

# **WOMEN'S WORKING GROUP ON FINANCING FOR DEVELOPMENT (WWG on FfD)\***

**'The Global Economic Crisis Its Causes and Its Multiple Impacts'**

**Presented at the UNCTAD Public Symposium:  
'The Global Economic Crisis and Development – The Way Forward'**

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**May 18, 2009**

Good morning, I am Diana Aguiar from International Gender and Trade Network. I am here speaking on behalf of the Women's Working Group on Financing for Development.

I will present a brief overview of what a gendered analysis brings in terms of assessing the multiple causes and the multiple impacts of the crisis.

First, in the side of the causes, we may say that there is an overall agreement that the artificial separation between the financial markets and the so-called real economy has set the environment for a model that is conducive to the type of speculation that has led to the crisis.

But the current debates fail to account for another artificial separation that is in the basis of this failed mode of production and consumption. When we ask ourselves "what is hidden?" we find another fundamentally artificial separation: that is the separation between the market economy and social reproduction. This separation is on the basis of the current failed model but it is rarely, if ever, criticized.

This means for example that the current model and the analysis around this model ignores the added value and the productivity of care unpaid work. Activities such as childcare are regarded as extra-economic. Thus, what this model does is externalizing the social and ecological costs from the markets towards individuals (specially women), communities and the environment. By not accounting for the fundamental importance of social reproduction to people's life and well being, this model continues to be based on an unsustainable logic of economic growth and profit. At the same time, this allows the model to neglect its own unsustainability on a daily basis by placing special burdens on some individual, women especially among them.

Now, in terms of impacts, what does a gendered analysis brings?

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In times of crises, these aforementioned burdens are increased. The costs of unemployment, deterioration of work conditions, trade contraction and decreasing public spending are directed to households. Women within households are specially hit as they will very often carry out additional unpaid work to fill the gaps of basic services provision for example, and/or resort to informal work and/or migrate in order to survive.

In this context, the crisis is likely to reinforce not only existing inequalities between and within countries but also gender inequalities. There is critical concern that progress made in women's empowerment and gender equality may have a severe setback.

Therefore, what shall we look at in order to assess and address the specific impacts of the crisis on women?

For this, it is critical to set up a broad framework to trace the different transmission paths of the crisis to the individual women and men. These transmission paths from macro- to micro level may be done considering several questions:

1) What was the previous aggregate contribution in terms of paid and unpaid work of women and men? To which extent is unpaid work more or less equally shared across genders within households and communities? Are women disproportionately doing unpaid work while also taking on heavy paid work duties?

2) A second set of questions is related to the balance or better saying the unbalance between production and social reproduction: is the government providing basic services? Or is there an externalization of costs to the point that women are carrying more underpaid work to fulfill the gaps of public services provision? Is the relation between production and social reproduction so unbalanced that women suffer a very severe double work burden?

3) Thirdly, we need to ask what is the position occupied by women and men in each sphere? For instance, in which sectors of the economy are women more concentrated? What are the overall working conditions of women?

Thus, by asking these and other related questions, we may assess the gendered impacts of the crisis. Individual women and individual men vulnerability depends on their position in the global economy prior to the crisis. For example, how hard hit by the crisis is the country where they live? Do the countries have sufficient policy space, resources and political project to respond to the crisis in a way that is aware of specific gendered needs? What is the position of each individual woman and man in the world of work?

For instance, the declines on demand for products and services from female-intensive industries such as textiles and agricultural exports and tourism expenditures, will push women to unemployment and informal work. Besides the fact that women's work is concentrated in sectors of the economy that are severely affected by the crisis, there is also a double threat to women's work as often women tend to be fired first as they are not culturally seen as primary breadwinners for families.

Furthermore, in a context where the liberalization of trade in agriculture has been carried through the prioritization of export-oriented large-scale production, the financial crisis decreases women's small farmers already scarce access to credit, thus further threatening food security. This is especially severe for female-headed households, as women's access to credit tends to be consistently smaller.

Also, the decline in migrant remittances fundamental to many developing countries is also expected to have a specific gender impact. Women migrants and women as remittances receivers will be impacted. For instance, women as migrants in the North are often concentrated in more unstable jobs that are frequently viewed as traditionally female occupations such as domestic and care work. This sector is already having big constraints and this is likely to increase, as domestic paid labour is one of the first costs to be cut by households.

Furthermore, if the crisis impacts threaten women disproportionately, the policies been carried by governments to respond to the crisis do not help women's burden either. On the one hand, countries that have sufficient revenue to carry out fiscal stimulus packages have chosen to bailout traditionally male sectors of the economy, such as car industries and financial sectors. On the other hand, developing countries that do not have sufficient revenues are likely to cut public spending or resort to International Financial Institutions credit. Those in turn apply conditionalities that request the adoption of procyclical policies. Moreover, resorting to IFIs means greater indebtedness.

The consequent cuts in basic services provision due to procyclical conditionalities or lack of revenue will incur in greater burdens for women. They are expected to do more unpaid work to compensate for insufficient public provision and non-existent social safety nets.

Finally, it is important to note that although taking gender-aware countercyclical policies is critical, it is not sufficient without changing the production, consumption and development model that has led to current crisis. This is a model that harms its basis of production and social reproduction and because of this it is intrinsically a careless and unsustainable model that needs to be fundamentally challenged.