

CWGL

Center for Women's Global Leadership

**THE IMPACT OF ECONOMIC
REFORMS AND AUSTERITY
MEASURES ON WOMEN'S
HUMAN RIGHTS**

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**UNITED NATIONS
HUMAN RIGHTS
SPECIAL PROCEDURES**

SPECIAL RAPPORTEURS, INDEPENDENT EXPERTS & WORKING GROUPS

INTRODUCTION

This policy brief is a summarized version of the thematic report of the UN Independent Expert on foreign debt and human rights, Juan Pablo Bohoslavsky, on the links and the impact of economic reforms and austerity measures on women's human rights.^[i]

The 2007-2008 financial crisis has had a particularly devastating and lasting impact on women and girls. In most cases, government austerity measures implemented in the aftermath of the crisis made existing problems much worse, cutting desperately needed services, while increasing the need for unpaid or under-compensated labor, which mostly falls on them.

The current global economic system is sustained by gender inequality and discrimination against women, due in part to gender stereotypes and to gaps in laws and policies. In particular, mainstream economic thinking often does not recognize the economic value of unpaid domestic and care work, thereby privileging male-biased macro-economic policies that are detrimental to women and exacerbate structural inequalities. In such scenarios, women are at increased risk of gender-based violence, which further undermines the realization of their human rights.

Governments have a responsibility to ensure that austerity measures do not lead to violations of women's human rights. By undertaking gender-responsive human rights impact assessments of economic reforms before, during and after implementation, governments can both prevent and begin to reverse the process of further marginalizing and impoverishing women and girls.

THE CURRENT GLOBAL ECONOMIC SYSTEM IS SUSTAINED BY GENDER INEQUALITY AND DISCRIMINATION AGAINST WOMEN, DUE IN PART TO GENDER STEREOTYPES AND TO GAPS IN LAWS AND POLICIES.

I. WHY WE NEED A GENDER LENS TO ASSESS ECONOMIC POLICIES

Today, a decade after the 2007–2008 international financial crisis, millions of people around the world continue to experience social and economic adversity, not only because of the crisis, but also due to government responses.

AUSTERITY, STRUCTURAL ADJUSTMENT AND FISCAL CONSOLIDATION HAVE BEEN THE NORM WORLDWIDE.

OVER 2/3 OF GOVERNMENTS WORLDWIDE ARE USING AUSTERITY MEASURES

Currently, over two thirds of countries around the world—most of them upon the advice of international financial institutions (IFIs)—are contracting their public purses and limiting their fiscal space.^[ii] While such policies can have massive adverse impacts on persons in situations of vulnerability, most of them have not been designed or implemented in a manner that would promote or safeguard human rights, let alone be responsive to their gendered impacts.

Macroeconomic policies are often thought of as being “gender neutral.” However, economic policies affect women and men distinctly due to their different positions and roles in the economy, both market (paid) and non-market (unpaid). Hence, when policymakers do not consider this, the macroeconomic policies they promote are not “gender neutral” but male-biased, as they exacerbate pre-existing gender inequalities. Austerity measures, for instance, disproportionately affect women through many mechanisms, and there are rarely additional actions undertaken in order to remedy this.

WOMEN ARE RESPONSIBLE FOR MORE THAN

75% 

OF ALL UNPAID CARE WORK DONE WORLDWIDE

II. AUSTERITY MEASURES HIT WOMEN HARDER

The current global economic system is, for the most part, sustained by structural gender inequality and discrimination, including pay gaps, informality, precarious jobs, unemploy-

ment, lack of access to and control over land, credit and other productive resources, and the heavy burden of unpaid work. Despite the progress made in the last years, women workers are still more likely to be in low-paid and precarious jobs, and in the informal economy. In addition, due to gender stereotypes and occupational segregation, women are overrepresented in the public sector, especially as service providers in the education and health-care fields.

Therefore, austerity-driven measures, such as labor market deregulation, reductions in social protection benefits and services, cuts to public-sector jobs, and the privatization of services, have particularly damaging consequences for women, as they are pushed into unemployment, underemployment or temporary jobs, increasing their financial insecurity, the gender employment gap and the wage gap.

Mainstream economic thinking does not take into account the value of unpaid domestic and care work and its contribution to the economy. In contrast, feminist economists' analyses have highlighted the fact that women carry out the bulk of that work, which underpins economic growth. In contexts of economic crises, unpaid work unjustly absorbs economic shocks and often underwrites austerity measures, as cuts to social services often intensify the demand for unpaid care work. This work is disproportionately carried out by women and girls, who are forced to fill the gaps in services.

This situation is particularly relevant for poor households, where there are no financial resources to compensate for a reduction in public and otherwise free care services. Among the women who are most exposed to the negative effects of austerity measures are those in particular situations of vulnerability, such as single mothers, young women, women with disabilities, lesbian, bisexual, transgender and intersex women, and ethnic, religious and linguistic minority women.

Austerity-driven policies negatively impact human rights including:

- **Women's right to work**
- **Women's right to social security**
- **Women's right to housing, water, and food**
- **Women's right to health**
- **Violence against women**
- **Tax (in)justice and discrimination against women**

III. THE IMPACT OF AUSTERITY-DRIVEN POLICIES ON WOMEN'S HUMAN RIGHTS

A. The impact on women's right to work

The economic crisis in 2007–2008 has had major effects on unemployment for both men and women around the world. However, the impact has been asymmetrical because of the prevailing occupational gender segregation. In the immediate aftermath of the financial crisis, many countries implemented fiscal stimulus programs that aimed to protect the most affected industries, which were in the majority of cases male-dominated (for instance, construction or the automotive industry). As public deficits grew, however, many governments turned to austerity measures, fiscal consolidation and labor market reforms. Such measures hit the public sector, where women were overrepresented, hard. Also outside the public sector, economic reforms in the Global South have affected women's work in distinct ways. For example, in the agricultural sector, the removal of agricultural subsidies has increased the price of staple foods. Combined with trade liberalization policies and currency devaluation, the increase in the cost of imported staples and agricultural products such as fertilizer has priced local producers—most often women—out of the market and out of jobs.



In addition, owing to the significance of migrant worker remittances to national economies, governments of origin countries have promoted the employment of women abroad as domestic workers, even though it is well known that they are often forced to work in slavery-like conditions.

B. The impact on women's right to social security

The breakdown of social protection systems due to austerity measures has had an impact on women's right to social security in many ways, including through reductions in various unemployment, social, family and maternity benefits and in aid to the elderly and to dependent persons. The situation is worse for women who experience multiple and intersecting forms of discrimination, owing to their socioeconomic status, age, race, sexual orientation or migrant status, among other dimensions of identity. For example, single mothers and women and girls belonging to minority or marginalized groups are more likely to be affected by cuts to benefits and tax credits because they are more likely to be living in poverty, with dependent children and in large families, adding to the burdens that they face.^[iii]

C. The impact on women's rights to housing, water and food

The impacts of austerity measures on women's right to housing are multiple, ranging from evictions, to rental price hikes, reductions in social housing, and the growth of informal settlements and subletting. Privatization and deregulation of the housing market in reaction to economic crises have affected women in a particular manner, exacerbating the challenges they face in gaining access to adequate housing.^[iv] In addition, spending cuts can also touch specific programs such as those providing social housing or those aiming at preventing and combating violence against women through the provision of shelter to escape domestic violence.

Land policy can negatively affect women in similar ways. One of the results of economic reforms and rising food and fuel prices has been an increase in private-sector large-scale land acquisitions. Because women make up the majority of the world's small farmers, such acquisitions make their situation even more precarious, either further depriving them of access to land or making their rights over land less secure.^[v]

Privatization of and under-investment in water infrastructure and water services similarly have important impacts on women. In many poor communities, where fetching water is a task that "overwhelmingly falls to women and girls,"^[vi] such measures may increase the burden of unpaid work on them. Moreover, having to fetch water daily forces many girls to abandon their schooling, may affect their health (since the weight of water being carried on the head can cause back and neck injuries), and exposes them to the risk of violence that is often present on the way.

D. The impact on women's right to health

Many countries have reduced their spending on women-specific health services, with austerity in particular affecting women's reproductive health, which causes irreparable harm. For instance, adjustment measures have often resulted in direct cuts to contraceptive supplies in the public sector, which can contribute directly to an increase in unintended pregnancy and spiraling rates of maternal mortality. Such cuts can also trigger a rise in unsafe abortions. In addition, given the structural situation of economic inequality that women face, they are more likely than men to have been relying on public and free health services and hence are disproportionately affected by a reduction in their provision.^[vii]

E. The impact on violence against women

Under any circumstance, violence faced by women and girls in its various forms contributes to the perpetuation of stigma and stereotypes, while reinforcing economic exploitation in a cyclical way that potentially results in less decision-making power, education and control over resources, further limiting their opportunities. Women facing multiple and intersecting forms of discrimination face even higher risk of gender-based violence in the public and private spheres. Austerity measures and associated spending cuts often lead to the weakening of the State's response to violence, with important implications in terms of access to justice and immediate protective measures for victims.^[viii]

Moreover, austerity measures may exacerbate unemployment and poverty, thereby leading many women, including young girls, to sex work.^[ix] It also provides fertile ground for the trafficking of women for the purposes of sexual exploitation, forced marriage or recruitment as domestic workers in other countries.

F. Tax (in)justice and discrimination against women

Austerity measures may result from the failure to mobilize maximum available resources due to reductions in national income and corporate tax rates. To balance the loss in revenue from such sources, the value-added tax (VAT) is sometime increased. Since women are often responsible for buying food, clothes and general household goods, regressive tax measures, such as increases in VAT and other sales taxes, further shrink women's available income and reduce their purchasing power.

INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs) AND THEIR GENDER IMPACT APPROACH

There has been a rapid and extensive incorporation of a gender agenda in IFIs' research since the 2000s. However, feminist economists have argued that the development of this gender-lens has been partial and incomplete, partly because IFIs define gender equality in a selective and narrow manner without discussing the macroeconomic framework that undergirds it.^[x] In particular, IFI strategy has been presenting the "business/economic case" for gender equality, arguing that increasing women's engagement in the labor force promotes economic growth. This instrumental approach has proven to be problematic, as it conceptualizes gender equality as a means to an end rather than a goal in itself, falling short of transforming reality when translated into practice.

Furthermore, although some IFIs have been moving towards a more comprehensive approach, the constraints imposed by the existing theoretical underpinnings keep the possibilities limited. Hence, even when IFIs claim to take steps towards ensuring gender equality and the realization of universal human rights, they often make policy recommendations that actually worsen the conditions they seek to address, especially for women in the Global South.

IV. CONCLUSION AND RECOMMENDATIONS

As gender inequality is a structural feature of the current economic system, austerity-driven fiscal consolidation measures and economic reforms tend to negatively affect women in a gender specific and disproportionate way; women in vulnerable situations are affected even more. Instead of creating such situations, State policies should focus on their prevention.

The design, monitoring and implementation of economic policy reforms should be guided by the principles of non-discrimination, the progressive realization of economic, social and cultural rights, and the maximum use of available resources.

Discriminatory economic policies cannot be justified on the basis of the need to achieve short-term macroeconomic targets and without regard to the human rights and gender impacts.

In particular:

- i. States should create an enabling macroeconomic environment for gender equality. In order to do this States should carry out gender-sensitive human rights impact assessments of economic reform policies, and ensure that they are undertaken in an independent, participatory, informed and transparent way.**
- ii. States should adopt the least restrictive alternative policies that avoid, or at the very least minimize and remedy, potential adverse effects on gender equality and women's human rights in designing and implementing economic reform policies.**
- iii. IFIs should ensure that loan programs are agreed upon only after human rights impact assessments with a clear gender dimension have been conducted, and any potential deficiencies have been remedied.**
- iv. States and IFIs need to recognize unpaid care and domestic work as valuable work and redistribute it accordingly. States must strive to make clear and visible the actual economic value and contribution of such work to the economy and include it in national accounts. There is also an urgent need for redistributing unpaid care work from households to the public sector by investing more public funds in the care economy.**

Endnotes

The **Guiding Principles on human rights impact assessment of economic reforms** (A/HRC/40/57) set out the human rights principles and standards that apply to States, international financial institutions and other creditors when designing, formulating or proposing economic reforms. Guiding Principle 8 on “Non-discrimination based on gender and substantive gender equality” specifically provides that economic reforms should prevent any kind of discrimination based on gender, promote transformative gender equality and that human rights impact assessments should always include a comprehensive gender analysis. Adopted on 21 March 2019, Human Rights Council resolution 40/8, took note with appreciation of the Guiding Principles, encouraging Governments and other stakeholders to consider taking them into account in the formulation and implementation of their economic reform policies and measures.

- [i] Report A/73/179 can be found at <https://www.ohchr.org/EN/Issues/Development/IEDebt/Pages/AnnualReports.aspx>
- [ii] Ortiz, Cummins and Karunanethy 2017
- [iii] Women's Budget Group submission for the report
- [iv] <https://undocs.org/A/HRC/19/53>
- [v] Committee on the Elimination of Discrimination against Women, general recommendation No. 34 (2016) on the rights of rural women, para. 62 (c)
- [vi] <https://undocs.org/A/HRC/24/44>
- [vii] Donald and Lusiani 2017
- [viii] Committee on the Elimination of Discrimination against Women, general recommendation No. 35 (2017) on gender-based violence against women, updating general recommendation No. 19
- [ix] Committee on the Elimination of Discrimination against Women, general recommendation No. 19 (1992) on violence against women
- [x] Berik 2017

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To see the full report and bibliography please visit: http://ap.ohchr.org/documents/dpage_e.aspx?si=A/73/179

The report is available in all UN languages.

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