Women’s Economic Empowerment and Constraints: Austerity Policies and External Debt Payments

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Women’s Economic Empowerment and Constraints

- Since the austerity process begun the capacity of countries to create necessary conditions for the exercise of the human rights of their population is considerably reduced.
- The effects of debt and austerity are not gender-neutral.
- The reduction of public services disproportionately affects women, who are often the first to be dismissed when labor legislation becomes more flexible.
- By cutting jobs and services for women it is difficult for them to access economic opportunities and are overburdened with responsibilities, which were previously faced by the State.
Graph 1.
México: External debt (percentage of GDP) 2006-2017

Source: Own elaboration based on CEPAL (2018). Deuda Pública/Saldo de la deuda pública en porcentajes del PIB
Graph 2.
Mexico: Rate of Growth of the External Debt (percentage of GDP)
2006-2017

Graph 3.
Mexico: Rate of Growth of Expense (percentage of GDP)
2006-2017

Note: Numbers as a percentage of GDP. Not data available for Expense (% of GDP) 2007, 2008.
Graph 4.
Mexico:
External debt & expense
2007-2014

Note: Numbers as a percentage of GDP. Not data available for Expense (% of GDP) 2007, 2008.
Public Policies and Provisioning

“(…) during crisis periods, housewives face a complex dilemma: go out to the market because household income is not enough and, simultaneously, extend the time invested in domestic work because the production of goods and services, previously provided by the State, has been transferred to their homes”

Public Policies and Provisioning

• However, the proportion of spending that may be considered to be fostering gender equality and economic empowerment of women is higher because of its transversality towards almost every area of budget, for example in what refers to health and education (UN-WIDER, 2014 in Stotsky, 2016).

• It is unpaid domestic work that falls mainly on women who suffer the reduction of public spending and therefore absorbs its effects.

• When taking provisioning as the axis, it may be understood that care is an unremunerated activity that may be benefited during times of economic bonanza through public policies as a result of a higher public expenditure.
Graph 5.
Mexico:
Government expenditure on health and education as a percentage of GDP.
2008-2015

Note: Numbers as a percentage of GDP. Not data available for government expenditure on education on 2015.
The Global Gender Gap Index is a reflection of the impact of public policies "with a gender perspective" because it focuses on measuring gaps between men and women as regards access to resources and opportunities and not levels.

In a first estimate using data for Mexico from 2009 to 2014, it is observed that there is a positive relationship between the Gender Global Gap Index and Public Expenditure as a percentage of GDP. And a negative relationship between the GGG and the External Debt Service. That is, for each increase in the GGG score, which would approach a situation of equity between men and women, public spending will have increased by 5%. And for each increase in the GGG score, the service of the external debt will have decreased by 6%.
Graph 6.
Mexico:
Global Gender Gap Index
2006-2017

Source: WEF, Global Gender Gap Report 2006-2017
Notes: The highest possible score is 1 (parity) and the lowest possible score is 0 (imparity).
Graph 7.
Mexico:
Global Gender Gap Subindex
2006-2017

Source: WEF, Global Gender Gap Report 2006-2017
Notes: The highest possible score is 1 (parity) and the lowest possible score is 0 (imparity).
Graph 8.
Mexico: Growth Rate of Interest Payment
(percentage of GDP)
2006-2015

Source: Own elaboration based on CEPAL (2018). Operaciones del gobierno (clasificación económica), en porcentajes del PIB
Remarks

• The key measures of adjustment were applied to developing countries, almost the 80% of world population for the year 2020 will experience negative consequences.

• Because of the rising financial vulnerabilities, increasing trade and geopolitical tensions, and historically high global debt it is urgent to take as an action axis the fulfillment of second-generation human rights, such as employment production and income opportunities, as well as resources for investment in what refers to social infrastructure.
States should be certain about the fact that none of the activities related to the decisions about granting and request of loans, the use of their funds, debt payment, renegotiation and restructuring of external debt will harm their responsibility of respecting, protecting and fulfilling human rights.

In order to achieve this action, besides the political commitment, it is important to improve the macroeconomic conditions.

Based on the macroeconomic decisions and sectoral policies, as have been the budgets with a gender approach, the conditions of the other half of the population can be improved.