

Feminist critiques, policy alternatives and calls for systemic change to an economy in crisis
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Abstract

In the current context of converging crises, the Association for Women's Rights in Development (AWID) is convening its upcoming 2012 Forum on "Transforming Economic Power to Advance Women's Rights and Justice". This paper – which aims to contribute to the dialogue on challenging the mainstream economic model from a feminist perspective – is part of a process in which AWID, in dialogue with other feminist and social movements, is engaging in the lead up to the Forum. The paper is an analysis based on, among other things, the results of two research projects coordinated by AWID's IDeA (Influencing Development Actors and Practices) program: first, a series of papers on the impact of the crisis on women at the regional and sub-regional levels and second, series of papers on alternative visions of economy/development that women are proposing and promoting in Latin America.¹

This paper will first **provide an overview of government responses** to the crisis, **drawn from the research presented in the aforementioned series of papers**, and then offer an **analysis of these responses from a feminist perspective**, highlighting why, in the cases presented in the research, governments' responses have been inadequate.

Following this, **general principles and proposals on a feminist policy response** to the crisis will be outlined. Finally, as feminists and progressive social movements have also pushed for an alternative to neoliberalism that is people centered and grounded in human rights, the remainder of this paper will examine the potential for feminist economics to speak to not only immediate responses to the current crisis, **but alternatives to the mainstream economic model**. What would this alternative look like? When we say an alternative to the mainstream economic model from a feminist perspective, what do we mean?

I. Introduction

The financial/economic crisis of 2008: part of a set of converging crises, indicative of a systemic crisis

In the current context of converging crises, the Association for Women's Rights in Development (AWID) is convening its upcoming 2012 Forum on "Transforming Economic Power to Advance Women's Rights and Justice". This paper – which aims to contribute to the dialogue on challenging the mainstream economic model – is part of a process in which AWID is engaging in the lead up to the Forum, in dialogue with other feminist and social movements.

As many women's rights activists and others have repeatedly noted, the financial and economic crisis of 2008 is in fact an instance (one of many) of the failure of the neoliberal model of development; it is, in other words, representative of a systemic failure. The economic and financial crises cannot be seen in isolation from the food, fuel, water, energy, environment/climate, human rights and care crises. In other words, the converging crises are illustrative of a systemic crisis, of which the financial/economic crisis is but one facet. As noted in the aforementioned sentence, there are other dimensions, including the food crisis: only months before financial markets caused the subprime mortgage crisis, the food crisis was

¹ While we are beginning to replicate this process in other regions, when we wrote this paper, we had only worked with groups in Latin America.

already a big concern. In fact, the food crisis was caused, in part, by the same mechanism that caused the financial crisis: speculation in agricultural product prices in the commodity futures markets. Excessive liberalization of agriculture, through free trade agreements, has been extremely harmful for small producers,² by on the one hand allowing the entry of subsidized agriculture goods produced in advanced economies to which small producer could not compete. On the other hand, FTAs promote large-scale export-oriented agriculture, promoting monocultures and threatening local, culturally relevant food and food security overall.³

These interlocking crises are part and parcel of a failed development model; a model that sees economic growth (measured in GDP) as both the meaning and ultimate goal of development, despite evidence that growth alone does not necessarily lead to social justice for all – and often, in its pursuit, results in extensive environmental/ecological degradation. The mainstream economic model established a set of economic policies – policies grounded in an ideology known as neoliberalism – as its recipe to achieve development (understood as growth), despite the fact that such policies consistently proved themselves (especially through this current crisis) to be incapable of ensuring human rights and livelihoods. This model is gender blind, patriarchal and indifferent to human rights, including particularly women’s human rights.

It is important here to underscore that for many marginalized people in the Global South and the Global North, crises – including the crises caused by colonization and imperialism – are not new; for many households and communities, insecurity and crisis are the norm. Indeed, an IMF study⁴ covering 1970-2007 showed that of the 124 banking crises and 208 currency crises, 62% took place in Africa and Latin America and the Caribbean combined, while only 6% took place in advanced economies (OECD countries, except Mexico and South Korea).

A holistic approach to this crisis, therefore, must be a systemic approach: it should address the diverse, multidimensional aspects of the convergence of crises the world is currently facing. Yet, as demonstrated below, governments’ responses have often been restricted to a range of monetary and fiscal policies that attempt to address the symptoms of the crisis, rather than the underlying systemic causes.

The work of feminist and women’s human rights groups and movements has shown us that almost three years into the current systemic crisis, **the disproportionate impact of the crisis on particular women, the intense challenges women face in maintaining livelihoods and the erosion of women’s human rights continue, while government policies have done little to counter these impacts and challenges.**

The crisis in neo-liberal thinking

The current crisis is a symptom of the failure of the neoliberal policies that frame the mainstream economic system. The manner in which production, exchange and consumption are organized within the neoliberal system has been, and continues to be, oblivious to the recovery cycles of the environment, as well as to social reproduction (as evidenced by the underlying assumptions of infinite elasticity of social reproduction).⁵

² IGTN Statement to The WTO Ministerial In Geneva from 30 November – 2 December 2009. Available at: http://web.igtn.org/home/index.php?option=com_docman&task=doc_details&gid=604&&Itemid=6

³ Ibid.

⁴ Luc Laeven and Fabian Valencia (2008) “Systemic Banking Crises: A New Database,” IMF Working paper, November 2008.

⁵ Wichterich, Christa (2010) "In Search of Economic Alternatives for Gender and Social Justice: Voices from India," WIDE, Heinrich Böll Foundation. Available at: <http://www.boell-india.org/web/112-465.html>

In this sense, pointing to excessive deregulation of financial markets only scratches the surface of the problems involved. If we look at the root causes of these converging crises, we will find the underlying neoliberal rationale of aggressive search for profits that puts human and social needs at the service of capital benefits. Thus, the multiple crises we are facing today cannot be solved by simply re-regulating financial markets.

If the economy continues to be organized with greed and profit-seeking at its core, social reproduction and the environment made invisible and at the service of the real economy, and the real economy at the service of finance, regulation will not be enough to ensure social, gender and environmental justice as well as the right to a livelihood. Therefore, a broad and deep change in the structure of the global political economy would be necessary, so that economic and financial activities serve people's livelihoods and human rights (rather than the other way around), must take place.

Financialization of the economy led to destructive externalities

The causes of the financial and economic crisis have been long in the making; they can be traced to a set of practices/policies (grounded in an aggressive neoliberal ideology) in the financial industry in developed countries, particularly the United States (US). Since the 1980s, deregulation of the financial services industry, driven by neoliberalism, led to financial practices, products and instruments that served primarily to enrich the financial sector itself; the role of finance to benefit communities – through, for example, providing liquidity and affordable access to capital – diminished. As a consequence, financial services became increasingly dominated by speculation and prone to a perpetual cycle of bubbles, particularly in the US. Speculation against weak currencies and the creation and use of financial instruments became a very profitable business. Profits from finance became the sole focus, with often no relation to the productive economy. The financialization of the US economy is evident in the disproportionate share of profits earned by the financial sector – and has been accompanied by the steady decoupling of finance from productive industry: trading in money (money markets, currency, arbitrage, hedge futures trading, financial intermediation) constitutes almost 98 per cent of all financial transactions; only 2 per cent or less actually finance trade in real goods.⁶

Specifically, the 2008 financial crisis was set off by the collapse of the subprime mortgage market in the US, which itself was caused by numerous factors, including speculative trading with mortgage-backed securities, low interest rates and subprime lending to low-income home buyers. Complex financial instruments – such as mortgage-backed securities (MBS) and collateralized debt obligations (CDO) that were constructed using subprime mortgages – generated the illusion of low-risk investments. When increasing numbers of defaults in mortgage payments unveiled the indiscriminate (and often predatory) lending and uncontrolled securitization in the subprime mortgage market, banks holding highly leveraged investments saw large parts of their balance sheets eliminated.

This crisis in the financial industry led to the deepest recession in the US since the Great Depression of the 1930s; yet, the economic effects were neither contained to the U.S. nor the developed world. AWID's previous analysis⁷ has shown the widespread and disastrous impact of the crisis in the developing world. Those already suffering the greatest poverty were particularly hard hit.

⁶ Tandon, Y. (2009) "Putting Production over Trade and Finance," South Bulletin, South Centre, February 1, 2009, Issue 31. See: http://www.southcentre.org/index.php?option=com_docman&task=doc_download&gid=1241&Itemid=&lang=en

⁷ Raaber, N. (2010) "The Impact of the Crisis on Women: Main Trends across Regions," Brief 11 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. Available at: <http://www.awid.org/content/download/101344/1173244/file/IDeA-Brief11.pdf>

II. Feminist Critical Analysis of Government Policy Responses

Goal of section: In this section, we will share the results of the crisis research – highlighting how, according to the authors of the briefs, governments responded in their countries/regions. Building on these realities, we will then offer an analysis of these responses from a feminist perspective. It is important to note here that neither this section (nor this paper) is intended to be comprehensive, but rather reflect the work done thus far by IDEa. It is instrumental to the broader analysis, in which we attempt to offer a feminist political analysis of government policy responses.

How did governments respond to the crisis?

According to the research IDEa coordinated, governments have responded to the financial/economic crisis as if it were an isolated blip, rather than reflective of a systemic crisis. We see this through their use of monetary and fiscal policy.

When governments have had the resources and the policy space, they have responded to the crisis in a multitude of ways, employing a range of fiscal, monetary, regulatory and other measures. Keynesian fiscal spending approaches such as deficit-financing, loose monetary policies and counter-cyclical fiscal stimuli have been used.⁸ That said, the responses of governments have varied and have depended on a variety of factors, including the political ideology of a government, the pre-crisis state of public finances, the sectoral composition of national economies and/or restrictions placed on governments by International Financial Institutions (IFIs) on the manner in which they can respond.

For many middle-income and low-income countries in the South, the lack of public resources to counter the effects of the crisis and the consequent dependence on IMF lending drove governments to adopt neoliberal cyclical policies, despite their failure. This is typical of how governments in the Global South have responded to economic crises over the past decades. Interestingly though, high-income countries (such as Iceland, Greece and Spain) are facing the same policy space constraints which have historically been reserved for low and middle-income countries. The policy conditions attached to the loans these countries have had to take from, among other sources, the IMF to avoid default have constricted their ability to shape the policies of their countries. This is a new phenomenon, not seen in previous crises.

Research undertaken under the coordination of AWID's IDEa program has shown that governments have not responded to the crisis in a holistic manner, focusing instead on simply **addressing the symptoms of the crisis**. As noted above, responding to the financial crisis as if it were separate from the multiple crises, as most governments have, is again failing to address the real problems. The underlying structural causes (inequality, patriarchy) – stemming from an aggressive and unsustainable mainstream economic model that sets neoliberal policies as the way to reach a narrowly defined development-as-growth – remain unaddressed.

Generally speaking, the priority of most governments has been to stabilize markets and return to economic growth, by **recapitalizing banks and infusing funds into the private sector**. By saving failing institutions and ideology, the priority has been to return to the status quo. Thus, the private sector – for

⁸ Van Waeyenberge, E., Hannah Bargawi and Terry McKinley (2010) "Standing in the way of development? A critical survey of the IMF's crisis response in low income countries," a Eurodad & Third World Network report in cooperation with the Heinrich Böll Foundation. The School of Oriental and African Studies (SOAS). April 2010.

example through the injection of funds and extensive credit guarantees – and high-income elites have been prioritized over low-income and poor individuals. **International investors and credit markets** are also being prioritized in some government responses.

A range of measures to stabilize economies, as shown by a summary of the UN Economic Commission for Latin America and the Caribbean (ECLAC) in 2009, were employed **by Latin American** governments.⁹ Most governments in the region implemented counter-cyclical policies that contributed toward accelerating recovery.¹⁰ Furthermore, monetary and financial policies aimed at increasing liquidity, such as the reduction of interest rates and bank reserves were implemented. Countries in the region also adopted currency and commerce policies, with distinct subsidy measures for lowering export taxes, increasing tariffs or import tariff measures, etc., a type of competitive currency exchange for local currencies, and credit management in international organizations. Some also adopted sectoral policies, on a case-by-case basis, to encourage housing, support small and medium enterprises (SME), the agricultural sector, tourism, and industry.

Still, it is key to note the marked difference between the policies adopted by countries in South America and those adopted by countries in Central America and the Caribbean. These differences have to do with the unequal capacity of adopting countercyclical policies.¹¹ In the case of South America, the continuous demand of dynamic Asian economies – especially China – of commodities produced in the sub-region has created the conditions for the recovery of these economies. For Central America, the Caribbean and Mexico – less diversified in their economic partners and highly dependant on the US economy – the US recession had a strong negative impact. As the US economy has gradually improved, the sub-region's economic situation has improved, as well. This is due to increased migrant remittances to the sub-region, among other reasons.¹²

Within **West Africa**, governments for the most part have reaffirmed the neoliberal economic model, by insisting that economic liberalization is the key to resolving the crisis and endorsing new instruments put in place by the IFIs.¹³ In addition, while many countries in West Africa are calling for an agenda of economic diversification and regional integration, these responses are performed **within a framework of prudent macro-economic policies and anti-protectionist tendencies**.¹⁴ It is important to note that this conservative recovery package might not be a policy choice. Instead, it is likely to be a result of lack of policy space constrained by policy conditionalities, a consequence of the region's dependence on IFIs lending.

⁹ Comisión Económica para América Latina y el Caribe (2009) "La actual crisis financiera internacional y sus efectos en América Latina y el Caribe," Santiago, Chile.

¹⁰ Sanchís, Norma and Espino, Alma (2010) "The Impacts of the Crisis on Women in Latin America," Brief 1 of the 2010 series edition: 2010 Updates: Impacts Of The Crisis On Women's Rights: Sub Regional Perspectives. AWID. See : http://www.awid.org/content/download/103978/1198802/file/ICW_2010_LatinAmerica2.pdf

¹¹ Comisión Económica para América Latina y el Caribe (2010). La reacción de los gobiernos de las Américas frente a la crisis internacional: una presentación sintética de las medidas de política anunciadas hasta el 31 de diciembre de 2009. Santiago, Chile.

¹² Comisión Económica para América Latina y el Caribe (July 2010). Estudio económico de América Latina y el Caribe 2009-2010. Santiago, Chile.

¹³ Tsikata, D. (2009) "The Global Financial Crisis and Women in West Africa: Developing Impacts and the Implications of Policy Responses" Brief 6 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: <http://www.awid.org/eng/content/download/73283/814621/file/Brief%206%20Western%20Africa.pdf>

¹⁴ Ibid.

In **Eastern, Central and Southern Africa**, there is a notable emphasis on infrastructure development (particularly in energy and transport) in most of the fiscal stimuli packages, which can potentially marginalize women because these sectors are male-dominated. That said, there are examples in which fiscal stimulus has gone to positions held primarily by women: Namibia's fiscal measures involve a 24% public-sector pay raise, which can potentially benefit women, as they are highly represented in the public sector. South Africa's stimulus plan includes "a \$69.4 million three-year public investment program, an expansion of public sector employment opportunities, an increase in social spending, and assistance to the private sector (AU and UNECA, 2009). All these measures have the potential to positively impact on (some) women's livelihoods and well-being."¹⁵ In Mozambique, the Central Bank lowered interest rates and loosened exchange rate policy, allowing for increased public spending, notably for the implementation of a new civil service pay scale and a fuel subsidy to prevent an increase in domestic fuel prices.¹⁶ "While these expansionary measures are in line with counter-cyclical policies, it is not clear to which extent the increase in government's spending has benefited those sectors that are the most important to women and poor people, such as health, education, and water. It is also not clear how the policy choice of increasing the salaries in the civil service can significantly address the impact of the crisis."¹⁷

In Africa, we have also seen that many responses have also tended to focus narrowly on safety nets, as opposed to comprehensive social protection policy focused on the most affected groups. In Africa, impacts and responses to the crisis must be seen within the context of an unresolved food crisis, a crisis particularly acute in the Southern and Eastern Africa region.¹⁸ It must also be recognized that, for many African countries, responses have been constrained by narrow policy space and low public revenue base.

As reported by Kinda Mohamadieh, in the **Middle East and North Africa (MENA) region**, governments attempted to "stabilize the situation by increasing government expenditures and expanding subsidization programs."¹⁹ That said, "there have been relatively few new measures in the Arab region that can be readily identified as policy responses to the crisis."²⁰ In other words, in the region, it has been difficult to disentangle measures implemented to respond to the crisis from policy measures that were already planned.²¹ Generalizing among 22 Arab countries given the lack of data and diversity of the countries has also been a challenge.

¹⁵ Randriamaro, Zo (2009) "The Impacts of the Financial and Economic Crisis on Women's Rights In Eastern, Southern and Central Africa: Trends and Issues" Brief 6 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: <http://www.awid.org/content/download/101345/1173248/file/IDeA-Brief10.pdf> .

¹⁶ Randriamaro, Zo (2010) "The Impact of the Deepening Economic Crisis on Women in Eastern and Southern Africa" Brief 9 of the 2010 series edition: "2010 Updates: Impacts Of The Crisis On Women's Rights: Sub Regional Perspectives". AWID. See : http://www.awid.org/content/download/103995/1198878/file/ICW_2010_EastSouthernAfrica.pdf

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Mohamadieh, K. (2011) "Women's economic empowerment in the Arab region: How chronic development challenges and the global crises triggered people's revolutions," Brief 11 of the 2010 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://awid.org/Media/Files/ICW_2011_ArabRegion.pdf

²⁰ Tzannatos, Haq, and Schmidt 2011 as quoted in Mohamadieh, K. (2011) "Women's economic empowerment in the Arab region: How chronic development challenges and the global crises triggered people's revolutions," Brief 11 of the 2010 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://awid.org/Media/Files/ICW_2011_ArabRegion.pdf

²¹ Mohamadieh, K. (2011) "Women's economic empowerment in the Arab region: How chronic development challenges and the global crises triggered people's revolutions," Brief 11 of the 2010 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://awid.org/Media/Files/ICW_2011_ArabRegion.pdf

It can, however, be said that “all Gulf countries,²² took measures to loosen monetary policies and increase liquidity, while some took further monetary measures like insuring banks’ assets and injecting money into banks.”²³ In addition to the Gulf countries, others (such as Jordan, Lebanon, Syria, Tunisia, Egypt, Morocco, and Mauritania) also implemented fiscal and monetary measures. For example, tax reductions were implemented in some countries outside of the Gulf, however, they were not fashioned in a way that favored employment intensive sectors.²⁴ Jordan, Tunisia, and Morocco specifically provided liquidity injections into their economies. Together with Egypt, these three countries also lowered interest rates.²⁵ Tunisia and Egypt undertook a package of interventions, including increasing public spending and stimulation of economic growth through investing in infrastructure, providing support to private sector entities, as well as export support and subsidization and Jordan, Syria, and Morocco increased public spending on public projects.²⁶ As witnessed in other regions, responses ignored the gender dimensions of the crisis,²⁷ compounding the existing lack of gender-sensitive, rights based policies in the region.²⁸

While discussed more in-depth below, it is important to underscore here that in the MENA region, the global crisis came on top of a long period of unmet necessary reforms, climaxing in a series of people’s revolutions and uprisings since the end of 2010.

In **Central and Eastern Europe**, governments are shaping their regulatory policy responses with an eye to **satisfying international investors and credit markets**, instead of their own citizens. A “review of the stimulus packages currently being implemented in the region reveals that governments in the region have planned to prioritize the private sector, injecting it with new funds and credit guarantees. **The social costs associated with the crisis are, on the other hand, not being addressed.**”²⁹ In fact, governments have barely acknowledged the social impacts of the crisis. Concerned with the performance of local stock markets and investment funds, and fearful of the reaction from credit rating agencies, governments have resorted to public relations stunts or, simply, crude force. In Latvia, for example, a university lecturer in economics was arrested for warning about the financial crisis in his country.³⁰

In **developing Asia**, policy makers have responded to the crisis as if it were a mere blip in a process of continuing and dynamic economic growth, rather than a symptom of a larger (systemic) problem.³¹

²² United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, and Kuwait

²³ Joint Arab Economic Report “Implications of the Global Financial Crisis on Economies of the Arab region,” page 210, available at <http://www.amf.org.ae/> as quoted in Mohamadieh, K. (2011).

²⁴ Mohamadieh, K. (2011) “Women’s economic empowerment in the Arab region: How chronic development challenges and the global crises triggered people’s revolutions,” Brief 11 of the 2010 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://awid.org/Media/Files/ICW_2011_ArabRegion.pdf

²⁵ Joint Arab Economic Report, Chapter 10, page 217.

²⁶ *Ibid*, page 217.

²⁷ Social Watch (2010) “Gender in Times of Crisis: New Development Paradigm Needed,” available at: <http://www.socwatch.org>.

²⁸ Mohamadieh, K. (2011) “Women’s economic empowerment in the Arab region: How chronic development challenges and the global crises triggered people’s revolutions,” Brief 11 of the 2010 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://awid.org/Media/Files/ICW_2011_ArabRegion.pdf

²⁹ Charkiewicz, Ewa (2009) “The impact of the crisis on women in Central and Eastern Europe,” Brief 8 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://www.awid.org/content/download/62037/691715/file/BRIEF%208%20%20Charkiewicz%20FINAL_ENG.pdf

³⁰ New Statesman, 2008.

³¹ Ghosh, Jayati (2010) “Impact of the Global Crisis on Women in Developing Asia,” Brief 2 of the 2010 series edition: “2010 Updates: Impacts of The Crisis On Women’s Rights: Sub Regional Perspectives.” AWID. See: http://awid.org/Media/Files/ICW_2010_Asia

Ghosh noted that for many Asian developing countries, the crisis resulted in a deceleration of growth – but growth remained positive. This was primarily to the huge bailouts of troubled financial institutions, and large fiscal stimulus packages that governments in the region implemented (in conjunction with those in other regions).³² Despite their responses, governments in developing Asia did not – on the whole – address the specific and differentiated needs of women, particularly women workers who, depending on their position within the labor market and time spent doing unpaid work were differently impacted: “The reliance on the male breadwinner model in relief packages, including in unemployment benefits and cash transfers, adversely affected women.”³³

In **Central Asia**, stimulus measures were implemented, yet the gendered impact of the crisis was not on the agenda. The condition of poor urban and rural women were not reflected in the policy dialogue nor in the coordination and implementation of policy responses.³⁴ In regards to development plans and poverty reduction plans – which themselves could be viewed as a response to the crisis – women’s specific needs are not being adequately addressed: The new Poverty Reduction Strategy of Tajikistan developed in 2010 does not include compensation for losses women faced from the crisis and Tajikistan’s 2010 Anti-Crisis Plan of Action does not include measures for the protection of the poor.³⁵ In Kyrgyzstan, a weak state machinery for gender equality led to a “lack of sex-disaggregated and gender data, low prioritization of women’s issues and concerns in state recovery plans, including a lack of gender-sensitive stimulus packages and funds for women (particularly vulnerable women, such as rural women). Furthermore, when gender equality was indicated as a priority in the development plans of countries, it was often not funded. Djanaeva also found that regional bodies - such as the Astana Economic Forum, the Summit of EurasES, the Shanghai Cooperation Organization, the Eurasian Economic Community and Central Asia Regional Economic Cooperation – also did not address the impact of the crisis on women.

On the other hand, Kazakhstan has a well-established social assistance program and, as part of the crisis response, the number and size of benefits - including child benefits, birth payments and unemployment payments - have increased. However, Kazakhstan’s Anti-Crisis Plan excluded certain vulnerable groups from the program, such as informal workers’ and migrants, and women may not benefit in the same way as men, because the primary sectors where job creation is targeted (construction, communication and infrastructure) are male-dominated.³⁶

In **Western Europe**, after the large bail-outs and a brief period of re-regulation discourse, feminists have reported that business as usual has returned. Responses have emphasized saving men’s jobs and – as a consequence of the crisis - cuts in public spending, in health and education, are taking place, worsening gender and class inequalities. As the European Women’s Lobby stated in December 2008, the European recovery plans are “gender neutral” and, as such, fail to take into account care work, community based services, education and/or health.³⁷ Many western European countries are now implementing austerity

³² Ghosh, Jayati (2010) “Impact of the Global Crisis on Women in Developing Asia,” Brief 2 of the 2010 series edition: “2010 Updates: Impacts of The Crisis On Women’s Rights: Sub Regional Perspectives.” AWID. See: http://awid.org/Media/Files/ICW_2010_Asia

³³ Ibid.

³⁴ Djanaeva, N. (2010)

³⁵ Djanaeva, N. (2010)

³⁶ Djanaeva, N. (2010)

³⁷ Harcourt, Wendy and Lois Woestman (2010) “The Impact of the Deepening Economic Crisis on Women and Gender Equality in Western Europe,” Brief 5 of the 2010 series edition: “2010 Updates: Impacts Of The Crisis On Women’s Rights: Sub Regional Perspectives”. AWID. See: http://www.awid.org/content/download/103986/1198838/file/ICW_2010_WesternEurope.pdf

measures (some, as noted above, forced to as conditions of loans taken) to address budget deficits and market/investor fears of default.

Furthermore, government responses to the recent social mobilizations in Mediterranean Europe as well as in the MENA Region have shown that governments the world over have generally also increased the militarization of their responses to growing social unrest and protests with high levels of violence, intimidation, detention, torture and death of protesters and organized opposition. While often macroeconomic responses to the crisis have been directed to salvaging banks and the private sector, whenever populations have demonstrated their dislike over governments' approach to their diminished condition of living, military responses have entailed. As it is often the case in social and economic distress situations, militarization has a clear role in maintaining the status quo and the mainstream economic model.

a. Shortcomings of government policy responses from a feminist perspective

The rift of government responses outlined above has been successful in the sense that a looming depression like that of the 1930s has been averted and most countries have returned to moderate economic growth, if judged by GDP figures. Yet looking past the aggregate macroeconomic data and examining the social and distributive impact of the crisis reveals a different picture. Below, we identify four major shortcomings of the responses that contributed to this outcome.

i. The manner in which countries use monetary and fiscal policies to respond to crises has in parts reinforced the disproportionate negative impacts of the crisis on women and girls.³⁸

As noted in a recent report by Eurodad and the Third World Network, macroeconomic design has a significant impact on the type of development policies a country can implement; this is particularly crucial in developing countries, and particularly low-income countries. "Macroeconomic design also has important distributional impacts: while stringent macroeconomic policies may benefit some sectors of society, such as the financial sector or the creditors, they may have detrimental impacts on others, such as productive sectors, employees, or the poor, who often can not benefit from higher growth rates, employment creation or public investment in essential services."³⁹

Where governments have been able to implement them, fiscal and monetary responses have focused almost exclusively on generating GDP growth, at the expense of their distributive impact. Given that their desired outcome is increased aggregate demand, governments pick the policies that do this the best, without a consideration of the ways these policies affect different groups differently.

As feminists and women's rights advocates have underscored, the majority of responses to the crisis – including such measures as economic stimulus packages and job creation measures – have failed to

³⁸ ESCR-NET, AWID, Center of Concern, CWGL, CESR (2010) "Bringing Human Rights to Bear in Times of Crisis: A human rights analysis of government responses to the economic crisis," Submission to the High-Level Segment of 13th session of the United Nations Human Rights Council on the global economic and financial crises. See: www.escr-net.org/usr_doc/HRRResponsestoEconCrisis_Final.pdf

³⁹ Van Waeyenberge, E., Hannah Bargawi and Terry McKinley (2010) "Standing in the way of development? A critical survey of the IMF's crisis response in low income countries," a Eurodad & Third World Network report in cooperation with the Heinrich Böll Foundation. The School of Oriental and African Studies (SOAS). April 2010.

account for the gender differentiated impacts of the crisis and, as a result, have been gender blind, further perpetuating the exclusion of marginalized groups.⁴⁰

Where fiscal stimulus packages have supported job creation, for instance, the jobs created have often been in sectors within which men dominate. For example, a number of stimulus initiatives planned in the Pacific involve infrastructure development, mainly in order to facilitate the flow of goods and services within countries and for trade. However, women tend to be underrepresented in the building and infrastructure sectors and are therefore excluded from benefiting from the governments response. In the United States, while women lost nearly 3 out of every 10 jobs during the recession, they filled fewer than 1 in 10 jobs in the recovery.”⁴¹

Therefore, stimulus packages had in many places the undesirable consequence of reinforcing, rather than alleviating, the gendered impacts of the crisis. This happened because the stimulus packages – were neither gender sensitive – including failing to take into account the unpaid care work disproportionately performed by women - nor fashioned in line with international human rights obligations. A gender-sensitive, human rights approach to fiscal policy is therefore necessary.

ii. Fiscal stimulus packages have focused on rescuing the private/productive sector – with little to no attention to public services and care work.

Neoliberalism has failed to provide a basic social protection floor for the majority of the world’s people. As a result, much of the care work/social reproduction – fundamental to human life - that should be shared by the state, market and family/community has shifted to the household and, within that, the shoulders of women. This worsens in crises.

Unpaid care work “tends to have no place in macroeconomic models and analysis”⁴² and governments, as a result, have narrowly focused their responses to the crisis on that which is called the productive sector. This obscures the gender-differentiated impact of the crisis and the additional burden many women must take on. Indeed, as is clear from previous crises, women’s unpaid work increases to fill the gaps in [care services] – particularly during times of crisis when income and public goods decrease.⁴³

As long as the current mainstream economic system continues to disregard this critical reality, the unsustainable nature of its organization and its fundamentally careless nature will remain.⁴⁴ Re-regulation of the financial markets alone will definitely not address it: As noted by both UNDP and the ILO, it is impossible to confront and address social exclusion, inequality and poverty without seriously dealing with women’s overload of work – both paid and unpaid, reproductive and productive - and their limited employment opportunities in general.⁴⁵

⁴⁰ Based on discussions during a strategy meeting entitled “Analyzing the Impacts Of the Systemic Crisis On Women: integration of women’s rights in existing and future responses,” convened by AWID from 1-2 November 2009, New York, New York.

⁴¹ “Modest Recovery Largely Leaves Women Behind,” National Women’s Law Center (2011), Accessed on March 2011 at: <http://www.nwlc.org/resource/modest-recovery-largely-leaves-women-behind>

⁴² Elson, D. (2004) The Millennium Development Goals: A feminist development economics perspective, The Hague: Institute of Social Studies, <http://www.gwsafrica.org/knowledge/elsen.html>

⁴³ Antonopoulos, Rania & Taun Toay (2009) “From Unpaid to Paid Care Work - The Macroeconomic Implications of HIV and AIDS on Women’s Time-tax Burdens,” Economics Working Paper Archive wp_570, The Levy Economics Institute.

⁴⁴ ILO-UNDP (2009) “Work and Family: Towards new forms of reconciliation with social co-responsibility,” Santiago, Chile: International Labour Organization and United Nations Development Programme.

⁴⁵ Ibid.

iii. International responses – from bodies like the IMF, the World Bank, and the G20 – have aggravated the crisis for many developing countries, by attaching conditions to their loans, thereby limiting national policy space

Feminists and other progressive social movements have criticized the IMF for often imposing tight macroeconomic policies that are designed to bring about adjustment but often end up undermining human rights, particularly women’s human rights and sustainable growth.⁴⁶ It is important here to recall that for many in the global south, “austerity” has been forced as the status quo for decades. Conditionalties placed on developing countries by IFIs – for example, to implement austerity programs – further reduce policy space and prevent the strengthening of the state in the provision of social services.

In most regions of the world dependent on foreign aid, the ability to engage in expansionary fiscal policy has been severely constrained by the lack of resources and/or the continuing explicit or implicit conditionality of international sources of funds.⁴⁷

The G20 pledged to deliver \$500 billion to a renewed and expanded IMF. However, there was no call for the IMF to change its lending practices and the use of conditionalties. According to the Third World Network, the Fund's crisis loans still contain the policy conditions of cutting public sector expenditures, reducing fiscal deficits and increasing interest rates - which is the stark opposite of the expansionary, stimulus policies being supported nationally by the G20 countries governments.⁴⁸ As underscored by Radhika Balakrishnan and James Heintz:

In setting the conditions attached to loans to the poorest countries, the IMF has ignored the implications its policies have for governments' ability to meet their human rights obligations. Instead, the IMF narrows its focus to stable growth and lower inflation. In exchange for the G-20's financial support, the IMF must be held accountable for advancing human rights for all.⁴⁹

These measures have detrimental impacts on poor women and men; however, due to women’s gendered role to provide for the maintenance of communities and families in society, they are disproportionately impacted by cuts in the public sector.

The tightening of Official Development Assistance (ODA) – despite pledges to reach aid levels of 0.7% of GDP, some donor countries are reducing their aid budgets due to the crisis – has further exacerbated the impact of the crisis.

For countries that rely heavily on remittances or exports, the short-term shock and the heavy financial burden of higher interest rates and devaluing currencies could lead to less spending on social assistance

⁴⁶ Van Waeyenberge, E., Hannah Bargawi and Terry McKinley (2010) “Standing in the way of development? A critical survey of the IMF’s crisis response in low income countries,” a Eurodad & Third World Network report in cooperation with the Heinrich Böll Foundation.

⁴⁷ Ghosh, J. (2009) “The Impact of the Crisis on Women in developing Asia,” Brief 3 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: <http://www.awid.org/content/download/101353/1173280/file/IDeA-Brief3.pdf>

⁴⁸ Choike Portal (2009) “Anti-poverty groups raise concerns about G20 commitment of funds to IMF,” available at http://www.choike.org/nuevo_eng/informes/7432.html

⁴⁹ Radhika Balakrishnan and James Heintz (2010) “Making the International Monetary Fund Accountable to Human Rights,” April 23, 2010, available at http://www.huffingtonpost.com/radhika-balakrishnan/making-the-international_b_549976.html

programs, pension schemes, schools and credit transfers.⁵⁰ As highlighted before, when social assistance programs are pulled back, mainly women take on the extra burden.

iv. By focusing on short-term fixes within a neoliberal framework, government responses leave open the risk of similar and indeed deeper crises reoccurring– in fact, much of the developing world has been in a perpetual crisis for decades and still is.

As noted by the Women’s Working Group on Financing for Development, the G20 failed to diagnose the crisis as a symptom of an unsustainable economic and financial system.⁵¹ Similarly, the majority of governments have focused policy responses narrowly on restoring the stability of the financial sector,⁵² without demanding reforms of the national and global policies that led to the crisis in the first place. Indeed, the majority of policy measures being implemented to address the crisis are hardly dissimilar to those that caused the crisis.⁵³

Those countries that have had to turn to the IMF and the WB for survival have had to implement policies that are based in neo-liberal principles.⁵⁴ Such policies often undermine national development priorities and fail to take into account the additional burdens – shouldered disproportionately by women - that get shifted to the reproductive sector in the name of (economic) efficiency.

In the West African region (recognizing that different countries implement different measures) government decisions have basically reaffirmed the neoliberal economic model. “This includes an insistence that economic liberalization is the key to resolving the crisis and the endorsement of new instruments put in place by the IFIs. While calling for an agenda of economic diversification and regional integration, it is still to be done within a framework of prudent macro-economic policies and governments are to refrain from protectionist tendencies.”⁵⁵

In Central and Eastern Europe, governments “are shaping their policy responses with an eye on international investors and credit markets, instead of their own citizens. A “review of the stimulus packages currently being implemented in the region reveals that all governments in the region have planned to prioritize the private sector, injecting it with new funds and credit guarantees. The social costs associated with the crisis are, on the other hand, not being addressed.”⁵⁶

⁵⁰ ITUC (2009) “Jobs - the Path to Recovery: How employment is central to ending the global crisis,” ITUC Report September 2009, p. 21.

⁵¹ WWG on FfD (2009) “G20 & the IMF: Peddling cosmetic changes while hounded by illegitimacy,” Statement of the Women’s Working Group on Financing for Development for the G20 Summit in Pittsburgh, September 2009 available at: <http://awid.org/About-AWID/AWID-News/G20-the-IMF-Peddling-Cosmetic-Changes-while-Hounded-by-Illegitimacy>

⁵² ESCR-NET, AWID, Center of Concern, CWGL, CESR (2010) “Bringing Human Rights to Bear in Times of Crisis: A human rights analysis of government responses to the economic crisis,” Submission to the High-Level Segment of 13th session of the United Nations Human Rights Council on the global economic and financial crises. See: www.escr-net.org/usr_doc/HRRResponsestoEconCrisis_Final.pdf

⁵³ Raaber, N. (2010) “The Impact of the Crisis on Women: Main Trends across Regions,” Brief 11 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: <http://www.awid.org/content/download/101344/1173244/file/IDeA-Brief11.pdf>

⁵⁴ Ibid.

⁵⁵ Tsikata, D. (2009) “The Global Financial Crisis and Women in West Africa: Developing Impacts and Implications of Policy Responses,” Brief 6 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID.

⁵⁶ Charkiewicz, E. (2009) “The impact of the crisis on women in Central and Eastern Europe,” Brief 8 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: http://www.awid.org/content/download/62037/691715/file/BRIEF%208%20Charkiewicz%20FINAL_ENG.pdf, p.5

Therefore, as Ghosh aptly notes, “At the most fundamental level, the three basic imbalances that caused the most recent crisis of international capitalism have still not been resolved: the imbalance between finance and the real economy; the macroeconomic imbalances between major players in the international economy; and the ecological imbalance that will necessarily become a constraint on future growth, not only because of climate change but because of other environmental problems and the demand for energy.”⁵⁷

v. Austerity measures being implemented in some places have undermined the already weak stimulus responses; their implementation will have gendered impacts

Apart from government responses being inadequate, one of the consequences (although some argue that, in fact, is a response to the crisis to get economic growth back on track) has been that governments have implemented (or been pushed to implement) austerity measures and moved to cut public spending, particularly in the social sector, to address deficits and lack of revenue.

For example, the fiscal restraint exercised by some countries in Eastern and Southern Africa is likely to affect the social sectors that are the most important to women. For example, “the Government of Kenya plans to cut expenditure to the tune of 25 billion shillings. In Botswana, restrictions have been imposed on travel budgets, vehicle purchases and the creation of new posts. In Angola, the Government plans to revise its budget downward to take account of the anticipated decline in oil revenue.”⁵⁸ Similarly, fiscal reforms introduced in the aftermath of the crisis and aimed at boosting domestic resource mobilization might also have negative impacts on women, if fiscal policies focus on regressive forms of taxation.⁵⁹

In Western Europe and in the US at the state and national level, cuts in spending – particularly in public sector employment (an area in which women often predominate) and social services - have been implemented.

Due to the current sexual division of labor, women and girls tend to compensate for these losses with their own (unpaid) labor and time – which typically comes on top of already high levels of work burden (both paid and unpaid). “The withdrawal or reduction of access to public services and higher user charges for health and sanitation put a greater burden on unpaid labor within the household, which is typically performed by women.”⁶⁰ Unpaid social reproduction is – in the mainstream economic model – not “counted”: the unpaid reproductive tasks needed to maintain life are not included in national accounts of in economic models. As a result, it is invisible when it comes to responses – which disproportionately negatively affects women.

The historical reasons for the instabilities that lead to crises – including the most recent financial/economic crisis – are often ignored. As a result, those who caused the crisis - and who have most benefited from neoliberal policies, have suffer the least from its impact and from the subsequent

⁵⁷ Ghosh, J. (2010)

⁵⁸ Randriamaro, Zo (2009) “The Impacts of the Financial and Economic Crisis on Women’s Rights In Eastern, Southern and Central Africa: Trends and Issues,” Brief 6 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives as quoted from AU and UNECA 2009.

⁵⁹ Randriamaro, Zo, (2009) “The Impacts of the Financial and Economic Crisis on Women’s Rights In Eastern, Southern and Central Africa: Trends and Issues” Brief 6 of the 2009 series edition: The Impact Of The Crisis On Women: Sub Regional Perspectives. AWID. See: <http://www.awid.org/content/download/101345/1173248/file/IDeA-Brief10.pdf>

⁶⁰ Ghosh, J. (2010)

austerity measures being implemented in countries. It is also important here to position these cuts in public spending in the historical context of debt payment – often of illicit and odious debt – by developing countries – which have comprised their ability to spend domestically for years.

These are the discussions that are absent from the dialogue surrounding policy responses, yet they have far reaching implications for households and livelihoods⁶¹ and have strong consequences for the ability of individuals and communities to enjoy their human rights.

III. Alternative policy proposals to government responses from a feminist perspective

This section aims to identify characteristics or elements of feminist and/or women’s human rights policy alternatives to governments’ responses to the crisis. The intention of this section is not to offer a comprehensive new model of development, but rather to outline policy alternative responses to the crisis, contributions toward different visions, different ways forward from specifically a women’s human rights perspective. A feminist perspective is urgently needed because, among other reasons, government responses have failed to take gender equality into account.

a. Short Term policy alternatives from a feminist perspective

At the onset, we would like to emphasize that for the purpose of this paper by feminist policy alternatives we mean short-term policy responses to the crisis from a feminist perspective. Responses can feed into a transformation of the mainstream economic model into one that is grounded in human rights and justice – but, as we define them here – policy alternatives do not represent a systemic transformation in and of themselves.

Therefore, beyond calls for systemic transformation, feminist economists and other women’s rights advocates have developed alternative policy prescriptions to the government responses in the short-term aftermath of the crisis from a human rights/gender equality perspective.

The policy alternatives summarized below broadly outline the changes that need to be made – both in terms of how the immediate aftermath of the crisis is handled as well as the future framework for development in general. Therefore, some of the proposals address the short term to alleviate while others focus on longer-term structural changes, such as the reform of the global governance system. However, it is important to underscore that immediate policy alternatives to respond to the crisis should not be divorced from longer-term structural changes, so as to avoid never-ending cycles of crises inherent to the mainstream economic model and establish a development model that is socially just, gender equitable, and sustainable.

i. Principles for feminist short-term policy alternatives

The responses that governments take in the immediate wake of the economic crisis must account for the unique context, the specific impact the crisis has had and the composition and fabric of the economy in question. A predominantly rural economy will face very different challenges in the aftermath of the crisis than a heavily industrialized economy – likewise, the women in each of those economies will face fundamentally different obstacles. Therefore, no single response to the crisis fits all. Nevertheless, in

⁶¹ Antonopoulos, Rania & Taun Toay (2010) "United States: The Continued Need for Social Sector Stimulus" Brief 8 of the 2010 series edition: "2010 Updates: Impacts Of The Crisis On Women’s Rights: Sub Regional Perspectives," AWID. See: http://www.awid.org/content/download/103993/1198870/file/ICW_2010_UnitedStates.pdf

responding to the crisis, policymakers must consider the following principles to develop successful, gender-equitable, feminist interventions to address the crisis.

Responses must:

- 1) Take immediate action to prevent job losses through expansionary policies and promote access to remunerative work opportunities for all, including specifically women. This means governments should formulate, implement and oversee economic stimulus packages in line with human rights, meaning – among other principles - that policies must be in line with women’s rights and gender equality commitments made by governments and other actors, such as CEDAW and the 1995 Beijing Platform of Action.⁶²
- 2) A feminist approach to the crisis requires a transparent, accountable and participatory process to addressing the crisis and in developing remedies – for both the short and long term. In formulating the responses to the crisis, the participation of parliamentarians, civil society organizations – including women’s rights groups, social movements, farmers, indigenous women, amongst others, should be promoted, supported and adequately financed.⁶³
- 3) The use of participatory human rights impact assessments, with data disaggregated by social groups, is essential to ensuring economic stimulus packages and other economic policies do no harm and, moreover, have positive impacts equally across society in ways relevant to the local context.⁶⁴
- 4) Stimulus packages – and other fiscal responses – should prioritize the most marginalized populations and communities and should focus particularly on gender-sensitive job creation.^{65,66} Gender budgeting and gender analysis can ensure that fiscal responses are gender equitable, benefiting both men and women – and marginalized populations.
- 5) Reinforce access and control to productive resources for women and men so as to enable them to secure their livelihood through less-visible activities: own-account work, gathering of food sources from common lands, and subsistence production. This can be achieved by strengthening small agriculture and supporting urban and semi-urban agriculture. Sustainable agriculture should be promoted and traditional products that are produced for local markets should be supported, as they contribute to food security of the most marginalized and are generally produced by women and indigenous groups.⁶⁷
- 6) Care work is a core development issue. Therefore, any responses to the crisis - and in particular those that promote women’s economic participation and empowerment - must include an analysis of the interrelationship between paid work and unpaid work,⁶⁸ including particularly unpaid care work, as well the need to fairly redistribute reproductive work across state, market, communities and between women and men.
- 7) Provide access to minimum social safety nets for everyone, especially to women and their

⁶² Alemany, C., Dede, G., Raaber, N. and Anne Schoenstein (2009) “Cross-Regional Analysis on the Impact of the Crisis on Women and Women’s Rights,” AWID.

⁶³ Ibid. p. 28.

⁶⁴ ESCR-NET, AWID, Center of Concern, CWGL, CESR (2010) "Bringing Human Rights to Bear in Times of Crisis: A human rights analysis of government responses to the economic crisis," Submission to the High-Level Segment of 13th session of the United Nations Human Rights Council on the global economic and financial crises, p.18.

⁶⁵ Based on discussions during a strategy meeting entitled “Analyzing the Impacts Of the Systemic Crisis On Women: integration of women’s rights in existing and future responses,” convened by AWID from 1-2 November 2009, New York, New York.

⁶⁶ WIDE network, “We care: Feminist responses to the care crisis”, Report of the WIDE Annual Conference 2009. Available at: <http://62.149.193.10/wide/download/WIDE%20CONF%20REPORT%202009.pdf?id=1030>

⁶⁷ Food and Agriculture organization

⁶⁸ Esplen, E. (2009) “Gender and Care: Overview Report,” BRIDGE, Institute of Development Studies, February 2009.

children, independent of social class, family status, or type of work performed.⁶⁹ Recognize existing gender inequalities in unpaid work – and particularly unpaid care work - and commit to addressing the deepening crisis in “invisible” social reproduction work, the majority of which is performed by women. This means making sure spending goes to social sectors that alleviate the care burden, but also creates the types of jobs in sectors that employ women.

- 8) Ensure short-term responses do not come at the expense of long-term sustainability: Short and long term responses to the crisis do not have to be disconnected or at odds with one another. For example, universal social protection systems are good for long-term security and to confront unemployment now.⁷⁰

ii. In the short-term, international actions must address global challenges

The current crisis is of global proportions. This means that governments and other actors must act together, coherently, because the actions of any individual government alone cannot address the global and systemic nature of the challenges we all face. First, beyond the individual actions governments take to tackle the challenges of their own economies, each government holds an international responsibility to ensure its actions do not negatively impact or counteract the actions of another government in addressing the crisis. Second, governments must unite to tackle the issues that can only be addressed collectively, most importantly assisting those hit most severely by the crisis in the poorest nations, who cannot mobilize the necessary financial means to counter the detrimental effects themselves.

Specifically, governments should:

1. Commit to a global stimulus package for economic growth, which creates full and productive employment and decent work for safeguarding economic gains, social protection, food security and human development should be implemented.⁷¹ Furthermore, any such additional resources channeled through the IMF and World Bank-proposed Vulnerability Fund and Framework, should be contingent on necessary reforms in these institutions.
2. Ensure that the IMF and the World Bank eliminate the conditions attached to their loans. All countries should be able to use counter cyclical policies to protect living standards, trade and employment:⁷² only emergency loans to developing countries with no conditionalities allow for policy space and the use of countercyclical measures.
3. Commit to a moratorium on debt and ensure that the funds that are needed to meet the fallout from the financial crisis should be non-debt creating, as well as new, additionally to the already existing commitments on Official Development Assistance (ODA).⁷³ Furthermore, all creditor countries must cancel debts that could be characterized as illegitimate while discussions on generally agreed criteria for the definition and treatment of illegitimate debts continue. Governments must also create an international legally binding framework for an orderly and

⁶⁹ Antonopoulos, Rania and T. Toay (2009) "From Unpaid to Paid Care Work - The Macroeconomic Implications of HIV and AIDS on Women's Time-tax Burdens," Economics Working Paper Archive wp_570, The Levy Economics Institute, p. 30.

⁷⁰ WIDE (2009) "We care: Feminist responses to the care crisis," Report of the WIDE Annual Conference 2009. Available at: <http://62.149.193.10/wide/download/WIDE%20CONF%20REPORT%2009.pdf?id=1030>

⁷¹ Women's Working Group on Financing for Development (WWG on FfD) (2009) "Time to Act: Women Cannot Wait A call for rights based responses to the global financial and economic crisis," June 2009, available at <http://www.awid.org/Issues-and-Analysis/Library/Time-to-Act-Women-Cannot-Wait2>

⁷² Based on discussions during a strategy meeting entitled "Analyzing the Impacts Of the Systemic Crisis On Women: integration of women's rights in existing and future responses," convened by AWID from 1-2 November 2009, New York, New York.

⁷³ Ibid.

transparent debt audit process and workout the mechanism with the participation of debtor governments, women's rights and other civil society organizations.⁷⁴

4. Prioritize social spending to fulfill their human rights obligations over spending their limited resources on debt servicing.
5. Address the global financial instability, which is one of the root causes of the current crisis and has detrimental effects on the livelihoods of people the world over. One possibility is a currency transactions tax – a tax on exchanges in foreign currency markets – which has the benefit of reducing speculative activity that is destabilizing.⁷⁵
6. Engage in a committed negotiation to establish a new international monetary system that prevent speculation against currencies, puts an end to a single country's currency being the reference of the system (leading to non-punishable increased deficits), rules out the need of holding considerable foreign reserves and provides for a certain level of currency-exchange predictability.
7. Disentangle investment banks from the commercial banking system so that banks become banks again.⁷⁶

IV. Initiatives towards systemic transformation of the mainstream economic model and neoliberal ideology: a work in progress

Short-term responses are important to immediately mitigate and alleviate the harsh impacts of the crisis. However, addressing the roots of the crisis – an unsustainable development-as-growth model – and pushing for systemic change, for alternatives in economic thinking is seemingly the only way to ensure that all peoples enjoy the right to a decent livelihood.

A transformation of the mainstream economic model means overcoming neoliberal ideology and establishing a system that is grounded in principles of equity, justice, human rights and gender equality. What does that system look like? Here we do not mean to offer a comprehensive alternative model – but rather to share some principles/visions/policies that feminists and other progressive social movements have formulated that could be part of shaping this transformation.

We must not only ensure that a crisis like the current one never occurs again, but further recognize and address the role neoliberal policies play in perpetuating continuous crises around the globe. Feminists have been saying this: a feminist/women's rights alternative to the crisis means the transformation of a system – executed through neoliberal ideology - that has always been in crisis.

This means, for example, that the discourse around development must shift from a focus on people as market producers/consumers to people as social citizens, which accounts for the fact that we are not only economic actors but also social and political actors. Gender justice and economic justice are interlinked and the political articulation of that statement in the context of crisis is about policy space and sovereignty.⁷⁷

⁷⁴ Women's Working Group on Financing for Development (WWG on FfD) (2009) "Time to Act: Women Cannot Wait A call for rights based responses to the global financial and economic crisis," June 2009, available at <http://www.awid.org/Issues-and-Analysis/Library/Time-to-Act-Women-Cannot-Wait2>

⁷⁵ WIDE (2009) "We care: Feminist responses to the care crisis," Report of the WIDE Annual Conference 2009, available at: <http://62.149.193.10/wide/download/WIDE%20CONF%20REPORT%202009.pdf?id=1030>

⁷⁶ Ibid. 47

⁷⁷ Ibid. 47

For governments, this is an urgent call for a transformative agenda that tackles patriarchy and structural inequalities in today's economies and societies. Ultimately, this agenda goes far beyond economics, but it starts with economics because neoliberal policies have done much to restrict and harm women's and human rights and development.

Feminists have taken a clear stance: the system as it continues to exist today must be structurally transformed to end the perpetual recurrence of crises caused by policies inspired by the neoliberal model of development-as-growth. **If post-crisis economies are to meet goals of equality and social justice and environmental sustainability** – and alternative narratives can become mainstream – broader questions on the role of the state, the role of the market, questions around what “progress” and “modernity” mean, of global governance institutions, including the IFIs, of communities – and families must be examined.⁷⁸

As noted above, this crisis is part and parcel of a development model/international order that is patriarchal, unequal and unsustainable. For decades, feminists and women's rights groups – and other civil society organizations – have been advocating for a more inclusive, accountable and democratic international system. It is important here to underscore that alternative frameworks (and organizations of economy) to the current neoliberal model do exist.

As Mohamadieh explains in her brief on the impact of the crisis in the MENA region “the lack of comprehensive rights-based policy making in Arab countries has contributed to the disconnect between economic growth and development challenges,”⁷⁹ and, as a result, governments have failed to meet their human rights obligations, including the right to development and the right to a livelihood. A human rights approach (which includes women's rights) to the crisis offers a holistic and universally recognized framework for guidance in the design and implementation of economic, financial and other policies to address the crisis.⁸⁰ A human rights approach requires that human rights (such as the right to food, the right to the highest attainable standard of health, the right to development and the right to a decent standard of living) and gender equality be at the center of development processes and outcomes as well as responses to crises. Adding human rights into the mix requires a fundamental change in how economic policies are formulated. Human rights obligations represent the constraints under which macroeconomic policies must operate, not the other way around.⁸¹

States must respect, protect and fulfill human rights obligations and ensure that responses to the crisis do the same. For example, proposed monetary or fiscal responses to the crisis must be reviewed from the perspective of their effect on the enjoyment of human rights, not solely on their effect on growth.⁸²

Additionally, a human rights approach to the crisis requires that governments ensure minimum essential levels of social and economic rights and that existing programs which protect infant and maternal health, provide food assistance, combat preventable diseases and malnutrition or ensure access to

⁷⁸ Jain, D. and Diane Elson (2010) “Vision for a Better World: From Economic Crisis to Equality,” written in Collaboration with the Casablanca Dreamers. UNDP.

⁷⁹ Mohamadieh, K. (2011)

⁸⁰ ESCR-Net (2009) “Statement on the Financial Crisis and Global Economic Recession: Towards a Human Rights Response,” p. 2, available at http://www.escr-net.org/actions/actions_show.htm?doc_id=921729.

⁸¹ Radhika Balakrishnan and James Heintz (2010) “Making the International Monetary Fund Accountable to Human Rights,” available at http://www.huffingtonpost.com/radhika-balakrishnan/making-the-international_b_549976.html

⁸² Alemany, C. Ed. (2009) Highlights from the strategy meeting: To follow-up efforts on Aid Effectiveness, gender equality and the impact of the crisis on women, 6-7 August 2009, New York, AWID.

primary education, be protected.⁸³ Non-discrimination and substantive equality are essential and disadvantaged members of society must be protected as a matter of priority.

Some governments in the Latin American and Caribbean have recognized that this crisis is not merely a financial and economic crisis, but indeed a crisis of the system, which includes social and ecological aspects. As a result, their responses to the crisis – and their visions of development – have incorporated a broader concept of human development. Regional proposals such as ALBA (Bolivarian Alternative for Latin America and the Caribbean) are examples. Yet, there is little evidence that this systemic framework for understanding the crisis has led to different responses by these countries, given lack of policy space or else. Further research is needed to answer this query.

Struggles for other ways of organizing economy are happening everywhere. For example, groups and movements in Latin America have been (and continue to be) a part of the long-term struggles of social movements for just, sustainable and equitable organizations of economy. Alternative feminist visions (or projects, models, concepts, frameworks) to neoliberal growth have been proposed: soberanía alimentaria (food sovereignty), agroecología (agro-ecology), el buen vivir (living well paradigm) and economía solidaria (solidarity economy) offer four “alternative” frameworks in which to think about and organize economies. While, of course, there are questions of scalability, these alternatives (and others) should be recognized and amplified.

Triggered by decades of economic and social exclusion, people’s revolutions and mass mobilization have been taking place since the end of 2010 in the MENA region. Revolutions in Tunisia and Egypt – as well as in other Arab countries like Libya, Yemen, Syria, and Bahrain – clearly demonstrate the interlinkages between the political and the economic and highlight the struggles of people in the region for an alternative development model, one grounded in human rights.⁸⁴ People are calling for a “comprehensive process of reforms on the political, economic, social, and cultural fronts and the establishment of a new economic and social model that reflects and addresses the development challenges of the region, prioritizes citizens’ rights, and tackles exclusion on all fronts.”⁸⁵ Women’s movements and feminists – key to the mobilizations and revolutions – have underscored that “systemic revision of policies for empowerment of women must be integrated into the overall revision of development policies and efforts towards poverty eradication, employment creation, and educational reform.”⁸⁶ While the outcomes of these revolutions remain to be seen, it is clear that the process toward an alternative to what the region has been facing is underway.

WIDE’s report on economic alternatives from India highlights that alternatives that challenge mainstream economic processes and policies from both within the system (by, for example, challenging macroeconomic policies to be democratic) and from without (women’s sanghams and co-operatives) can begin from “women’s micro-economic realities, their valuable contributions to survival, wealth and economic growth, on the one hand, and their vulnerabilities and disadvantages, on the other.”⁸⁷ This angle allows for analysis on the ways in which economic interactions/systems shape women’s struggle

⁸³ ESCR-Net (2009) “Statement on the Financial Crisis and Global Economic Recession: Towards a Human Rights Response,” p. 2, available at http://www.escr-net.org/actions/actions_show.htm?doc_id=921729.

⁸⁴ Mohamadieh, K. (2011)

⁸⁵ Mohamadieh, K. (2011)

⁸⁶ Mohamadieh, K. (2011)

⁸⁷ Wichterich, Christa Ed. (2010) "In Search of Economic Alternatives for Gender and Social Justice: Voices from India," WIDE, Heinrich Böll Foundation. Available at: <http://www.boell-india.org/web/112-465.html>

for survival and livelihood – and, equally, highlights women’s strategies to get access to employment, resources, rights and bargaining power.⁸⁸

WIDE notes four cross-cutting concerns that can be considered as core elements of alternative economic paradigm: organizing of those who are poor in terms of resources, voice and power, the important role of the community and its control over the economy and resources, challenging neoliberal policies and the important role of the public sector and economic and social security.

As we look forward and continue to struggle for change, justice and alternative economic policies/structures that serve communities/people and respect the full range of human rights, we hope that this paper – and the work process in which it is embedded - will contribute to the dialogue, debate and action on the crisis of the current development and economic model – and ways forward. The AWID Forum will be a space to contribute to these dialogues – and to push for and strategize for alternative models of growth and development that ensure the human rights of all people.

⁸⁸ Ibid.

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