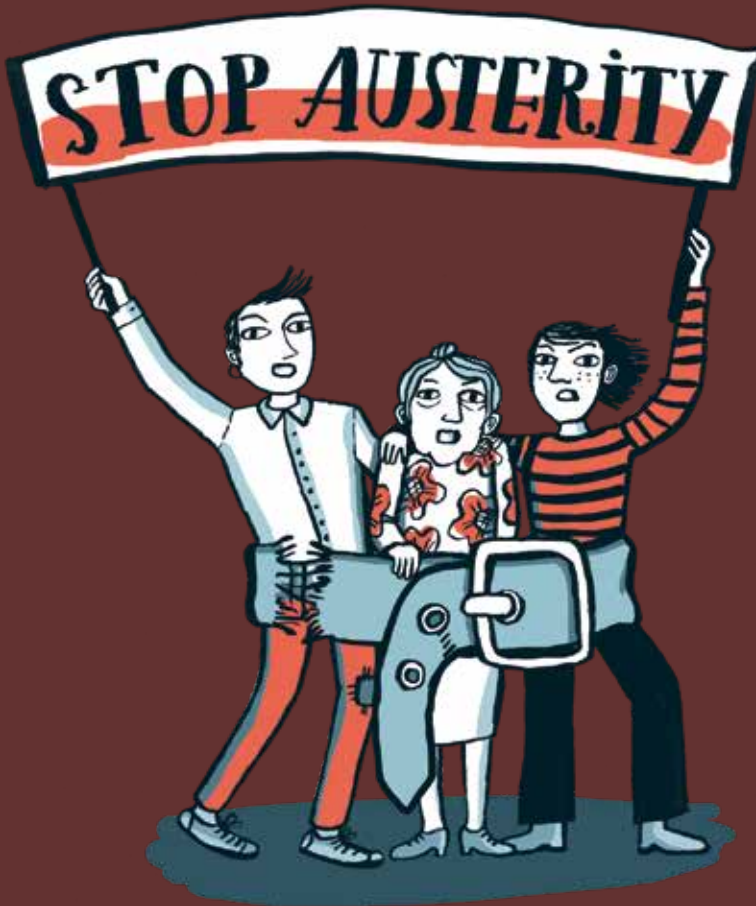


P O L A N D

AUSTERITY, GENDER INEQUALITY AND FEMINISM AFTER THE CRISIS

# Unsatisfactory Success and Hidden Austerity Policies. Feminist Approaches to the Austerity Paradigm.

Agata Czarnacka





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## Introduction

**N**obody questions the significance of gender equality for economic growth and combatting poverty anymore. However, women still bear the direst consequences of unsatisfactory success in those areas and are much more often affected by the consequences of poverty' (Pabijanek 2012). These words, while seemingly stating the obvious, introduce one very important reservation. Women bear the consequences of not only economic disasters, crises or stag-nations but also of economic success – whenever it remains unsatis-factory. However, as contemporary economies are more and more fo-cused on short term gains, there are practically no 'satisfying economic results' anymore. Since the return of the investment could always be higher, basically any level of return, achieved within legal bounds, is by definition a failure. A failure to counteract through restructuring and 'rationalizing' the allocation of resources. In the case of women, the re-sources in question consist not only of human labour, but also of time, space, privacy and intimacy.

Officially speaking, Poland is not subject to classic forms of aus-terity regimes usually imposed by the Troika: the International Mone-tary Fund, the European Commission and the European Central Bank. Very briefly, from 2009 to 2012 approximately, a significant increase in the budgetary deficit due to aftershocks from the worldwide economic crisis triggered the measures aiming at reducing the excessive deficit such as an over four year long freezing of payments in the public sec-tor and administration. It meant introducing a series of counter-crisis special purpose acts with an anti-employee character. According to the arrangements by the Trilateral Commission, these were intended only as temporary measures, however, over the course of time, successive



prime ministers: Donald Tusk, otherwise a party in the original negotiations, Ewa Kopacz and Beata Szydło permanently placed the make-shift (de)regulations in the Polish Labour Code. However, it does not mean that austerity was not practiced in Poland. On the contrary, it might be said that starting from Leszek Balcerowicz's 'shock therapy'<sup>1</sup>, the Polish economy policy was partially based on the premises of late capitalism and partially on classic austerity requirements.

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1. Leszek Balcerowicz was Poland's first Minister of Finance after 1989. He was largely responsible for reshaping Poland's centralised economy and laying the foundations for capitalism on the ruins of the socialist state.



# *Economic transformation in Poland and 'debt-driven economy'*

## 1.1 Heritage of the Polish People's Republic

In 1989 Poland used the foundations of what was left behind from the centrally controlled economy, a resilient private sector (although limited to small enterprises) and a moderately developed public services sector characteristic of the Eastern Bloc countries—although, contrary to popular opinion, the latter was not exactly omnipresent and, particularly in care branches, it was never a true alternative to traditional care labour performed by women—especially beyond the regions with large state enterprises which usually established day care centres, workplace canteens and other such facilities. As a result, Poland entered the transformation period with slightly less than 50 % share of professionally active women among the entire population of working age.

Those women paid the major cost of the transformation. As early as 1993, the BAEL study showed that barely 42.3 % of women were professionally active (with 44.9 % of women among the entire population of working people). The enormous gender disparity among the unemployed was coupled with a considerable majority of women in groups affected by unemployment the most, that is the undereducated or those with basic vocational training. That reflected specific tendencies in the Polish transformation—for instance, the preferential treatment given to male-dominated heavy industry plants at the cost of female-dominated light industry.

Under these conditions, women leaving work to take care of home and family was often a preferred option (some conservative politicians from the early 1990s even praised the transformations as a

means to reinforce the traditional family model). Needless to say, any fight against discrimination was practically non-existent (Czerwińska 1994). In 'Women's Professional Activity' of March 1994 Ewa Czerwińska described typically 'masculine' and typically 'feminine' models of professional activity, with 'masculine' based on continuity of work and career and emphasis on education and skills, whereas 'feminine' was hampered by the necessity of looking after small children and was less oriented towards higher competences (ibid).

Aside from the line of division, currently viewed as outdated and inadequate, it needs to be pointed out that, essentially, in the initial years following the transformation, actions taken for the professional activation of women or maintaining traditionally female workplaces were meagre at best if present at all and most often they boiled down to emphasising the 'masculine' career model as the only one to ensure success. Czerwińska noticed that 'Women's professional activity increases everywhere, where labour demand mostly applies to men. The durability of the vertical division of work between women and men, in the form of working women being concentrated in only a couple of economic activity spheres, is the root of inequality in women and men's employment and in the scope of payment, progressing up the career path (vertical division of work) and in the sphere of unemployment' (ibid).

This type of gender determinism, i.e. concentration of women's employment in specific industries plus the deteriorating conditions of work in the public sector plus a lack of support for women on their career paths or for a 'female'-career model (today we would say: 'parental', as in combined with raising children) was quite common in social and labour policy.<sup>1</sup> With the simultaneous dismantling of the childcare system, poor public support for the elderly and for the disabled, it was small wonder that the childbirth rate fell dramatically in the early 90s (despite, or exactly because of,<sup>2</sup> the ban on abortion introduced in Janu-

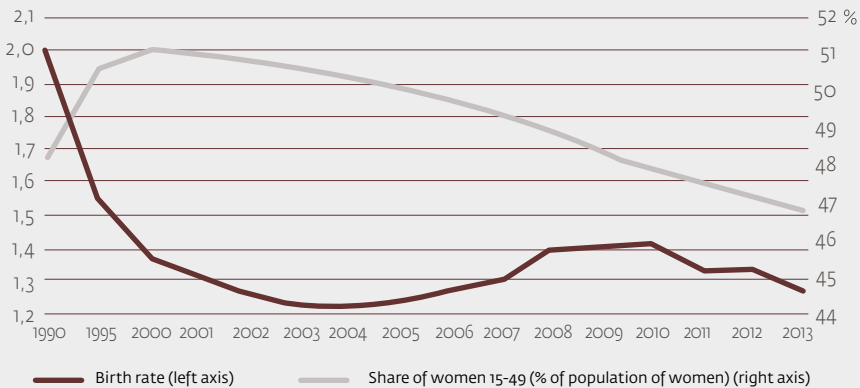
1. This analysis was prepared on the commission of the Bureau of Research of the Chancellery of the Sejm.

2. Wherever abortion is illegal and constitutes a felony, qualitative research is basically futile, as research subjects will not be able, or willing, to speak freely of their experiences. However, comparative evidence suggests that full access to family planning may have a positive impact on birth rates, allowing women (or both parents) to have

ary 1993) with an average level of 1.33 children per woman of childbearing age, far below the generational replacement level. This rate of birth has been almost constant up to the present day (over the last three years there has been a slight increase which is generally thought to be the product of reforms in maternal welfare and the 500+ programme which will be discussed further on - see Section 3.2).

In the following, I will try to show that in the face of the 'hidden austerity policy', the low birth rate is an indicator that the austerity paradigm is being implemented even where there is no official mention of it. Another indication suggesting the government's anti-woman policy is that women of a childbearing age tend to disappear from Polish society, a tendency which was especially noticeable when Poland entered the European Union and Polish women were given the possibility of working abroad.

Graph 1. Birth rate and share of women of childbearing age in the entire population of women, 1990-2013



Source: Central Statistical Office

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 more children comfortably in middle or later stages of their career, when they are already professionally established and do not risk precarity due to child-rearing obligations.

## 1.2 Influence of the developing countries' debt crisis on the perception of austerity policies in Poland

In 1980s, the world was hit by a tsunami-like crisis. A long term consequence of the oil crisis and dramatic drop in oil prices and the United States restricting its monetary policy was public debt crisis in developing countries. In 1982 when Mexico declared insolvency, the public finances also started to decrease in numerous other countries. It turned out that the global financial system was not able to accommodate the markdown of petrodollars and the measures taken by the American Federal Reserve System to strengthen the dollar, especially in the form of increasing interest rates. As a result, transnational mechanisms of 'financial discipline' were established. The World Bank, the International Monetary Fund and the Federal Reserve dictated the conditions for providing aid to developing countries which were unable to service and pay off public debt. Although some portion of the debt was written off, the remaining lion's share was just split into instalments. It was described as a need to introduce 'structural adjustment', which meant cutting back on public expense, changing tax encumbrance profiles, etc. Those interventions were generally supposed to guarantee the accumulation of budgetary surplus which could then be allocated to timely debt payments.

The imposed programmes of structural adaptation had disastrous results in the countries where the basic problem was the necessity to compensate for a drop in export income, including decreasing prices of natural resources. In this context, it is not surprising that Poland's new ruling elites<sup>3</sup> displayed a nearly allergic dislike for the idea of incurring more public debt than necessary. Although the transforming country needed financial means, attempts were made to obtain them in ways other than incurring debt. With the Constitution of 1997, a debt threshold of 60 % of the GDP became untouchable. Aversion to debt gave birth to the policy of limiting public spending. A social spending economy was not treated as an investment in economic development (it also went against contemporary economic paradigms), so the cuts to the social sphere were the main way to 'balance out' public finances. Another way was the restructuring and privatisation of state assets, including almost the entire industry sector.

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3. This applies not only to the former democratic opposition but also to post-communist elites undergoing a generational change.

The question could be raised of whether the famous Balcerowicz reform, and the ones that followed, as well as subsequent governments' dislike of public spending that could negatively impact Poland's credit rating, indeed produced more positive, global effects for the economy and the society than whatever the 'structural adaptations' imposed by the IMF or the World Bank would ever be able to bring about. A closer analysis reveals that the two paradigms were quite similar in regard to the numerous guidelines that they followed. Either way, the scene was set for years to come. The economic and systemic transformation following 1989 meant a transition from a country of general employment and, theoretically, a welfare state-like redistribution of wealth to a 'minimal state' marching to the tune of late liberalism. And the constitutional provisions of 1997, such as the 'social-oriented market economy' or the practicing of 'the principle of social justice', remained largely empty throughout the decades to come. However, the provision of impassable debt threshold at 60 % of the GDP was seen by subsequent governments as an ultimate argument against more courageous social policy.

### 1.3 Social transformations 1989-2005. The structural problem of violence against women

Just until recently, the problem of violence against women was rarely analysed in a structural context. The Polish analyses rarely include the category of 'institutional state violence', that is, the violence resulting from undisclosed assumptions fostered by state institutions. Nevertheless, it is worth looking at the issue of violence towards women following the economic transition precisely from this perspective. The capitalist economy based on competition, especially employee competition, functions due to two crucial labour market phenomena (although not just them): the unemployment rate which produces and stimulates competition and discrimination to organise said competition along given lines (such as gender) and to justify it. In this sense, the occurrence of discrimination in the budding labour market and sudden increase in domestic violence (obviously not entirely absent before 1989 but kept on a relatively tight rein due to the presence of low level structures of control, such as plant level units of the communist party) are closely related. As Ewa Majewska wrote in 2005<sup>4</sup> :

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4. Analysis commissioned by Amnesty International Poland.

'Violence against women originates from discrimination, refusing to accept women and men's equality in all spheres of life, denying women many of their rights. Violence has its roots in discrimination, it also serves the purpose of strengthening it, preventing women from using their rights and freedoms based on the principle of equality with men. The UN Declaration on the Elimination of Violence against Women confirms that violence is 'a reflection of historically mismatched relations between a man and a woman that lead to women's subjugation to men and discrimination on the part of men' and that 'violence against women is one of the basic social mechanisms serving the subjugation of women to men'. The practices applied by public institutions and law officers are also crucial for the safety and health of women. In the 1990s it was common for the police to ignore domestic violence calls. They were treated as 'a private family affair' (Majewska 2005).

The structural discrimination of women in the period of transformation consisted of unfettered restructuring and closing down of the female-dominated branches of industry as well as neglecting female-dominated professions such as nurses, orderlies, teachers and public administration office personnel (which was subjected to a brutal, multi-year pay freeze over the first decades of the 21<sup>st</sup> century). As such, it correlated with the normalisation of violence against women in the private sphere.

Table 1. Statistics on how domestic violence is dealt with

Year	Total interventions with a 'Blue Card' domestic violence form filled out	Including n° of first interventions	Including n° of subsequent interventions	N° investigations initiated	N° crimes confirmed
2012	51,292	44,146	7,146	29,193	17,785
2013	61,047	50,934	10,113	29,879	17,513
2014	77,808	63,467	14,341	30,901	17,523
2015	75,495	61,133	14,362	27,642	14,191
2016	73,531	59,590	13,941	26,633	14,513

Source: Policja.pl, Policja.gov.pl



There is a striking discrepancy between the number of police interventions ending with filling out a 'Blue Card' form ('Blue Cards' were introduced in 1998 to counter the underreporting of domestic violence events) and the number of prosecuting attorneys' decisions to initiate an investigation and subsequently, the justice system confirming that a crime has been committed. This reveals the depth of the problem. It shows the enormous scale of normalisation, or even downright trivialisation, of the domestic violence issue, which, as shown by the police statistics, is around 80 % violence against women, and, to a lesser extent, some 25% against minors (a perpetrator often abuses more than one person). The statistics on sentences handed down pursuant to Article 207 of the Criminal Code (on Abuse) are even more striking.

Table 2. Sentences of first instance district courts in Poland according to legal classification and punishment severity 2012-2016.

Years	Total sentences pursuant to Article 207 of the Criminal Code	Prison sentence	Conditional suspension of a prison sentence	N° Prison sentence with no suspension
2012	12970	12217	10592 (86,69%)	1625 (13,30%)
2013	11970	11329	9778 (86,30%)	1551 (13,69%)
2014	12772	12042	10325 (85,74%)	1717 (14,25%)
2015	12024	10956	9288 (84,77%)	1668 (15,22%)
2016	10723	8442	6167 (73%)	2275 (26,94%)

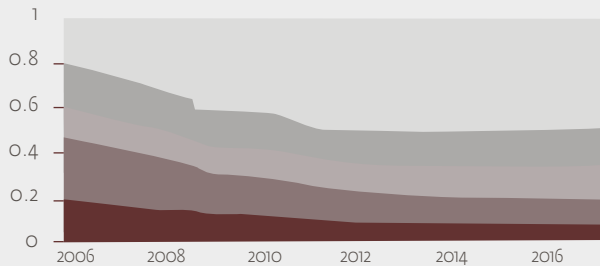
Source: Report from the district courts of the Silesian Voivodeship regarding cases of abuse pursuant to Article 207 of the Criminal Code 2015-2016 (Kula and Chęć 2017).

The system's dismissive treatment of crimes where, statistically, women are the most frequent victims sends a clear message that gender is a significant factor determining citizens' 'value' from the perspective of the state. Not only does it allow for discrimination in everyday life (offering justification of observable inequalities and, to some extent, releasing public authorities from their duty to counteract them), but it also affects the shape of social and labour market policy, making it possible to run the 'hidden austerity policy' at the expense of women.

## 1.4 Consumer debt

Following the systemic transformation, private debt became a regular part of the everyday lives of Polish men and women. 'The process of transformation and the resultant further huge drop in real income of households [after the collapse in the 80sC], as well as the availability of attractive products after numerous years of shortages, caused household budgets to rely more and more on loans and credits' as indicated by the authors of 1995 analysis 'Poles and the New Economic Reality. The Processes of Adaptation in Microscale' (Beskid, Milic-Czeraniak and Sufin 2013, p. 97). The overall debt of private people in Poland is not very high: the total financial liabilities of households in the second quarter of 2017 amounted to PLN 700.6 billion (roughly 180 million euro), whereas the net financial assets, meaning the surplus of assets over liabilities in households as of the second quarter of 2017 amounted to PLN 1241.5 billion (roughly 300 million euro) (Kolasa 2017). It is noteworthy that the share of short term loans and credits has been systematically but slowly decreasing since 2005.

Graph 2. The structure of household debt as per maturity date



Source: Narodowy Bank Polski

It is unfortunately accompanied by an alarming trend, namely the diminishing capability of Poles to serve their debts. 'The data from the beginning of October 2017 shows that as many as 1.8 million Poles have overdue debts (debts not paid on time). Their total value amounts to as much as PLN 25 billion (appr. 6 billion euro). As per the ERIF report of the Economic Information Bureau that is almost PLN 1.4 billion more (350 million euro) than at the beginning of 2017<sup>5</sup> alerts the ERIF BIG, a debt collection com-

5. «Polki i Polacy mają niemal 25 mld zł długów. W statystykach przodują mężczyźni»,

pany. The National Debt Register indicates that the average overdue debt is PLN 18,300 (6,000 euro with an average wage of approximately 1,000 euro gross). 'As far as indebtedness in Poland is concerned, men lead the way – ERIF informs that their overdue liabilities amount to as much as PLN 19 billion (4.6 billion euro). Women are responsible for around PLN 5.5 billion in debt (1.3 billion euro).s' The 'most often causes of incurring debt among the Polish women are the loans, telecommunication agreements and credits'. These are the least meaningful forms of overdue receivables, often occurring as a form of compensation for difficulties in everyday life only to amount to significant sums over time.

The decreasing share of short term loans and credit in household debt structures together with a simultaneous increase in the percentage of people incapable of servicing their debts suggest a disparity in the structure of inequality. Short term liabilities usually concern people with lower income, with lower credit rating; they also often entail higher interests, which, if left unpaid, result in debt accumulation and being put on the National Debt Register. Women in Poland less frequently become insolvent as far as credit (apartment, consumer) is concerned but more often experience difficulties paying off cash loans or phone bills. It means that economic inequalities in Poland are distinctively gender-dependent.

In addition to the above, the enormous unpaid alimony receivables need to be considered: as of the end of April 2017, more than 320,000 people in Poland were indebted for the total of PLN 11.3 billion (2.9 billion euro), 95 % of them men. Every two out of 100 men in Poland over the age of 18 does not meet their alimony obligations<sup>6</sup> and social attitudes towards alimony-avoidance (oftentimes condoning or even facilitating it) are not likely to significantly improve in the future. It is another aspect of the state and society structure based on discrimination, where the burdens of mismatched economic development—that is, the hidden costs of immense negligence in the spheres of social, anti-discriminatory and pro-equality policy—are structurally redirected onto the shoulders of women.

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Business Insider, 23 October 2017, <https://businessinsider.com.pl/finanse/zadluzenie-polakow-dane-pazdziernik-2017/>.

6. *Postawy Polaków wobec niepłacenia alimentów. Raport z sondażu CATIBUS dla Krajowego Rejestru Długów BIG S.A. oraz Krajowej Rady Komorniczej. Badanie pod honorowym patronatem Rzecznika Praw Obywatelskich oraz Rzecznika Praw Dziecka, Kantar Millward Brown, Warszawa, May 2017.*



## *Influence of accession to the European Union on the equal rights issue*

**J**oining the European Union in May 2004 was met with high hopes in women's and feminist circles. The EU put forward pro-equality and anti-discriminatory solutions, including the multidimensional mechanism of gender mainstreaming promoted by the European Council and the EU equality directives (in following years also specific articles of the Treaty on European Union and the Treaty on the Functioning of the European Union, as well as the European Charter of Fundamental Rights). Another factor aimed at improving the situation of women in a broad context was economic stimulation due to free economic exchange and the inflow of European funds. Poland entered the international monetary system and introduced several restrictions to its monetary policy in preparing to join the ERM-II mechanism, which included a significant stabilisation of the Polish zloty in relation to the euro, conducting fiscal policy in line with austerity guidelines and automatically triggering savings measures such as excessive deficit procedures, such as (but not limited to) the aforementioned pay freeze in the public sector which mostly affected female-dominated occupations.

### 2.1 'The British protocol'

Poland is a full member of the European Union, however it never ratified the European Charter of Fundamental Rights in full. The so-called 'British protocol', or the opt-out clause limiting the exhaustive application of the provisions under the European Charter of Fundamental Rights, allegedly was not supposed to affect the equality and anti-discriminatory measures in Poland. It was stated that the primary reason for Poland signing the opt-out clause was the overlapping and redundancy of the Polish and European ground rules. However, the actual social consequences were profound.

It is worth recalling the wording of Article 1 of the Protocol:

'The Charter does not extend the ability of the Court of Justice of the European Union, or any court or tribunal of Poland or of the United Kingdom, to find that the laws, regulations or administrative provisions, practices or action of Poland or of the United Kingdom are inconsistent with the fundamental rights, freedoms and principles that it reaffirms. 2. In particular, and for the avoidance of doubt, nothing in Title IV of the Charter creates justiciable rights applicable to Poland or the United Kingdom except in so far as Poland or the United Kingdom has provided for such rights in its national law.'

In practice it basically meant exclusion of the rights stated under the entire title IV of the ECFR—Solidarity—from the protection of the EU justice system, and in the cases when national law provided for such protection, the applicable provisions were deprived of additional reinforcement by means of appeal to the European courts. The rights in question are: workers' right to information and consultation within the undertaking, right to collective bargaining and action, right to access placement services, protection in the event of unjustified dismissal, fair and just working conditions (including non-discrimination), prohibition of child labour and protection of young people at work, right to reconcile family and professional life, social security and social assistance, health care, access to services of general economic interest, environmental protection and consumer protection. All these areas are likely to be affected by policies and neglect due to the austerity paradigm. Said rights and protections were also conceived to underpin, strengthen and facilitate a significant portion of gender equality, anti-discriminatory and inequality-diminishing measures.

## 2.2 Women's entrepreneurship and its paradoxical side effects

Since the onset of transformation, one of the strong trends in the Polish labour market was to encourage entrepreneurship and setting up one's own business. As a result Poles took the lead in the entrepreneurship rankings in the European Union. The reality is slightly more complicated. The majority of 'business owners' were actually self-employed, often performing tasks for former or potential employers who,

especially in the case of better paid specialists, encouraged such dealings, as it allowed them to save at least a part of labour costs (this situation applies to 2.9 % of company owners, or around 85,000 people in the entire country).

Table 3: Percentage of self-employed people (including women)

	2013	2014	2015	2016
<b>% of self-employed people in the entire working population</b>	18.5%	18.2%	18.3%	18%
<b>Self-employed women in the entire working women population</b>	13.7%	13.2%	13.4%	12.8%

Source: CSO/BAEL

Additionally, there are people working on the basis of mandate contracts and commission contracts: 3.1 % (2.8 % for women) and 0.3 % respectively. Among all the self-employed people only around 23 % are the employers. Consequently, the Polish social insurance system disproportionately relies on premium bases which have little in common with actual income levels. Many payers are eligible to use decreased premium bases (mandate contracts). It is a demographic time bomb: according to calculations of the Polish Social Insurance Institution (ZUS) of 2017, an average monthly pension for all the premium payers was PLN 2,177 gross and for entrepreneurs, PLN 1,784 gross (roughly 500 euros and 430 euros, respectively). Differences in premium period and life span also need to be considered: the two factors will be the reason that pensions for female entrepreneurs would only approximate the minimum pension.

Although liberating premiums from dependence on real income is often indicated by trade unions as an area of systemic privileges for the individuals with higher incomes, in reality this principle also works the other way around. Being required to pay a flat-rate social insurance premium is often difficult for small entrepreneurs who are not guaranteed a stable level of income. The premium consumes a disproportionate amount of their income, with some not being able to fully secure their wellbeing. A significant percentage of women resigning from this form of professional activity over 2016-2017, or since the onset of allowances from the 500+ programme (see Section 3.2), suggests that this is a crucial issue.

Another side effect is the fogging of the image of economy in

Poland. Reports submitted to CSO regarding income are only provided by companies employing nine people and more. And the Ministry of Finances does not keep statistical tabs on income declared in PIT income statements (work, self-employment, etc.) with a breakdown of data on payers, such as gender. As a result, information on income earned by a vast group of individuals (self-employed, people employed at microenterprises) remains unaggregated and unpublished. The so-called gender pay gap—an average difference of income between women and men in Poland as in other countries using OECD method is a difference of the median income of men and women – is around 10 %. According to Eurostat methodology, 7.2 % (see Bara-Słupski, Czarnačka 2018). However, we should remember that the data submitted to CSO only covered 59.2 % of the total working population in the first quarter of 2017.

An official optimistic scenario suggesting a relatively equal situation for the genders in the labour market is therefore undermined by the fact that over the course of almost two years after introducing the 500+ allowance programme (see Section 3.2), as much as 12 % of women among the parents-entrepreneurs resigned from business activities. The households of entrepreneurs in Poland are not huge and include 3.18 people on average while households of white collar workers include 2.88 people on average (Dept. of Social Affairs and Living Conditions 2017). This indicator is important, as the number of people in a household correlates with eligibility in the 500+ programme providing monthly allowance for the second and each subsequent child (at least three people in the household, i.e. one parent and two children), or in the case of being unable to reach a certain income threshold per capita, also for the first child (see Section 3.2).

In light of this, we may cautiously put forward a hypothesis that putting emphasis on self-employment and establishing microenterprises (which constitute around 96% of all the enterprises in the private sector), together with creating the programmes to support entrepreneurship and relief for new entrepreneurs, such as the Social Insurance Institution premium alleviation for starting companies, is one of the reasons why the economic situation in Poland following the transformation was so different on paper and in the public perception. In other words, the income statistics have not included around 40% of the self-employed and those employed at microenterprises.



This is the reserve created over the years by the 'hidden austerity policy' and which has remained inconspicuous in the statistics. It pertains especially to women, whose situation in the labour market is still poorly reflected. On one hand, the payment gap in Poland seems to be relatively small, but, on the other hand, launching the allowance programme, which, as a rule, should not significantly affect the situation of entrepreneurs' households (on average they enjoy the highest disposable income among all the economic groups, up to 20 % higher than the average), turned out to be a powerful deterrent to women's entrepreneurship (ibid.).

The same tendency—promoting self-employment and microenterprises which are difficult to control—will have specific consequences in the sphere of public finances. From the macroeconomic perspective, it might be said that it was a certain kind of credit fed into the economic circulation in the form of alleviated social levies. This 'credit' will certainly be 'paid off' in its due time by low pensions. Moreover, according to numerous indicators, said 'credit' has turned out to be more of a 'consumer loan' than an 'investment credit' since many of the unemployed or professionally inactive were only activated (however temporarily) thanks to existing incentives or factors encouraging setting up one's own economic activity.

It is especially dangerous in the Polish social system, which might be called 'half-way solidarity', meaning that premiums fed into the Social Insurance Institution cover standing payments while simultaneously the pensions are calculated on an individual basis and not relative to the overall pension budget. Instability in the number of payers who would ensure a certain level of inflow from premiums, along with the country's strict obligations towards current payers and future recipients of pensions, may lead to a dramatic collapse of public finances. It will have a considerably bigger impact than factors usually denounced, primarily the low birth rate and lack of generational replacement.

### 2.3 'First trimester mothers' and changes in the political perception of motherhood during the PO-PSL governments (Civic Platform-Polish People's Party).

In order for Poland to keep up constant positive economic growth from the beginning of 2010, that is, throughout the whole period of the eco-

conomic crisis wreaking havoc in Europe, some changes in how social policy was approached were required. From the beginning of the systemic transformation in 1989, the main justification of non-generous social policies was the necessity to stimulate growth in a still struggling developing economy. However, as the media worldwide preached an image of Poland as an economic green island, which stood in clear contrast to social perceptions about the situation, the clash necessitated some modification of policies to deal with this perceived contradiction.

Table 4. Economic growth against the background of social expenditure's share in Polish GDP and in comparison to the EU average

	2010	2011	2012	2013	2014	2015	2016
GDP increase in Poland*	3.6%	5%	1.6%	1%	3%	3.8%	2.7%
Average GDP increase in EU*	2.1%	1.7%	-0.5%	0.2%	1.6%	2.2%	-
Social expenditure in Poland**	16.7%	15.8%	15.9%	16.3%	16.2%	16.0%	16.9%
Social expenditure–EU average**	19.3%	19.0%	19.4%	19.5%	19.3%	19.1%	19.1%

Source: \*Eurostat (naida\_10\_gdp), OECD and the World Bank; \*\*Eurostat, General government expenditure by function (COFOG).

The clash was glaringly exploited in the election campaigns of 2015, allowing the political Party 'Law and Justice' (Prawo i Sprawiedliwość or PiS) to clinch a landslide victory in the parliamentary elections and take over the reins of power. However, to a degree it had also been acknowledged earlier on, by the cabinet of Donald Tusk. Even back in 2013, social expenditure slowly started to increase, particularly, the possibility of extending maternity leave and paid parental leave were introduced.

The unarticulated but ever-present tendency of accumulating public savings at the expense of women, along with natalist principles taking precedence over women's wellbeing were the only explanations for the fact that the first version of the Act stated that maternity leave was only to be granted to women whose due date was after 17 March 2013, meaning that it would not include the women who had gotten pregnant before it was announced that the Act would be drafted. Savings for the budget would be barely noticeable, but there would be savings nevertheless.

This exclusion triggered a response from a very visible social movement of the so-called 'first trimester mothers' (who had their due dates in 2013 but before March 18). The mobilisation built upon exist-

ing maternity-related associations and foundations, such as MaMa Foundation which were mostly in tune with the environment of urban movements. 'First trimester mothers' was the first group to raise the issue of motherhood and parenthood to the national debate. The level of frustration, the energy of the protests and the social sympathy for the protesters forced the government to compromise: the final effective date of the Act was modified so that all the mothers of children born in 2013 were eligible. According to *Gazeta Wyborcza*, Prime Minister Donald Tusk explained the concession as follows:

'With arguments in favour of staying with a child throughout its entire first year of life, we stand on common ground', reported the Prime Minister. 'Yet I need to respect the rules of the game. And one of the primary ones is to spend as much money in 2013 as the budget can bear', he said. 'As it turned out, the budget may hold up more than it had seemed earlier on. Owing to lower costs of servicing foreign debts, the Polish government was able to work out over PLN 300 million. Another billion comes from the flood reserve' (Koźmiński 2013).

Motherhood entered the political debate. Social enthusiasm in response to solving the problem of 'first trimester mothers' convinced the politicians that this was a sort of political investment. Soon thereafter, the government launched further changes in rules on maternity allowances. Firstly, eligible mothers would include those working on mandate contracts and as of January 2, 2016 women with no insurance, including the ones working on commission. Demography experts consider it to be significant factor in the slight increase in the birth rate before introducing the 500+ programme (see Section 3.2). One can only ask oneself if the allowance of PLN 1,000 per month, over one year, pursuant to the act drawn by the PO-PSL government at the very end of their term in office was not intended to serve as a 'poison apple' for their successors, who would definitely feel its weight in the budget. Little did they know the social policy of the new government was to change drastically and with little regard to the cost.



## Reign of the PiS party and the 'family mainstreaming' paradigm

**A**n **annual parental allowances** for all young mothers was perhaps the most daring move in the sphere of social policy throughout the entire eight-year run of the PO-PSL's government. The gesture was less a reflection of caring about women and birth rates and more intended as a budgetary 'hot potato' dropped in the conservative successor's lap by the centre-right.

Interestingly, in the skirmishes between the PO and the PiS, this 'parental allowance' was never used a weapon, although it could have been a perfect counter-argument to many controversial moves by the conservatives, such as the 'Za życiem (For Life)' programme or even the 500+ allowance.

Such unwillingness to wage even promising battles on the enemy's territory shows that a clash between the Christian democracy of the PO and the PSL and the unyielding conservatism of the PiS was, as a matter of fact, something more than a battle between personalities or sets of policies; it involved entire policy-running paradigms which remain incompatible with each other so that entering into discussion or exchange of comparable arguments looks futile and irrelevant at best from the point of view of the politicians.

However, these paradigms are not exactly contradictory. In reality it means that, for instance, we observe pro-family tendencies in social policy but not necessarily a systemic reversal of the 'hidden policy of savings', as described above. It is not unconceivable that most of the large-scale social programmes by the PiS after their triumphant launching would be gradually trimmed down. Changes in social register regulations suggest incoming restrictions in eligibility for the 500+

programme. The outlines to 'Mieszkanie+ (Appartment+)' programme presented in late 2017, heralded as a means to support building cheap rental flats in public and private partnerships, seem hard to put into practice and will most probably undergo significant changes.

The paradigm the PiS relates to when setting out its political goals, creating solutions and selecting beneficiaries of public policies is the so-called 'family mainstreaming', which in recent years amounted to something resembling a comprehensive ideology of 'family first'. Its promoters are mostly linked to conservative international associations such as the World Congress of Families (which took place in 2017 in Budapest with significant support from PiS deputies). Basically, family mainstreaming puts the wellbeing of families (praising the role of the *pater familias*) over supporting individuals (and strengthening universal equality).

The paradigm followed by the centre-right has not been a direct antithesis of the pro-family approach practiced by the PiS. Nor did it go along with the premises of multisectional 'gender mainstreaming' mechanism supporting gender equality in all spheres of public and family life unless it was forced to by external factors. For the purposes of this text, we may point out that the basic logic of previous governments was exactly the paradigm of the 'hidden austerity policy', that is, austerity without triggering the austerity criteria and sacrificing considerable social areas to create the appearance of economic success and growth at any cost.

However, the 'family mainstreaming' paradigm is not a straightforward antithesis of this hidden austerity policy and, contrary to hopes held by many commentators, its onset was never meant to be a premise to conduct a thorough revision of the entire social and economic policy. Savings of similar scale will still be made, although in different areas. Biological reproduction and the so-called reproductive or protective work is seemingly the fundamental axis of discord.

### 3.1 The abortion war in Poland: Save the Women vs. Save the Unborn

The 'family mainstreaming' paradigm entering the political scene meant igniting numerous conflicts at the front of reproductive rights. Earlier on, the reproductive issues were pushed to the private sphere, largely dismissed from political debate as 'opinion issues'. In social practice it meant, for instance, that reproductive rights were available in practice in underground abortion clinics and, later on, through so-called abortion tourism, upholding the provisions (but not the spirit) of the Act on Family Planning, Protection of Human Foetus and Conditions For Pregnancy Interruption Permission of 1993, the so-called abortion compromise.

The PiS decided to quit this compromise. In March 2016, the Prime Minister Beata Szydło announced her support for a civic initiative to radically tighten the regulations regarding pregnancy interruption, considering prison sentences for women and public prosecution investigation in the case of miscarriage. It was met with a strong response from pro-woman and left-wing group 'Ratujmy Kobiety (Save the Women)', claiming the necessity of liberalising the poorly functioning prohibitions on pregnancy interruption and to ensure modern reproductive rights in line with UN standards. The subsequent battles in this dispute have been organising political life in Poland since the spring of 2016 and the dispute over abortion provisions paved the way for the PiS party to radically restructure the healthcare system in Poland (the 'Za życiem (For Life)' programme).

### 3.2 'Recuperating the care capital of women' according to the PiS government

One of the basic transformations of the world economy over the last decades is the commodification of care work and reproductive labour. Household tasks which, in the past, were performed with no hesitation to ensure the survival of its members and, from a wider perspective, the survival of a family as a genetic line—cleaning, laundry, small repairs, cooking and preparing homemade products, planning bigger groceries, mutual coaching of family members and, above all, taking care of the elderly and the 'emotional »work' of accommodating moods

within a family system, one of the basic psychological family tasks—over the last few decades were subjected to the process of price valuation and introduced to the market. In other words, most of the reasons for which half a century ago we still needed to have a family nowadays can be replaced by a credit card (comp. Spike Peterson 2009).<sup>1</sup>

This commodification did not escape the attention of conservative politicians all around the globe. The social frustration it caused started to serve as an emotional basis for the ‘family mainstreaming’ paradigm. The words uttered by Elżbieta Rafalska, the Minister of Labour and Social Policy in the PiS government, stating that ‘lowering the retirement age for women means recuperating the care capital [they should be able to provide] for their families’<sup>2</sup> are a perfect summary of the family mainstreaming ideology: the simultaneous recognition of the commodification tendency and ‘capitalisation’ of care together with securing this ‘capital’ for the families, replacing the individuals and institutions offering such work. Forcing women to give birth by prohibiting abortion and drawing them away from the labour market by means of the 500+ allowance is set to serve the same purpose (see Magda, Kiełczewska and Brandt 2018). Free female labour is intended to both balance out the family budget and create an illusion of wealth in a manner similar to how the micro-entrepreneurship outside the reach of statistics became a reserve for dissatisfaction from economic development during the previous reigns.

Retirement age decrease aside, the basic form of executing these assumptions is the Family 500+ programme (or simply 500+ programme), offering an allowance of PLN 500 (120 euro) a month for the second and each subsequent child, irrespective of income. As stated on the Ministry of Labour and Social Policy’s website: ‘Low income families are to receive the support from the programme after the birth of their first or only child, provided that their monthly income is within the range of PLN 800-PLN 1,200 net when a child raised in a family is disabled. Child support allowance under the framework of the Family 500+ Programme may be obtained by parents and caretakers of children up to the age of 18. A family with two minors will receive PLN 500

1. See also Visvanathan et al. (2012)
2. TV Republika, ‘Interview with the Minister Elżbieta Rafalska’, September 5, 2017



for the second and each subsequent child irrespective of income. In the case of families earning less than PLN 800 net per person the support will be provided for the first or only child up to the age of 18.'

The primary aim of the programme was to increase the birth rate. The programme sets no upper income limit, which aims to make it a universal family allowance. Nevertheless, its practical consequences are predominantly visible in lower income quintiles and in the growing tendency among women to leave the labour market and to shut down their own businesses. It seems to be done in order to decrease the nominal household income below the threshold and to become eligible for the allowance for the first child.

### 3.3 'For Life' programme: hidden beneficiaries of public savings at the expense of women

The Act drafted by the government to support pregnant women and their families, the 'For Life' programme, expanded on the declaration made by Beata Szydło in relation to dropping the idea of further restricting the conditions for pregnancy interruption (see Section 3.1). The only effect initially defined in the draft in the budgetary sphere was a guarantee for a one-off allowance for PLN 4,000 (appr. 1,000 euro) for families who expect the birth of disabled children, however the budget earmarked a disproportionately high amount of PLN 152 million. The Act introduced vaguely defined new solutions into the system of care for the disabled (the programme's large budget forced cutting down or cancelling resources allocated to the support systems already in place).

The Act stated that women should receive support as long as they remain under strict medical supervision while pregnant and decide to carry to term (even if the birth entails health complications and the child will die soon after), and after they give birth, their families will get the support. It is an alarming wording, especially in light of the newly-introduced definition of the family strengthening the role of the father. At the same time, we may gather that associating a pregnant woman's status with an allowance (including the provision on carrying from the 10<sup>th</sup> week as a condition to receive the benefits) will signify increased state interference with medical (gynaecological) services and

an actual pursuit of making it impossible to interrupt a pregnancy in the case of a foetus being disabled or seriously and incurably ill.

A few months after launching, the 'For life' programme was further modified, allowing the Ministry of Education to give financial support to territorial governments for 'statutory purposes' in the form of designated subsidies. It might raise some eyebrows, considering the huge 2017 budget reserved for the programme (PLN 150 million or 35 million euro). The Act also foresees the possibility of granting loans to people creating jobs for the disabled. A blank promissory note and surety provided by two natural people are the only ways of securing the paying-off of the granted loans and no task assessment rules were introduced by the Act.

Thus the institutions providing care services for the disabled—nursing homes, special schools, hospices, etc.—became the intermediary, yet principal, beneficiaries of the 'For Life' programme. This sector in Poland is dominated by institutions with ties to the Catholic church. The programme has blocked an increase of benefits for caretakers of the disabled, who, in the case of caretakers of disabled adults, have been waiting for their state support to be raised proportionally to the inflation rate for almost ten years. Vast resources reserved within the programme will not be depleted by the one-off financial payment of 4,000 zloty for families of disabled children. No raising of income thresholds to receive specific allowances will be carried out in the near future. Time will tell if the programme that supports the creation of nurseries and jobs for the disabled pans out. Still, it should be noted that the methods chosen by the legislator, in the form of poorly-secured loans granted by local governments, may provide a fertile field for abuse and corruption.





## Recommendations for left-wing policy

**T**he Polish left-wing policy has been on the defensive at least since joining the European Union. It seems that the main problem, in addition to the fabricated image of the Polish economy and society conditions that makes it hard for the left postulates to get through to the general public, is (somewhat justly so) associating the left wing with Poland joining the EU and labelling the EU as 'leftists' or 'libtards'. At the same time, as noted above, an enormous portion of values promoted by the European Union, undoubtedly affecting everyday political practice, was excluded under the 'British protocol' from their direct application in Poland. Therefore, it is easy to display the EU as an institution responsible for various types of structural evils, whether forcing austerity policies (an accusation which is partially justified but also associated with monetary policy decisions at the national level) or blaming the EU of imposing the so-called 'gender ideology', that is, transformations in the spheres of interpersonal relations, intimate liaisons, family and reproductive economy. It seems that this association may work to the benefit of those on the left if their basic goals assume the simultaneous change of politics at the state and EU levels, as well as repealing documents like the 'British protocol' which prevents the Poles from exercising the full scope of their rights, especially in the terms of labour.

The same applies to the euro zone accession. While the common currency may be a good economic solution, the introduction of which would provide Poland with numerous benefits that go beyond the scope of this article (like abolishing currency spreads, etc.), it may not entail an automatic adoption of an austerity paradigm and lack of guarantees in budgetary policy, including interest rates or the vol-

ume of issued bonds. Again, it will require fighting on two fronts at the same time—the national and the EU—as well as detailed reporting on those fights, both to voters and to European progressives and political authorities able to make use of the data submitted.

The association of the left wing with the European Union is worth being utilised in the sphere of women and reproductive rights. The intersectional mechanism of gender mainstreaming, in many of its aspects, only exists on paper, and its execution may bring far-reaching and swift social effects. At the same time the paradigm of family mainstreaming needs to be investigated. As many of the conservative provisions discussed above, this paradigm sprung from very progressive willingness to consider non-standard families, such as LGBTIQ families or families fighting with disabilities, on the mainstream political agenda. Family mainstreaming, seen as the adoption of such attitudes, is fully compatible with the inclusive logic of left policy.

Another task faced by the left is how to deal with the paradigm of the 'hidden austerity policy' and to conduct a civic investigation into the damages it has had. Simultaneously, it must be borne in mind that modern capitalism is a 'capitalism of debt consolidation', in the words of Wolfgang Streeck, and a heavily indebted country is boiled down to the role of a receiver, both in the case of public and private debts, through the justice system and court-issued payment orders. This reality cannot be brushed aside, and the neo-Keynesian nature of the experiment with poorly thought through direct social transfers, such as 500+ allowance, should become a predominant area for a widespread public discussion of the designed aims of such policies confronted with realities of its impact.

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# **AUSTERITY, GENDER INEQUALITY AND FEMINISM AFTER THE CRISIS**

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**H**ow do savings policies affect gender roles in the family? Who takes responsibility for raising and caring for both young and old when the state ceases to provide support? Where do women go when there are no crisis centres available for victims of domestic violence? Who will look after unwanted children if abortion is ruled illegal?

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