

## **Submission to the Independent Expert on foreign debt and human rights on the links and the impact of economic reforms and austerity measures on women's human rights<sup>1</sup>**

The [Gender & Development Network](#) is a UK-based coalition of organisations working to achieve gender equality and the fulfilment of women's rights. This submission is an amalgam of a number of our previous briefings on this topic, concluding with recommendations on ways to ensure that economic policy promotes women's rights.

### **The impact of austerity on women**

#### **Decades of austerity**

Austerity is of course not new. From the early 1980s, International Monetary Fund (IMF) and World Bank structural adjustment policies were rolled out across Latin America and Africa, resulting in unemployment, deindustrialisation and agricultural collapse. While Asian countries had fared better during the 1970s debt crises, and posted high growth rates in the 1980s, the East Asian crisis (1997) caused by financial liberalisation further expanded the number of countries under the tutelage of the IMF and World Bank.<sup>2</sup> When the global financial crisis hit in 2008, many governments increased their spending through stimulus packages meant to kick-start their economies. By 2011, however, many had turned to drastic spending cuts and the belt-tightening rhetoric of austerity, a state of affairs that continues today.<sup>3</sup> Policy responses to the global economic crisis increasingly included drastic public spending cuts – or austerity measures - with an overwhelmingly disproportionate effect on women and girls.<sup>4</sup> These political choices were partly the result of pressure from the IMF to prematurely impose expenditure cuts – a fact acknowledged by the Fund's own Independent Evaluation Office.<sup>5</sup>

#### **The impact of austerity measures**

The effects of austerity on women have been three-fold. Most strikingly, cuts in public spending have reduced state provision of care services, leaving women to make up the shortfall through their unpaid care work. This reduces women's time for paid employment, political activity or leisure and puts further pressure on women's health. Secondly, this time poverty is compounded by women's roles as household and community managers, having to make ends meet as prices rise and

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<sup>1</sup> <http://www.ohchr.org/EN/Issues/Development/IEDebt/Pages/ImpactEconomicReformPoliciesWomen.aspx>

<sup>2</sup> Bello, W. 1998. 'Back to the third world? The Asian financial crisis enters its second year', *Focus on the Global South*, 23 Jul. <http://focusweb.org/node/198>

<sup>3</sup> Ortiz, I., M. Cummins, J. Capaldo and K. Karunanethy. 2015. 'The decade of adjustment: a review of austerity trends 2010-2020 in 187 countries', ESS working paper no. 53, *South Centre Initiative for Policy Dialogue*, Columbia University. <http://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=53192>

<sup>4</sup> Seguino, S. 2015. 'Financing for gender equality in the context of the SDGs', background paper for UN Women expert group meeting 'Women's empowerment and the link to sustainable development, 2-4 Nov 2015, 6. <http://www.unwomen.org/-/media/headquarters/attachments/sections/csw/60/bp1-stephanie-seguino.pdf?la=en&vs=1704>

<sup>5</sup> IEO. 2014. IMF response to the financial and economic crisis. Washington, DC: IMF. <http://www.ieso.org/ieo/pages/CompletedEvaluation227.aspx>

household incomes fall. Finally, women have been hard-hit by cuts to public employment, a sector where women work disproportionately and one of their few sources of relatively good-quality jobs.<sup>6</sup>

The impact of public spending cuts are exacerbated by aging populations, which further increase the need for care work at a time when governments' care budgets are already strained. Two-thirds of the world's elders currently live in developing countries, and projections suggest that 1.7 billion people aged 60 years or over, or nearly 80 per cent of the world's older population, will live in today's developing world in 2050.<sup>7</sup> Failure to recognise the centrality of the care economy, and women's unpaid role within it, is continuing to store up problems for future generations globally.

The UN Secretary General's report on the Beijing Platform for Action's twenty-year review notes that most governments assume higher economic growth will itself address inequality between men and women, despite evidence to the contrary. It also notes that while several member states have reformed laws and adopted national action plans on violence against women, very few have allocated adequate budgets to services that prevent and address violence. In particular, the report calls attention to the impact of austerity policies that have resulted in cutbacks in services that support women survivors of violence.<sup>8</sup> Austerity affects women directly when shelters, legal aid, day care and other women-focused services are defunded.

### **Austerity within a neo-liberal model**

Many feminist economists have written not just of the adverse impacts of austerity, but also how current economic models depend on women's undervalued and unacknowledged labour, whether that means low-paid work in global supply chains, unpaid care work that keeps the economy functioning, or sub-par social benefit structures that underserve women and perpetuate gendered inequality.<sup>9</sup> Neoliberal policies implemented by governments everywhere are reducing states' control of their own budgets and restricting public expenditure, all while promoting regressive forms of taxation.

A pervasive consensus remains among most governments and international financial institutions (IFIs), north and south, on the model that prioritises deficit reduction, debt repayments and low inflation while advocating a reduction in public expenditure.<sup>10</sup> These are political choices, reinforced by policy advice coming in particular from the IFIs: in the context of the recent global financial crisis, the IMF's own Independent Evaluation Office acknowledges that it was initially receptive to countries' needs to protect investment and growth, but later pressured states prematurely to impose across-the-board expenditure cuts.<sup>11</sup> Across Europe, austerity policies have undermined the

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<sup>6</sup> Braunstein, E. 2012. Neoliberal development macroeconomics: a consideration of its gendered employment effects. Geneva: UNRISD; Cook, S. and S. Razavi. 2012. Work and welfare: revisiting the linkages from a gender perspective. Geneva: UNRISD

<sup>7</sup> United Nations, Department of Economic and Social Affairs, Population Division. 2015. World Population Ageing 2015 (ST/ESA/SER.A/390), 9. [http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2015\\_Report.pdf](http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2015_Report.pdf)

<sup>8</sup> UN Women. 2015. Summary report: the Beijing declaration and platform for action turns 20. New York: UN Women.

<http://www.unwomen.org/en/digital-library/publications/2015/02/beijing-synthesis-report>

<sup>9</sup> Elson, D. 1991. 'Structural adjustment: its effect on women', in *Changing perceptions: writings on gender and development*, edited by T. Wallace and C. March, 39-53. Oxford: Oxfam; UN Women. 2015a. Transforming economies, realizing rights: progress of the world's women 2015-2016. New York: UN Women, 194-5. [http://progress.unwomen.org/en/2015/pdf/UNW\\_progressreport.pdf](http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf); GADN, GAPS and UK SRHR Network. 2015. Turning promises into progress: gender equality and rights for women and girls – lessons learnt and actions needed. London: GADN, 62-3. <http://gadnetwork.org/s/Turning-Promises-into-Progress-FINAL-1a17.pdf>

<sup>10</sup> UN Women, 2015a.

<sup>11</sup> IEO, 2014.

realisation of the SDGs, and specifically women's empowerment.<sup>12</sup> Moreover, this fiscal contraction has been accompanied by a failure to curb tax dodging and illicit financial flows, as recently demonstrated by the Panama Papers scandal, despite commitments made by both the G20 and G8 since 2009, further restricting the revenue available for public expenditure.<sup>13</sup>

### The care economy

Moreover, these neoliberal economic policies, centred on reducing fiscal deficits, are able to pass off savings from public spending cuts by transferring costs to households – that is, to women who are forced to fill in the gaps left by the state. This burden is disproportionately borne by poor women who do not have the resources to buy either services or care from the market. DAWN has shown that social spending cuts and privatisation of services adversely affect women partly because women are over-represented in low-income households and also because the burden of unpaid care work is increased.<sup>14</sup> Austerity measures only intensify our existing dependence on unpaid care and increase women's workloads as social programmes are cut.<sup>15</sup> "Women," argues a recent piece from AWID, "have become the safety nets of last resort to sustain their families and social structure."<sup>16</sup>

The work done, mostly by women, in ensuring a productive labour force is not seen as a long-term investment the way that building a road is seen. During times of recession, this bias is even more evident. Men's employment is seen as more of a priority than women's. Cuts in social spending are frequently seen as the easy option under austerity measures, with women's unpaid care work filling the gap and masking the impact.<sup>17</sup>

### Moving forward

Economic policy-making takes place within the overriding goals of human rights, equality and well-being (including equality between women and men and among women) as outlined in Agenda 2030 and the Beijing Platform for Action. A more nuanced approach to the pursuit of economic growth is required, recognising its limits, and its sometimes negative impact, on these overarching goals.

Attempts to achieve gender equality will be undermined without an enabling macroeconomic environment, which is essential to achieving gender equality.<sup>18</sup> Through their economic policies, governments make political choices about the way resources are raised and allocated. Good political choices on macroeconomic policy can promote gender equality and women's empowerment by, for example, ensuring there are sufficient public resources for gender equality; using gender-responsive budgeting to ensure these resources are allocated to implement laws, policies and programmes

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<sup>12</sup> Ortiz *et al*, 2015.

<sup>13</sup> Richards, S. 2016. 'Panama Papers show how powerless governments are', The Independent, 5 Apr.

<http://www.independent.co.uk/voices/the-panama-papers-tax-avoidance-scandal-shows-justhow-powerless-america-and-osborne-really-are>

<sup>14</sup> DAWN. 2015. 'Towards the third international conference on financing for development: old tensions and new challenges emerge in negotiating session', <http://dawnnet.org/publication/towards-the-third-international-conference-on-financing-for-development-old-tensions-and-new-challenges-emerge-in-negotiating-session/>

<sup>15</sup> GADN *et al*, 2015, 62-63.

<sup>16</sup> AWID. 2013. AWID think piece on fiscal policy, women's rights and gender equality, Consultation on fiscal policy, poverty, and human rights, 16-17 Sep, Geneva, 3.

[https://www.awid.org/sites/default/files/atoms/files/Fiscal%20Policy%20and%20Human%20Rights\\_AWID\\_FINAL.pdf](https://www.awid.org/sites/default/files/atoms/files/Fiscal%20Policy%20and%20Human%20Rights_AWID_FINAL.pdf)

<sup>17</sup> Ortiz *et al*, 2015

<sup>18</sup> For a discussion of all the issues covered in this section, see GADN. 2017. Stepping up: How governments can contribute to women's economic empowerment, <https://bit.ly/2lrFloW>

promoting gender equality; creating decent work through public investment; and increasing the provision of public services.<sup>19</sup> Such policies can also reduce the risk of economic shocks and crises, which, as shown above, tend to hit women particularly hard as they are more likely to lose their jobs and have to fill in the gaps created by austerity cuts in public services.<sup>20</sup>

## Recommendations

There are a number of macro-level policies that governments and international institutions can promote and pursue to ensure that women's rights are promoted in line with Agenda 2030.

### 1. Recognise, redistribute and reduce unpaid care and domestic work

An array of tasks, from water collection, to caring for workers when they are sick, to elder care - known as unpaid care and domestic work - are performed without remuneration by the majority of the world's women. The full extent of the care economy must be recognised in policymaking, so that those who provide care are consulted in decisions, while the economic contribution of unpaid care work can be measured through time-use surveys and included in national statistics and national accounts.

Care and domestic work should be **redistributed**, and not just from women to men but – more importantly – from individuals and families to state-funded provision. High-quality public services will free up women's time for paid work as well as political and social activity, while also ensuring that quality care services are universally available (and will also create more paid employment). Investment in appropriate technology can further **reduce** the time burden and drudgery elements of care work and domestic work without compromising its quality.

- Governments should recognise unpaid care and domestic work as valuable *work*, include it in national accounts, and fund gender disaggregated time-use surveys that monitor time spent on this work.
- Governments should make macroeconomic decisions based on an understanding of the importance of care provision in sustaining societies, including cost-benefit analysis of economic policies and their impact on unpaid care work.
- Governments should increase public investment in quality care services, ensuring that high quality care services are accessible and affordable to all.
- Governments should reduce the time it takes people to provide quality care and domestic work by investing in labour-saving equipment and infrastructure including water, sanitation and hygiene, electricity and public transportation.
- Governments should protect the rights of unpaid care workers by: promoting the inclusion of those with unpaid care responsibilities in political activity and economic decision making; introducing labour regulations that enable those undertaking unpaid care work to engage in

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<sup>19</sup> See UN Women. 2015b. 'Why macroeconomic policy matters for gender equality', policy brief no. 4. <http://www.unwomen.org/-/media/headquarters/attachments/sections/library/publications/2015/unwomen-policybrief04-macroeconomicpolicymattersforgenderequality-en.pdf?la=en&vs=349>

<sup>20</sup> *ibid*

remunerated work; ensuring that unpaid care work does not reduce access to social protection.

## **2. Maximise the resources available to realise gender equality and women's rights**

The achievement of gender equality and women's rights requires public expenditure, not just on care services but also on social programmes that, for example, prevent violence against women and girls, promote a change in social norms related to gender roles and stereotypes, or provide reproductive health care. Creating the necessary fiscal space should be promoted as the deliberate and conscientious political decision that it is, reflecting the priority given to women's lives and gender equality. Governments should raise revenue through progressive taxation designed from a gender equality perspective, and by curbing tax dodging by wealthy individuals and corporations.

- Governments should use fiscal policy to maximise their available resources for the progressive realisation of gender equality and women's rights.<sup>21</sup>

## **3. Target increased expenditure**

Having raised additional resources, governments must then ensure that funds are spent effectively.

- Gender-responsive budgeting, involving women-led civil society organisations, should be used by governments to ensure sufficient resources are allocated to implement laws, policies and programmes promoting gender equality.
- Governments should ensure access to social protections for all women throughout their lives, without regard to employment or migration status. Given the number of women in the informal sector, and the vast amount of time that women spend on unpaid work, the introduction of broad-based, non-contributory social protection is essential.
- Governments should increase investment in social infrastructure, especially care services. Not only will this provide decent work for women and reduce their unpaid care burdens, it will also ensure better provision of care for the whole of society while improving the productivity of the workforce in the long run. Moreover such investment is self-sustaining, creating employment – and particularly employment for women – that will generate future government revenue streams. Thus governments can, through deficit financing if necessary, improve care provision, create decent jobs and reduce women's unpaid care burden.

## **4. Prioritise policies that promote decent work for women**

Women's participation in the paid workforce will not on its own be sufficient to advance gender equality and women's rights. Policies are needed that promote 'decent work' and so improve the terms on which women engage with the labour market. Such policies should be appropriate for the majority of women who work in the informal sector where work is unregulated, insecure and precarious.

- Governments should promote and protect labour regulations that promote decent work for women, including collective bargaining and freedom of association, and should ratify

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<sup>21</sup> As outlined in the [International Covenant on Economic, Social and Cultural Rights](#) Article 2.1

International Labour Organisation (ILO) Convention 189 on domestic workers and support the proposed ILO convention on gender-based violence in the world of work.

- Governments should set and enforce minimum wage levels sufficient for workers to attain their right to an adequate standard of living.
- Governments should ensure that employment regulations and social and legal protection are extended to cover workers in the informal economy, and throughout the supply chain.
- Governments should create more decent work for women including investing in public sector jobs where women are disproportionately represented and fund targeted job creation schemes.

#### **5. Create an enabling macroeconomic environment for gender equality**

There are multiple measures that contribute to the creation of an enabling environment for gender equality and women's rights, including social, political and legal ones, and the exact combinations will need to be context-specific. Beyond those already listed, some of the most important of these possible measures are:

- Government spending, taxation and monetary policy should be evaluated for their effects on gender equality and women's rights and remedied if found to be detrimental.
- Governments should adopt progressive tax regimes that do not reinforce economic or gender inequality.
- Governments should use counter-cyclical macroeconomic policies to reduce the risk and impact of economic shocks, which disproportionately hit women.
- In negotiating trade and investment agreements, governments should conduct *ex ante* and *ex post* gender impact assessments and ensure sufficient policy space is maintained for policies that protect and promote women's rights.

#### **6. Ensure the International Monetary Fund (IMF) does no harm**

The IMF has increased its work on 'gender', including recognition of gender as 'macro critical' and therefore relevant to its mandate. But despite recent rhetoric, IMF conditionalities and policy advice continue to promote measures that directly undermine, or constrain governments' ability to promote, gender equality and women's rights. The IMF should start by 'doing no harm', with consideration of the impact of its macroeconomic policies, particularly fiscal constraint, on gender equality and women's rights.

- A board-approved policy position should be agreed, recognising that gender equality, understood as the full realisation of women's human rights and the elimination of gender discrimination, requires substantial and sustained public investment, including in social and care infrastructure, and that promoting a fiscal rollback of the state can be counterproductive in achieving gender equality and realising women's human rights. Any recommendations for fiscal contraction, through lending, surveillance or technical

assistance, should be subject to *ex ante* assessments for their impact on gender equality and women's rights.<sup>22</sup>

- The Fund's policy advice and technical assistance should be developed with a focus on raising sufficient domestic revenue in equitable ways to assist countries to make better use of income, capital, property and wealth taxes to increase revenue through progressive taxation and redistribute resources more fairly between women and men.

### **Acknowledgements**

This briefing is a summary of conclusions based on a number of GADN past publications including:

GADN. 2016. Making the case for macroeconomics in gender equality work, <https://bit.ly/2IHmgH>

GADN. 2017. CSW61 Factsheet: Women's economic empowerment in the changing world of work, <https://bit.ly/2I4yLne>

GADN. 2017. Stepping up: How governments can contribute to women's economic empowerment, <https://bit.ly/2lrFloW>

GADN, AWID, and FEMNET. 2016. 'Breaking down the barriers: macroeconomic policies that promote women's economic equality', <http://bit.ly/2ilxyop>

Kachingwe, N. and N. Mukhia. 2016. Building feminist alternatives for development, GADN Feminist Development Alternatives series, <http://gadnetwork.org/s/Mukhia-and-Kachingwe-overview-glossary-2r85.zip>

UK Women's Budget Group. 2016. A feminist strategy for a caring and sustainable UK economy, GADN Feminist Development Alternatives series, <http://gadnetwork.org/s/Womens-Budget-Group-overview-glossary-m4rn.zip>

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<sup>22</sup> For more on these recommendations see Donald, K. and N. Lusiani. 2017. The gendered costs of austerity: Assessing the IMF's role in budget cuts which threaten women's rights. Bretton Woods Project. <http://www.brettonwoodsproject.org/wp-content/uploads/2017/09/The-IMF-Gender-Equality-and-Expenditure-Policy-CESR-and-BWP-Sept-2017.pdf>