

# **ISSUES, THREATS AND RESPONSES TO THE GLOBAL CRUNCH**

## **Impact on Women, Children and Youth**

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Women's and children's vulnerability to the crisis are traced to these intersecting sources of vulnerability

1. decelerating growth,
2. lowest performance in gender parity in schooling and
3. lowest performance in under five mortality

# The crisis is of systemic nature and has global spread of the crisis.

## Channels of contagion:

- A fall in trade,
- A fall in portfolio capital flows
- A decrease in credit
- Decrease foreign direct investment
- Decrease in tourism
- Decrease in migrant workers' remittances
- A fall in commodity prices
- A squeeze in aid flows,

# Impact on Migrant Workers

- Migrant workers, especially women workers, are hit first and hardest; migrant women who may be victims of trafficking, violence or human and workers' rights violations; threat of sudden loss of employment with no warning signals to prepare them for the worst.
- Forecast of fall in remittances; The double bind now is that the crisis affects both source and recipient countries.

# Impact on women

- Tighter credit conditions and weaker growth are likely to cut into government revenues and governments' ability to invest in infrastructure and to meet education, health, and **gender** goals.
- MDG target are less likely to be met. Phil Mid-term MDG achievement scores show serious lags in basic education, maternal mortality rates and access to reproductive health services.

# Gendered impacts of the crisis

1. The pressures on the state budgetary resources increase when men and women are no longer able to secure livelihoods and essential services through the private market.
2. The pressures on the hidden subsidies or resources women provide to the global economy, in unpaid undercounted social and economic provisioning also increase
3. Women are the `provisioner' of the last resort, just as the state has become the lender of the last resort to the financial system.

# Gendered impacts of the crisis

- **Vulnerable employment is expected to rise** ; both women and men will suffer in the crisis but in different ways and to different extents depending on different country experiences and conditions.
- The continued disadvantaged position of women in global labour markets, and the immediate impacts of the current economic crisis'. Women have lower protection and are discriminated against because of the 'breadwinner bias'

## **Women are the shock absorbers of the crisis:**

- Increasing their informal employment to offset men's unemployment
- Engaging in much more unpaid care work than men, at the time that the care burden is increasing during the crisis.
- Migration is increasingly feminized through a globalised care chain. There is a complex intersection between paid care work and unpaid care work.
- Women are especially vulnerable to risky coping strategies and the violence and the strains generated by crises

# Analyses of the crisis

- Heterodox and feminist economist critiques of the underlying macroeconomic framework: unsustainability of market-driven growth
- Instability and socioeconomic inequality generated by the pursuit of exclusively financial goals
- Heterodox economics emphasizes the role of the state to manage demand to achieve full employment and to regulate the markets and address the unpaid care burden of women

From a gender equality and human development perspective, there are three sources of bias of macroeconomic policy:

- a *deflationary bias* (as countercyclical measures are not taken)
- a *commodification bias* (the privatisation of all goods and services, which excludes those unable to pay, mainly women with least independent access to money;
- *male bread-winner bias* (as the unpaid care work of women and its intersection with paid work is ignored and state entitlements are based the assumption that men work and provide for women and children).

# Feminist economics analyses of the Crisis

- Feminist economics is gender-aware macroeconomics
- Crisis is systemic due to the limitations of the dominant macroeconomic assumptions of liberalization of international financial markets, and pro cyclical fiscal policy- that when there is a recession or unemployment, fiscal policy should follow the cycle, not counteract (Elson)
- Posits that the market is also underpinned by the unpaid care work of women. They have modeled the economy by integrating the interactions between the care economy and the paid economy.
- The role of the state is also to reduce the unpaid care burden of women and address gender discrimination in private markets.
- Full employment goals and targets need to be supplemented by targets for decent and family-friendly jobs on comparable terms for both women and men

# Shift to gender-aware macroeconomics

- A more recent development of gender-aware macroeconomics is to set the goal in terms of the realization of human rights. States have obligations to respect, protect and fulfill human rights and it is under these conditions that macroeconomic goals and policies should be set, budgeted for, implemented and monitored.
- World Bank: 'It is important to protect women in this crisis as they will be among the worst affected. But let us not look at women only as victims. Women can be agents of change. Considering them as full economic actors and investing in them is a smart way to help rebuild the economies of the world.'

# World Bank proposal: **Global Vulnerability Fund'**

To be financed with a modest portion 0.7% of advanced country stimulus packages

1. protecting the poor through targeted social spending, including expanded safety nets, such as conditional cash transfers and employment guarantee schemes.
2. maintaining and expanding the infrastructure assets that will be critical to restoring growth following the crisis.
3. supporting the private sector, especially SMEs, which are essential to a resumption of growth and job creation in developing countries.

# Enhanced gender-responsive budgeting as a response to the crisis

1. Gender Responsive Budgeting (GRB) is about assessing the differential implications of public finance management for men and women, girls and boys, at all phases of the budget cycle.
2. It takes into account their different needs, perspectives and priorities at all stages of their life cycle, as well as the disparities between and among them (in terms of poverty, employment status, location, marital status and other relevant dimensions of inequality, discrimination and exclusion). prioritizing of expenditure to address poor and marginalized women's priorities

# Enhancing gender-responsive budgeting as a response to the crisis

- GRB involves a double alignment.
- Make *public financial management* more oriented to development outcomes. It encompasses the aligning of national and local state budgets more closely and transparently to public policies and plans.
- Align *policy priorities* to commitments taken under human rights conventions and development compacts – namely CEDAW and the MDGs-, to achieve gender equality and women's empowerment together with other development objectives.
- Align budgetary policies and allocations.

# Enhancing gender-responsive budgeting (GRB) as a response to the crisis

- GRB thus has a two-pronged and mutually supportive approach to bringing about these transformations.
- Transform budgetary structures and processes
- Empower a broader set of actors to do so:
  - duty bearers - state actors,
  - non state actors - such as women's rights NGOs, Community-Based Organisations as rights-holders -
  - parliament, to practically implement national commitments to gender equality and women's empowerment.

# Using GRB to enhance gender-inclusive resilience to the crisis

- GRB is a bold, vast, challenging and complex project. It covers policy, institutional and technical dimensions
- The state administration cannot build resilience alone, especially if the agenda is poverty and marginalised group targeting, whose resilience needs to be built, using state resources.
- States have to prepare for social and political protest and mobilization as a fall out of the crisis, mainly from CSOs. Budgeting is an intensely political process and a political issue. It is about the distribution of resources.

## Using GRB to enhance gender-inclusive resilience to the crisis

- Requires a combination of strong state commitment as well as mobilization from CSOs to formulate a just, pro-poor gender-sensitive package and ensure that state expenditure allocations did reach the intended beneficiaries and rights-holders.
- States to prioritize building the resilience of women in households and at community level in ways which respect and promote human rights and gender justice, rather than continue to depend upon and use up the hidden subsidy, the hidden cushion women provide, in conditions in which their rights are neither protected nor respected.

## Gender Responsive Budgeting Initiatives (GRBIs) need to...

- occupy policy space – in setting macroeconomic policy goals and objectives , in reshaping the policy and development effectiveness agenda and the development values underpinning them, in advocating for more fiscal space, at the national level, but also at the regional and local levels,
- articulate the needs and priorities of the most excluded groups in the design of policies and stimuli packages, safety nets targeting them.
- advocate for more fiscal space to address the multi-pronged emergency created by the crisis for women and girls.

# Gender Responsive Budgeting Initiatives (GRBIs)

- Be present at the prioritization stage, when developing overall expenditure and resource frameworks.
- The setting for this is the translation of national plans into annual budgets, and the elaboration and revision of economy-wide medium term expenditure frameworks [MTEFs].
- Be involved in re-prioritizing of expenditure within sectoral budgets and the choice of gender/poverty responsive policy measures

# Gender Responsive Budgeting Initiatives (GRBIs)

- be involved in the **analysis, redesign or review of specific programmes and schemes**
- be involved in the **monitoring, tracking and review** of schemes and programmes
- the analysis and timely policy-relevant **reporting of the impacts.**

## What can gender equality advocates do?

1. Identify and provide evidence on early warning signals
2. Package and disseminate information to policy decision makers and human rights advocates
3. Work with media, radio, print and TV and use any opportunity to disseminate messages promoting women's economic and social rights
4. Organize policy dialogues
5. Call upon Governments, especially Ministries of Finance to avoid making women pay for the recession and to integrate financing women's empowerment into their response to the crisis
6. Set up solidarity network including regional and South-South support to promote women worker's rights