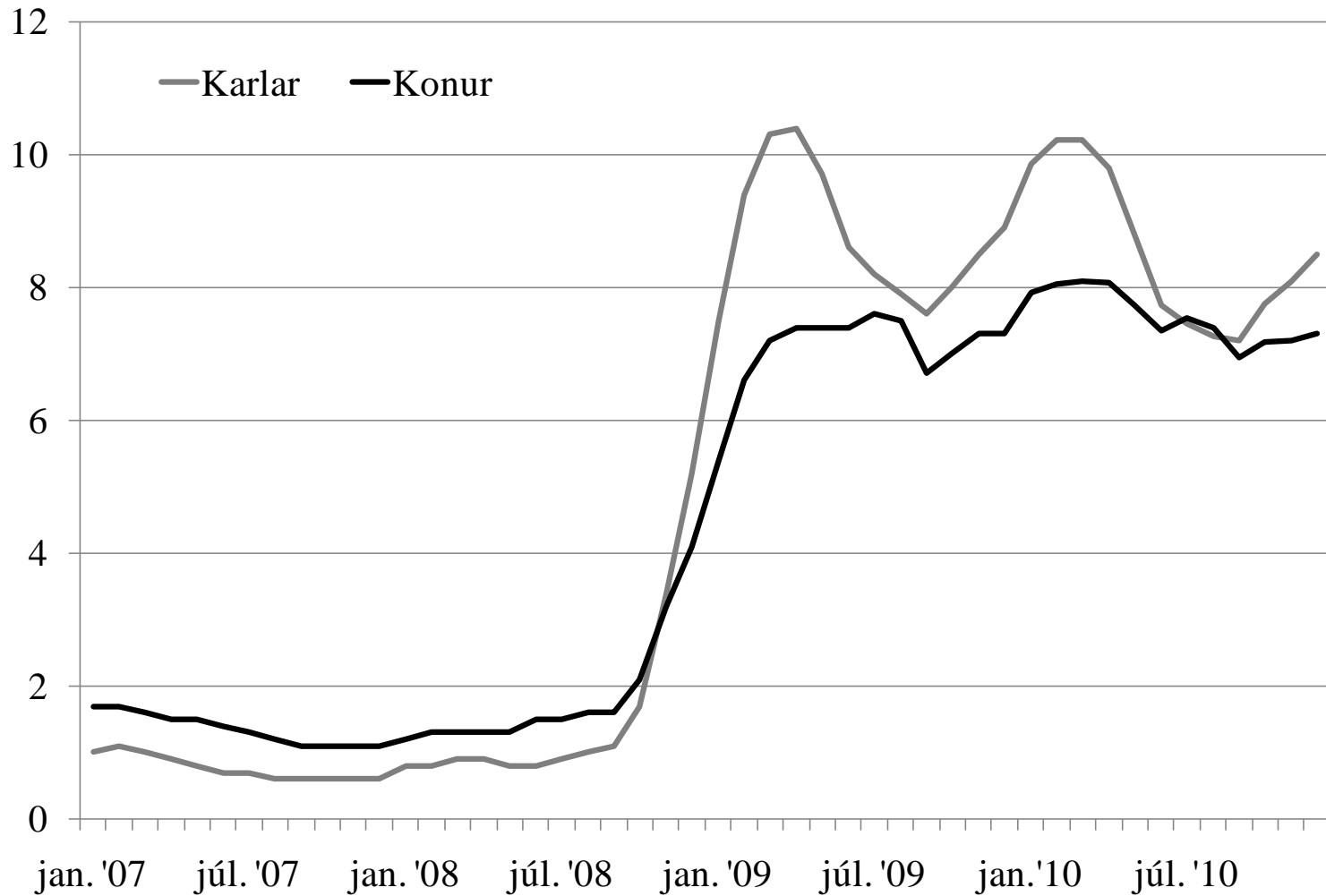
Employment: Female vs. Male Jan. 2002 to November 2008



Unemployment in the U.S.



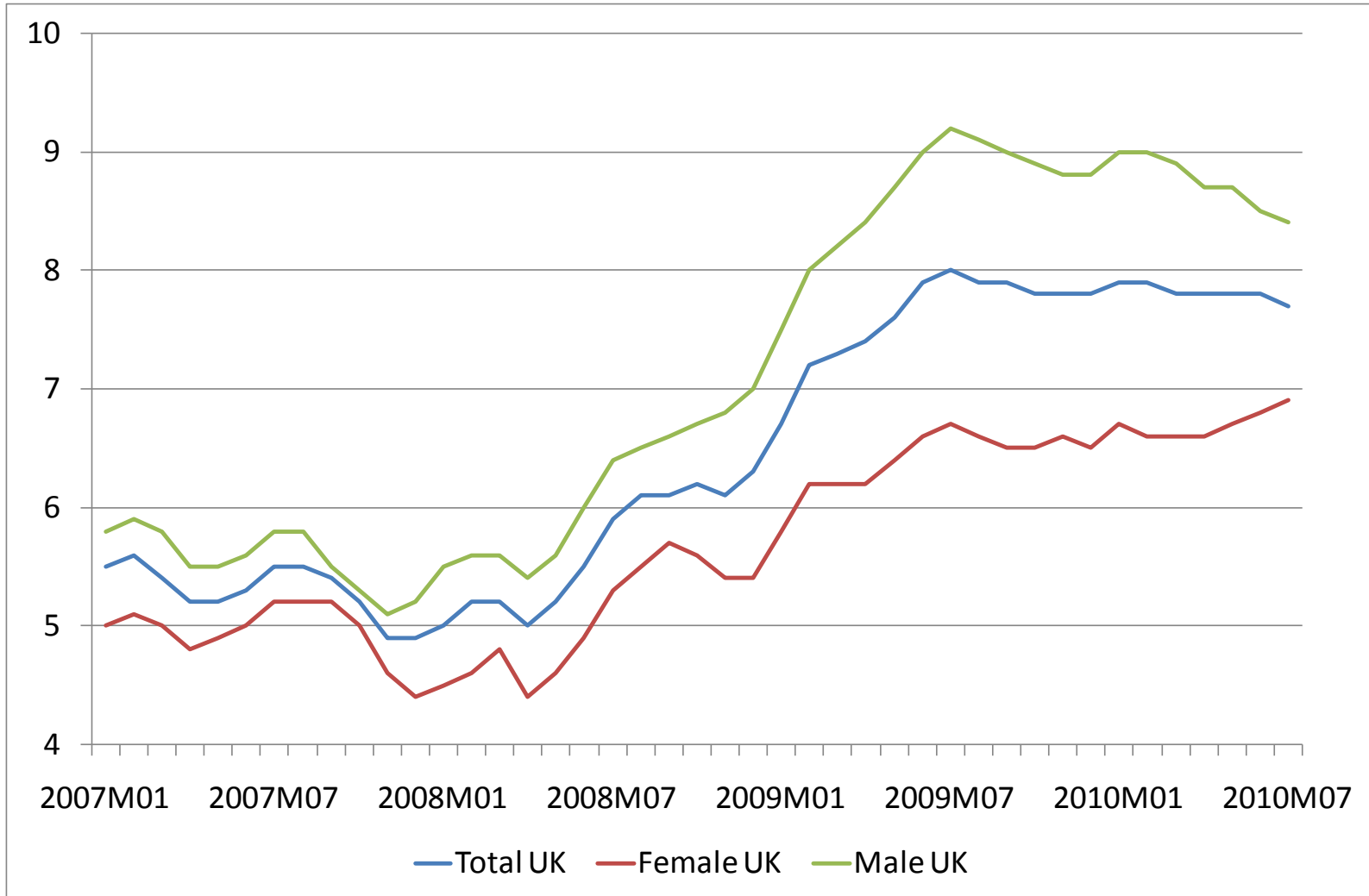
Unemployment in Iceland



“Second round effects”

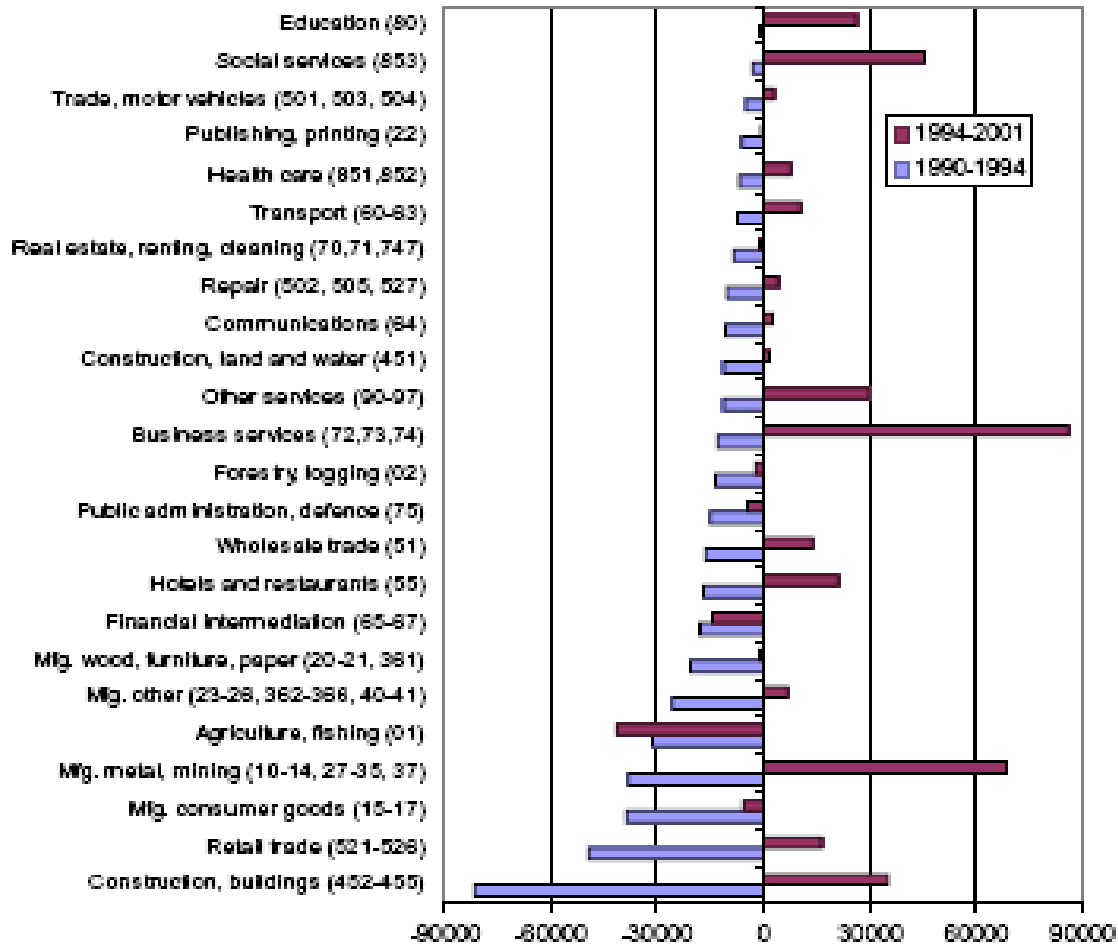
- The government has in many countries stepped in to refinance the financial sector.
- Increase in public sector debt.
- Slowdown in economy means increased public sector deficit.
- Many governments will be forced to cut public services and benefits.
- This will hurt women much more than men.

Unemployment in the UK



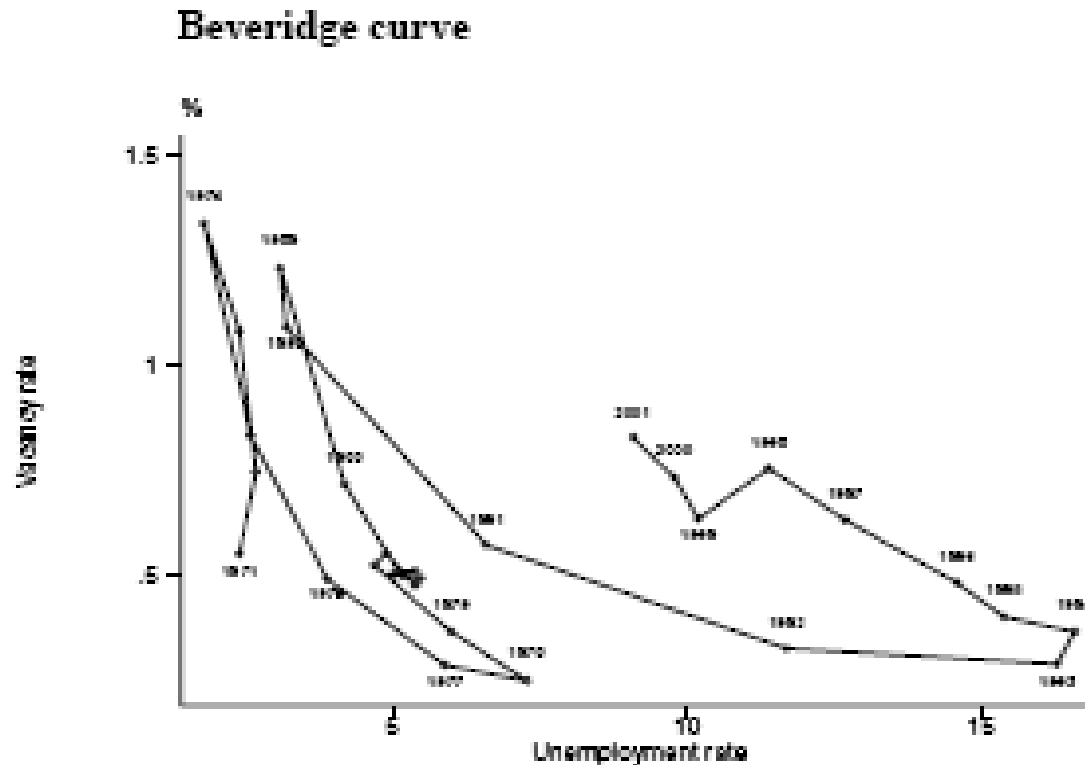
Changing structure in the labor market

Figure 5. Change in employment by industry during the recession and recovery



Job matching might get tougher

Figure 6.



Source: Finnish Labour Review 1/2002



What lies ahead?

- Opportunities in reducing the gender gap in the labor market.
- Difference in wages between men and women probably narrowed.
- Need to be open to changes in the structure of the labor market.
- Need to ensure that women and men share the power.