

CDP Working Group on Gender and Development

Women's work and livelihood prospects in the context of the current economic crisis

Issues Note for the 2010 AMR

The theme of the 2010 Annual Ministerial Review (AMR) by the Economic and Social Council is “Implementing the internationally agreed goals and commitments in regard to gender equality and empowerment of women”. The Council now regards AMR mandate as central to achieve the internationally agreed development goals, in particular the Millennium Development Goals, by the 2015 deadline and expects its commissions and committees to make contributions to drive and review the implementation of the goals.¹

I. Objectives

It has been argued that the current economic recession – the worst since the Great Depression in the 1930s – may impose a heavy toll on advances towards gender equality, as well as on the implementation of internationally agreed development goals. The direct and indirect impacts of the current turmoil are not yet fully understood and/or manifested. While past experiences may not necessarily serve as a guide, the economic and financial crises during the 1990s adversely affected vulnerable social groups, including women, disproportionately. Past financial crises implied greater job losses for women than for men (i.e., in the formal sector) or bigger burdens of unpaid work, such as care at home and agricultural works.² Additionally, in many instances, the long-term impacts of the crises were felt more by women than by men, as girls were pulled out of school more often than boys, had less access to food and proper nutrition, and were the victims of increased domestic violence, among others. Loss of income from employment or remittances can also have biased impacts against girls, who may be forced into early marriage and resulting child birth as families falling deeper into poverty try cope with lacking resources. In this sense, the crisis perpetuates --if not aggravates--the existing gaps.

At its plenary meeting in March 2009, CDP members agreed that the current economic crisis provides the overarching context to frame CDP analysis on gender equality and empowerment of women. While avoiding duplication of the existing work and ongoing initiatives of various UN agencies (such as DAW, ILO, INSTRAW, UNIFEM, UNDP and UNRISD) and maintaining synergy with CDP's other areas of current focuses (LDCs, climate change and financial turmoil), the subgroup on gender will aim at making recommendations that seek practical ways of creating incentives for the implementation of gender equality policies towards building a gender equitable society.

¹ Opening remarks by H. E. Ms. Sylvie Lucas at the Meeting of the ECOSOC Bureau with the Chairpersons of the Functional Commissions, 27 January 2009.

² Fukuda-Parr, Sakiko (2009). “Emerging issue: the gender perspectives of the financial crisis”, statement submitted to the Interactive Expert Panel, Commission on the Status of Women, 53rd Session, New York, 2-13 March 2009.

The difference of the consequences of economic crises on men and women is context specific and varies across countries and regions. The impact depends not only on the economic characteristics of a country – such as industrial structure, the relative importance of the urban and rural economies, the size of the informal sector, the relevance of migration--, but also on culture, social norms/expectations on gender specific behaviour and the existing legal and juridical framework.. As with some other types of inequalities, gender inequalities reflect, in one way or another, these factors.

Undoubtedly, the on-going economic crisis will be/is affecting the livelihood of both men and women. At the same time, however, the crisis could aggravate existing gender inequalities. Moreover, policies adopted to address economic crises have distributional implications and affect women and men differently. Thus if measures do not explicitly take into account the existing gender inequalities, they are likely to aggravate such disparities even further. For example, women are often more likely than men to be fired as a result of traditional labour practices around the idea of the male bread winner. As a result, in times of economic difficulties gender gaps in terms of accessing and retaining formal employment widen. In such contexts, assuming, for example, that a stimulus package supports those sectors of the economy where male participation is dominant (such as construction in public work programmes) gender inequality is likely to increase: greater economic opportunities are being offered to men whereas women suffer the brunt of unemployment brought by the crisis. Naturally, the factors behind the long term structural inequality underlying the fact that women have more access to some jobs than others also need be addressed.

Policy measures to stimulate economic activities or to mitigate/eliminate adverse impacts on livelihood of people should explicitly take into account of and address gender norms (or stereotypes) and take into account the differential gender impacts in order to build a gender equitable society. In this regard, it would be important to assess to what extent the fiscal stimulus packages adopted so far address the gender inequalities and how these measures affect existing gender gaps Both in the short and long term.

An expert group meeting (EGM) will be organized by the Secretariat of the CDP and held from 4 to 6 November 2009 in the UN headquarters, New York to prepare a report that will be submitted to and discussed at the CDP plenary in March 2010. The report will provide the basis for the discussions at the CDP plenary meeting in March and its report to ECOSOC and for a CDP Policy Note.

II. Issues/Suggested report outline

The EGM will examine the gender perspectives of the current economic crisis by analyzing two distinctive, yet inter-related issues; short-term impact of the crisis and long-term trends in women's work and livelihood situations and structural inequalities.

A. Gender impacts of the current crisis: is past experience a guide?

In the short run, the crisis is expected to have skewed distributional impacts against the poor and the disadvantaged on income, health and education. Lower economic growth would directly increase incidence of poverty due to losses of employment and declined demand. The extent to which specific groups are affected by the crisis (and are able to offset its impacts) depends, on the one hand, on how the economy itself is affected by the crisis and, on the other hand, on people's own socio-economic background.

From a gender perspective, short-term responses to crisis, in particular household coping strategies, will be largely conditioned by the status of women in the society, the nature of the crisis and channels through which it manifests itself, the public policies adopted and the socio-cultural environment. While the experience of the past may not serve as guide to the present due to changing circumstances, women often tend to increase the supply of their (unpaid) labour during times of economic crisis. This is a cost that remains unaccounted for, despite the fact that it increases the gap between men and women: it further reduces women's access to gainful employment opportunities and empowerment.³ Against this background, the burden for women is likely to be heavier where the division of labour and gender relations is based on traditional values and customs.

The adverse impacts of the current crisis are expected to be widespread and deep as the current recession, originated in the world's largest economy, is affecting developed and developing countries alike, thus differing from previous financial crises that erupted in developing countries and/or countries with a lighter weight in the global economy. For example, world trade is expected to contract by 11 per cent in 2009, while it continued to grow—albeit moderately—during the Asian and Russian crises. Increased integration to the world economy and higher dependence of growth on exports will lead to output and employment losses not only in the countries at the centre of the crisis but also in the economies supplying these markets. Accordingly, manufacturing output has been contracting worldwide.

Naturally, the impacts will not be restricted to the economic sphere. Output and employment losses reduce fiscal revenues which, in turn, have negative impacts on the public provision of social services. Reduced incomes also restrict access to privately financed services with negative consequences for human capital development. Business as usual policy responses—that is to say, social protection measures that are implemented as a byproduct of traditional stimulus fiscal packages or as an after thought-- may not prevent desperate individual survival responses, such as increased criminality, prostitution and human trafficking, besides manifestations of increased stress at the level of the household due to heightened economic security with particularly negative consequences for women.

³ Rania Antonopoulos, The current economic and financial crisis: a gender perspective, The Levy Economics Institute, Working Paper No. 562, May 2009.

A.1. Employment impacts

“Male-dominated” industries (such as construction and some sectors of manufacturing) are being particularly badly hit in developed countries. According to a recent ILO report however, data for the United States “suggest that the sectoral distribution of male and female employment is not necessarily the most important factor in the analysis of the gender impact of the economic crisis”⁴ as relative job losses for men were larger than for women in most sectors of the American economy. Similarly, in the Euro zone job losses by male workers surpassed that of female workers pushing male unemployment rates higher than female’s for the first time since the early 1990s.

In developing countries, the impacts of the crisis on employment are not yet fully documented, but employment losses are expected to increase in developing countries in industries where female employment is prevalent, such as textiles, garments and tourism, as external demand declines. At the same time, women are more often than men engaged in vulnerable employment in both urban and rural areas (such as own account and contributing family workers) which carries less formal working arrangements, offers low returns as well as little social protection and safety net during times of economic distress. For the own account female workers, micro-credit schemes are an important, if not the only, channel they have to access credit for enabling gainful activities. In this regard, it would be important to assess where the overall credit squeeze has negatively impacted on the supply of micro credit (as some of these schemes are related to larger banking and financing corporations) and which measures could be adopted to maintain the provision of micro credit.

A.2. Workers’ remittances

At the international front, the current crisis highlights the prospects of further dislocations and return migrations, with gender manifestation and effects, but with marked differences across regions. A recent World Bank report indicates that remittance flows to Latin America have been declining as a result of the slowdown of the construction sector in the United States. Conversely, flows to South and East Asia continued to be strong.⁵

Recent international migration is said to have become “feminized” as women are no longer migrating to join their families in the host countries but looking for economic opportunities, partly because demand for health- and care-work increased in developed countries.⁶ Data permitting, it would be interesting to examine how their employment in the health/care industry is affected by the current turmoil and how resilient these flows are in relation to adverse changes in the economy of the host country. At the same time, reduced worker remittances have negative implications for the welfare of the household possibly whose burden may be unfairly shared by female members of the household.

⁴ ILO, *Global Employment Trends for Women* . March 2009, p. 25

⁵ Migration and Remittances Team, Development Prospects Group, World Bank, Migration and Development Brief No. 10, 13 July 2009.

⁶ Arizpe, Lourdes (2009). “Gender and Development Policies in times of financial crisis: Governance, Militarization and Migration”, 4 April.

B. Impacts of the crisis on structural gender inequalities

Short-term impacts suggest that women will probably play an even more dominant role in informal and vulnerable works, particularly in the developing world, and will increase the supply of unpaid labour. If this is the case, the current crisis is likely to aggravate gender inequalities further.

B.1 Agriculture and the crisis: productivity and food security

This section examines the agricultural (or rural) sector, where a significant share of the labour force is female—despite a decline in the share of agriculture in total female employment—particularly in sub-Saharan African and in South Asia. Facing a multitude of challenges including misguided policies, inadequate funding for agricultural R&D, poor water resources management, productivity has stagnated over the past decades. These factors—compounded by relatively fast population growth—implied that sub-Saharan Africa, once a net food exporter became a net food importer and was particularly hard hit by the recent skyrocketing increase in food prices. In addition to an already difficult situation, climate change exercises micro-climate impacts on agricultural production, making natural environment further vulnerable.

Some commentators have suggested that neglect of the agricultural sector also reflects lack of empowerment by women who are the sector's dominant labour force. In fact, the ILO report indicates that if women were given the same access to resources, including education, as men, the yield of some crops could increase by 22 per cent,⁷ which could go a long way to mitigate the region's dependence on food imports.

The underlying factors for low agricultural productivity in many parts of the developing countries need to be examined, so as to alleviate the difficulties the poor, particularly women-headed households, may encounter. While a list of the underlying factors can be long, transmission to and adoption by low income countries of more advanced technology already existed in more developed countries and financing mechanisms to help transfer technology can be important topics to be discussed. At the same time, without economic/employment protection or (re-)training strategies, the additional hardship that those belonging to vulnerable segments of society (among which poor women and women headed households are disproportionately represented,) face will certainly be grave.

B.2. Impacts on the urban economy: increased informality and lower incomes

The magnitude and the nature of the impacts of the crisis – both on the short- and on the long-term – depend on where a country stands at the beginning of the crisis. In many

⁷ ILO, *Global Employment Trends for Women*, March 2009, p. 15.

countries in sub-Saharan Africa and South Asia, low productivity in general and the lack of empowerment women and their limited access to resources in particular are likely to define the long-term course of development of the rural society and gender inequalities. East Asia and Latin America and the Caribbean, on the other hand, are characterized by increasing or high informality of the urban economy, as a result of large inflows of migrants from the rural area and a pattern of economic growth that has not created sufficient employment in the formal economy.

The current economic crisis will have adverse impacts on women (and men) both in the urban formal and informal sectors. Those in the formal sector are facing risks of losing jobs and being pushed into the informal sector where productivity is lower and job security and safety are sub-par. While the relative size of the informal sector can grow, overall slow economic growth implies downward pressure on earnings of a worker in the informal sector (though not officially recorded), pushing more people, particularly women or woman-headed households, below the poverty line. In the long run, impacts of the crises will be more likely to be felt by women than by men, if existing structural inequalities (access to paid jobs in general and to quality jobs in particular, that is to say jobs that are stable and accrue social security benefit, pay differentials, burden of social reproduction and investment in human capital) are not addressed. At the same time, the short time impact of the crises, if not offset, can reinforce and even aggravate existing gender inequalities.

B.3. Retrenchment of the public sector and the crisis: social safety net

Many middle income countries have witnessed a retrenchment of the public sector in many fronts of their economies, including the provision of social services and social protection which became increasingly targeted and away from universal coverage. These trends imply a situation of increased lack of formal social security mechanisms to confront the present crisis: the necessary safety nets may not necessarily be available to all those who may need them.

Fiscal packages announced so far seem to be designed to support and stimulate productive activities at large, but with little or no additional spending in social protection.. Lower fiscal revenues as a result of shrinking economic activities and increased tax breaks for businesses could imply in further cuts in public expenditure on social services, leading to reduced availability of services that are vital to support women's paid work. Furthermore, reduced fiscal expenditure and the loss of paid employment could have a cascade effect of children, dropping out of a school to supplement family incomes or to replace the work provides by mother in the household.

C. Brief analysis of policy responses so far: addressing gender impacts?

Ideally, responses to the current economic crisis would include provision of income support schemes, maintaining the supply of social services, and "policy space" that would

allow developing countries to adopt short-term, compensatory policies and long-term strategic planning in building gender equitable societies, including safety nets for women and women-headed households. In this regard, it would be important to examine whether policy responses by Governments have been gender sensitive and to specify the possible implication of such policies for women's work/livelihood and empowerment. Similarly, ODA policies could be analyzed (data availability permitting) to assess (i) whether development aid budgets have been maintained, including financial provisions for stimulus policies for developing countries; (ii) aid allocation patterns reflect support to social priorities, including promoting gender equality, as so to achieve the internationally agreed development goals and, in particular, to reduce the unequal burden on women.

D. Conclusions and recommendations