The Impact of the Global Economic Crisis on Women’s Well-Being and Empowerment
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Foreword

Women’s economic empowerment is a top priority in the work to reduce poverty. Women must be viewed, just as men are, as economic actors as well as obvious and necessary agents of change.

There is a growing understanding that, as the world is facing an unprecedented economic crisis, there will be serious consequences for women in poor countries and their children. These include higher infant mortality, more girls being withdrawn from school, and reduced women’s income.
At its heart lies the unequal nature of the economic structures of markets and financial systems which restrict women’s economic opportunities compared to men’s.

Sweden firmly believes in promoting women’s economic empowerment to address these inequalities. This crisis provides an opportunity to redress structural economic inequalities in existing systems, and to formulate policies and new structures that lead to a more equal outcome where both women and men will benefit. If managed correctly, addressing women’s economic empowerment will help the world emerge with a healthier pattern of growth, and on a faster track towards poverty reduction and development.

The Ministry for Foreign Affairs and Sida are launching a series of papers addressing various aspects of women’s economic empowerment in order to generate and disseminate knowledge on this important matter. We hope these papers will inspire further work on empowering women as economic actors.

Sincerely,

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Head of Bank Group
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Susanne Wadstein
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The catastrophic economic crisis that engulfed the world in 2008–9 has had disproportionate effects on vulnerable developing countries. Across countries, the hardest hit by the crisis are poor and vulnerable sectors of the population, including women.

The effects of the global crisis are transmitted through various channels, including trade, government budgets, credit, investment, aid, and remittances. In each case, the nature and magnitude of the impacts differ by gender. This is because women and men face different opportunities and constraints in labour markets, interact differently with state services, and have different roles and an unequal sharing of work within their households. In many parts of the world, women’s poorer command over productive resources, including land, technology, and credit, translates into lower earnings, fewer options, and greater vulnerability compared to men. This is especially true during economic crises and recessions. This paper analyses these differential effects within each transmission channel.

It also summarizes recent evidence from the global economic crisis and lessons learned from previous crises that show the cumulative effects on women’s well-being and empowerment. Though the effects differ by context, the overall picture is one of deepening economic insecurity and an increase in women’s burden of unpaid work.

Government stimulus programs and other measures to counteract the crisis may fail to improve – and may even worsen – the well-being of women unless they are explicitly designed to take into account differential gender effects. For example, large infrastructure construction projects tend to create jobs for men rather than for women. By contrast, programs that offer new employment opportunities for women as well as men, especially those in poor households, help mitigate the impact of the crisis on women and reduce household vulnerability. Stimulus packages that include support for maintaining or expanding social infrastructure, especially health, sanitation, care services, and education, can help reduce women’s unpaid work burden. Such gender-aware measures can promote economic recovery more effectively and also foster greater gender equality in the long term.

Governments and donors should give systematic consideration to the differential gender impacts of the crisis and of policy responses to the crisis. That analysis should inform the design of gender-aware stimulus programs and other measures.
to counter the crisis and mitigate its effects. Civil society groups, especially women’s organizations, have a key role to play in raising awareness among policy makers and helping formulate and evaluate policy responses to the crisis. The crisis also present opportunities for stakeholders and governments to collectively address gender asymmetries in decision-making processes, gender bias in macroeconomic policies, and the structural causes of financial crises.
Millions of people in the developing world are losing their livelihoods as a result of the crisis

Rani is a 42-year-old woman in South India. She used to work in a small factory that produced hand-crafted dolls for export. Illiterate, she has no skills except her doll-making expertise. She used to earn 2,600 rupees per month, and this helped pay medical bills for her aged mother. But with the drop in orders from overseas buyers, her employer is laying off workers. Rani now works as a house cleaner, earning 1,000 rupees a month. She no longer has the money to buy medicine for her mother. Besides the loss of earnings, what depresses Rani is her fall from a “decent, clean job” to the status of a lowly cleaner tackling dirt. To her, “America” and “recession” are meaningless words, and she doesn’t understand why her job disappeared so suddenly. Explanations of the global financial crisis bring only an exasperated query from her: “But why should something that happens ten thousand miles away affect me?”

(Adapted from Narasimhan 2009)

The crisis in the housing market in the United States and Europe in 2007 led to a financial meltdown in September 2008 that has sent shocks around the world. The global economy has shrunk for the first time since World War II, and the impacts are felt across all realms of economic activity. The contraction in world trade is believed to be the largest in 80 years. Due to the widespread contagion effects of the crisis, millions of people in the developing world are losing their livelihoods as factories, businesses, farms, and small enterprises slow their production and close.

It is estimated that only a quarter of the most vulnerable countries have sufficient financial resources to mitigate the impact of the downturn by creating social safety nets or job programs (World Bank 2009a). At the same time, many developing countries face deteriorating socioeconomic conditions that threaten the provision of basic services such as health, education, water, and sanitation. About 43 poor countries severely affected by the downturn are facing a collective $11 billion shortfall in spending on core social programs (World Bank 2010).

Across countries, the hardest hit by the crisis are poor and vulnerable sectors of the population, including women. Women and men are affected differently by the downturn because of entrenched gender inequality. They face different opportunities and constraints in labour markets, interact differently
with state services, and have unequal roles, responsibilities, and workload in their households. Moreover, government stimulus programs and other measures to counteract the crisis may fail to improve – and may even worsen – the relative position of women unless they are explicitly designed to take into account their differential gender effects.

This report is organized as follows. After an overview of the economic crisis and its gender-specific effects, section 2 discusses the transmission mechanisms through which the crisis has affected women in developing countries. This section also draws from the experiences of women in earlier financial and economic crises, especially the Asian financial crisis of the late 1990s. Section 3 examines the multidimensional impact of the crisis on women’s employment, access to credit, and work burden, and on food security and gender-based violence. Section 4 explores the varied government responses to the crisis from a gender perspective. A summary and policy implications conclude the report.

**SCOPE OF THE CRISIS**

The global financial crisis overlaps with an earlier energy crisis and a recent food crisis in 2006–8 that pushed the prices of basic staples beyond the reach of millions of poor people. African countries, for example, saw the cost of food and fuel increase drastically while the prices of their major exports declined (Adekanye, Babalola, and Otitolaiye 2010). According to World Bank estimates, the cumulative impact of these crises will add 53 million people to the number of people living below $1.25 a day and 64 million to those living under $2.00 a day in 2009 (World Bank 2010). Given the growth projections for the years ahead, it is likely that the ranks of the very poor will continue to grow, with 73 million more people living under $1.25 a day and 91 million more under $2.00 a day by the end of 2010 (Chen and Ravallion 2009). The International Labour Organization (ILO) estimates that the global unemployment rate increased from 6.0 to 7.0 percent for women between 2008 and 2009, and from 5.5 to 6.3 percent for men. The ILO projects that the number of unemployed people overall increased from 29 million to 59 million between 2007 and 2009 (ILO 2009).

The global financial crisis, considered to be the worst since the Great Depression of the 1930s, is an outcome of the now-contested belief in the universal rationality and efficiency of “free” markets. This notion, widely promoted by mainstream economists, led to an era dominated by financial market liberalization. Proponents of liberalization argue that financial regulation, in the form of interest rate controls, directed credit programs, subsidies, and distortions of exchange rates, hinders growth and development. By implication, economic
growth requires the removal of government interventions in the financial market. Throughout the 1980s and 1990s, this basic argument was bolstered by rapid growth in financial innovation and expansion of financial markets. The phenomenal growth of financial capital flows triggered economic booms but also led to periodic downturns and crises. As governments and multilateral financial institutions such as the World Bank and the International Monetary Fund responded to these crises with bailouts and loans, financial markets expanded further and the crises became more threatening – until the financial system took a sharp nosedive on a global scale in 2008–9 (Crotty 2009).

The crisis has taken a toll on both developed and developing countries, but the impacts on the economies of poor countries have been more severe. Growth of per capita output slowed sharply and aggregate production shrank in every region of the developing world in 2009. In Sub-Saharan Africa, economic growth fell from 6.9 percent in 2007 and 5.5 percent in 2008 to 1.1 percent in 2009, which translates to a 0.9 percent decline in per capita income (Green, King, and Miller-Dawkins 2010). In the Asia Pacific region, there was an overall 5–6 percent drop in gross domestic product (GDP) in the first six months of the crisis. The most significant declines occurred in economies such as the Republic of Korea, Malaysia, Taiwan, Hong Kong, and Singapore, which are highly integrated with the global economy through trade and capital flows (Bauer and Thant 2010). The Central Asian economies have also been hit badly, mostly due to the serious slowdown in the Russian economy, their main export market. In Latin America, the GDP growth rate fell by 7.5 percent in 2007–9. Three major economies in that region saw their growth rates fall by more than 10 percent, and the majority fell between 5 and 10 percent, before a recovery began in the second quarter of 2009 and became more widespread in the second half of the year. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) predicts 4.1 percent growth in the region in 2010 (ECLAC 2010).

These regional growth statistics are indicative of the scale and breadth of the crisis across the developing world. But they mask differences between countries within regions, as well as differences between regions, sectors, and households within countries. Studies on the effects of previous crises indicate that the most severe impact is on vulnerable populations, particularly women and children in poor or near-poor households.

Although economic recovery has been underway in some parts of the world since the second half of 2009, there are serious concerns that the immediate effects of the crisis on women, especially in vulnerable households, have consequences that will persist for a long time. Also worrisome are the sec-
INTRODUCTION

Although decline in market output may be short-lived, unemployment and economic insecurity tend to continue for a long time.

The ripple effects of recessions and crises, as witnessed in the past two decades in Japan, Korea, Indonesia, Russia, Mexico, Argentina, Ecuador, and the United States, outlive the immediate downturns. Although the decline in market output may be relatively short-lived, high unemployment and increased economic insecurity tend to continue over a long period. Furthermore, these are often accompanied by a continued decline in tax revenues and an increase in government debt, which may lead governments to withdraw, eliminate, or reduce their fiscal stimulus programs prematurely.

GENDER-SPECIFIC EFFECTS

A comprehensive gender analysis of the global economic crisis and its immediate and long-term consequences is a first step toward developing effective responses. This is because women and men experience poverty differently and unequally. They are also likely to become impoverished through different processes.

Studies of the present crisis and of previous economic crises in East Asia, Russia, Latin America, and Africa over the past two decades provide important insights into how and why the impacts of these crises are gendered. As Elson puts it, the crises evolved out of gendered economic processes “in which women were virtually absent from key sites of decisionmaking in the financial sector; and in which neither private nor public finance was equitably distributed, and failed adequately to address the requirements of women as producers and as carers” (2010, 202). A growing number of studies show that this crisis, like previous ones, is having a profound effect on the well-being of women and girls in developing countries, particularly those in poor households, through various transmission channels. The result has been increased economic insecurity and vulnerability of women, often leading to impoverishment, human rights abuses, and violence.

Feminist economists have raised the critical role of gender relations and gender inequality in determining the distribution of the economic burden and social costs of economic downturns (Singh and Zammit 2000; Seguino 2010; Elson 2010; Floro et al. 2004). They argue that the ultimate welfare effects of these crises depend on the complex interaction of the financial, market production, and nonmarket reproductive sectors of the economy. Persistent gender norms place more emphasis on the employment and earnings of men, as they are considered the “breadwinners”, yet women are expected to take the main responsibility for household survival during crises. This has serious consequences for women’s access to jobs and for their burden of unpaid labour.
Empirical evidence from around the world shows that women have diverse experiences with respect to market participation and access to land, credit, and public services. As a result, they experience the impacts of financial crises differently, and their responses to these crises also vary. But the evidence also shows that despite this diversity, there are commonalities. In general, compared to men, women have poorer command over productive resources such as education, land, technology, and financial assets. This translates into lower earnings, weak bargaining power, and fewer livelihood options, placing women at greater risk than men during economic crises.

By changing the level of resources and output and by shifting the locus of control over these resources, the global economic crisis alters power relationships – between financial institutions and governments, between firms and workers, between lenders and borrowers, and between women and men. These changes can further reduce women’s ability to make strategic choices about their lives and to participate on equal terms with men in the market and in the society, both during and after the crisis.

Therefore, the crisis, if not addressed adequately, is likely to result in serious setbacks to gender equality, putting at risk some of the recent and fragile gains in women’s empowerment. Over the past two decades, many countries have expanded girls’ access to schooling, although some countries still have considerable gender gaps in education. There has also been a worldwide decline in maternal mortality rates, although the gap between rich and poor countries remains wide. If government responses to the crisis do not take its distributional and gender effects into account, the immediate and long-term effects will likely deepen gender inequalities and undermine any progress toward meeting the Millennium Development Goals.

The impacts of the crisis on women in the developing countries may be more severe and long-lasting than the broader economy-wide effects. This is because the crisis triggers social and economic pressures both in the productive (predominantly market) sectors of the economy and in the reproductive (non-market) sectors, where much of the work is done by women.

In the productive sector, the extent and nature of the impacts largely depends on the characteristics of the prevailing socio-economic environment, the distribution of assets and income, and existing social norms and gender relations. For example, high infant mortality rates, low literacy rates especially among girls, and a high human poverty index indicate high vulnerability to the effects of the crisis. In countries with severe inequalities, the distribution of the costs of adjustment to the crisis is likely to reflect these unequal patterns.
In the financial sector, while formal financial institutions can be prone to excessive risk taking, they are conservative in their dealings with poor people, and in particular with women. They tend to ration credit, preferring to service larger businesses, wealthy households, and individuals who own and control assets. During a credit squeeze, when lending is reduced and conditions are tightened, low-income households, small businesses, and microenterprises are even more likely to be excluded from formal financial services. Even when their financial profile is the same as men’s, women may be denied credit because of the pervasive notion that men are breadwinners while women earn only supplementary incomes (even though the reality is often just the opposite). Thus women may be the first to be rationed out of the credit market during a credit squeeze.

The gendered impact of external shocks also depends on the economy’s integration with global markets, the sectors where women and men are employed, and the nature of their labour contracts. Generally, the more integrated an economy with global markets, the more open are its sectors to market volatilities and external shocks – through currency depreciation, decline in exports, shifts in capital flows, declines in remittances and other private income transfers, and changes in relative prices. These then lead to a decline in output, employment, and earnings as well as to second-generation effects through a further decline in the domestic demand for goods and services. The more diversified the economy with respect to exports and the production of goods and services, the more likely it is that the direct and indirect effects will be diffused across various sectors.

The differential impact on women and men also depends on the sector and type of employment. Sectors that depend on the global market, such as export-oriented agriculture and industries, and those that are pro-cyclical with respect to domestic demand, such as housing, tourism, and retail, are more likely to contract and shed jobs in a crisis than sectors such as education, health services, and low-priced goods and services, which are counter-cyclical with respect to domestic demand. Moreover, second-generation effects of the crisis, such as prolonged unemployment, can lead to a decline in demand even for low-priced goods and services. Vulnerable employment – own-account work, subsistence farming, outwork, and contributing family work, all largely outside the protection of labor laws and regulations – is prevalent in many countries in Africa and Asia, especially among women (UN 2010). Given the present crisis, increases in such unprotected and insecure employment were expected in 2008 and 2009, which would reverse all the efforts to expand decent work opportunities.
There are also important effects on the productive sphere through financial transmission channels. These include contraction of the credit supply; declines in asset prices, investments, and remittances; and changes in exchange rates. In addition, the loss of confidence and trust in the financial sphere creates a heightened sense of uncertainty that spills rapidly throughout the economy. Growing economic insecurity heightens social tensions between groups, leading to further social exclusion and economic marginalization of the most vulnerable segments of the population, such as poor women, minorities, and migrant workers (Seguino 2010).

Although often overlooked, the reproductive sector is a large sphere of economic life with significant gender-differentiated processes. It provides a wide array of goods and services ranging from the care of children, the sick, the disabled, and the elderly to home maintenance, water collection, and food preparation. It relies on unpaid labour contributed overwhelmingly by women. These “invisible” economic activities, which are performed outside the market and are not included in standard economic measures, are vital to human survival and the reproduction of societies and the labour force. They are as important to the functioning of markets as market-produced commodities are to the reproductive sector.

The impact of the crisis on the reproductive sector has profound implications for women in households that experience job loss, decline in incomes, distress sale of assets, and difficulties in meeting consumption needs. Particularly in countries where patriarchal norms maintained by economic institutions are reinforced by inheritance, family, and/or customary laws, the burden of adjustment to the crisis is distributed unequally between men and women. As households become the “safety nets of last resort”, women may take on casual work at low pay. They may also labour to produce goods and services to sell and for the household to consume as substitutes for those that have become unaffordable in the marketplace (Elson 2010). Both paid and unpaid activities intensify women’s workload.

On the other hand, the crisis can also provide possibilities to challenge and transform prevailing gender norms (Elson 2010). It can be the occasion for some renegotiation of the division of labour and reallocation of resources within households. At the level of the society, it also provides opportunities for governments and civil society organizations to consider the gender effects of fiscal stimulus and social protection programs, economic policy reforms, and collective action by community and nongovernmental organizations.
The global financial crisis affects women through a variety of transmission mechanisms, including changes in international trade, particularly developing-country exports; government budgets; and flows of credit, investment, foreign aid, and remittances. Although there have been signs of recovery in some countries, this recovery is fragile. The crisis continues to have both direct and indirect effects.

INTERNATIONAL TRADE

The effects of the global crisis on international trade flows vary across regions and countries, reflecting the different degrees of export reliance and of trade liberalization. In the developing world, the Asian countries have seen the largest immediate declines in trade, particularly in labour-intensive export sectors such as garments, footwear, and electronics, which mainly hire women workers (UNCTAD 2010). Economies that depend heavily on exports of natural resources are also severely affected by declines in the demand for and price of these commodities. In Zambia, for example, where copper accounts for 70–80 percent of exports, the rapid decline in world copper prices during the second half of 2008 crippled the mining sector. This led to the loss of more than 30 percent of jobs in the sector, 8,500 in total, of which some 1,500 have been regained (Green, King and Miller-Dawkins 2010). In the Democratic Republic of Congo, some 70 mining companies have closed since 2008, shedding 200,000 jobs (Adekanye, Babalola, and Otitolaiye 2010). Similarly, the price of manganese fell by 60 percent in 2008, adversely affecting jobs in Gabon, the world’s second-largest producer. In all these cases, the jobs affected were held mainly by men.

The magnitude of the effect also depends on the exporting country’s position in global supply chains (Green, King, and Miller-Dawkins 2010). In countries considered to be the critical core or first-line suppliers, such as China and Vietnam, market shares, which are substantial, have remained intact even though the volume of orders has declined. On the other hand, second-line suppliers such as Indonesia, India, Pakistan, and Sri Lanka, and marginal suppliers, such as Jamaica and Cambodia, have experienced declines both in demand for their goods and in their market shares. A country’s position in supply chains has an impact on women workers, including...
home-based workers. Thousands of home-based women garment workers in Indonesia, considered a second-line supplier, lost orders and became jobless by the end of 2008 as global demand dwindled and competition among garment-exporting countries became more intense (Wijaya 2010, 6). Lower-priced garments from first-line suppliers like China flooded the global market, capturing Indonesia’s market share.

The impact of the crisis on trade depends in part on the income elasticity of demand for the commodities involved. For example, demand for exports of garments and light manufactures is relatively income-elastic and has declined with the decrease in incomes worldwide, especially in the developed countries. These sectors make heavy use of female labour. In Cambodia, the government estimated that as many as 63,000 workers, or 18 percent of the garment workforce, mostly women, lost their jobs in the eight months to May 2009 (Green, King, and Miller-Dawkins 2010). In the Philippines, most layoffs have been in export processing zones, where women make up three-fourths of the labour force (Gaerlan et al. 2010).

Countries that depend heavily on one or a few export commodities have been particularly hard hit. The economy of Burkina Faso, for example, depends on cotton, which provided two-thirds of its export revenues in 2005 and serves as the main source of income for nearly a million households (Stuart 2010). The drastic 40 percent decline in global cotton prices during 2008–9 brought about a steep downturn in Burkina Faso’s economy and undercut the livelihood of the households that depend on cotton production.

Countries with heavy reliance on imports of food and other basic goods have also suffered due to increased volatility in international prices. At the end of 2008, staple food prices remained, on average, 17 percent higher in real terms than two years earlier. The price increases forced many poor families to sell assets or forego health care, education, or even food. Some of the small island economies in the Caribbean and in the Pacific and Indian oceans are extremely vulnerable because of their undiversified economies, limited land area, and heavy reliance on food imports (Bauer and Thant 2010).

The contraction of the export sector can seriously affect even those countries where macroeconomic indicators show that their economies have been resilient. Some countries in Asia and Sub-Saharan Africa, for example, have been largely insulated from the global financial crisis, yet their weak economic situation makes them vulnerable to even small external shocks. If government budgets are heavily dependent on export earnings, for example, the ramifications for public expenditures, especially in providing social services and social protection to vulnerable households, are significant.
In addition to the impact on formal employment, shifts in trade patterns can induce reallocation of labour and other resources between the formal and informal sectors. For example, the massive entry of retrenched formal sector workers into the informal sector in Indonesia has brought new competition to existing women home-based workers. This comes at a time when the home workers are already coping with smaller and less frequent orders and sudden cancellations of orders. The result has been sharp fluctuations in their earnings, according to interviews with home workers in West Sumatra and Yogyakarta (Wijaya 2010).

The gender-differentiated effects of changes in trade are particularly apparent in specific sectors. In export-oriented sectors such as textiles and apparel in Asia and Latin America and the Caribbean, for example, the crisis has had a devastating effect on women workers in both the informal and formal subsectors. The value of Latin American and Caribbean exports in all sectors fell by 24 percent from 2008 to 2009 (UNCTAD 2010). The most affected workers are women employed in the maquila factories that produce goods for export to the United States. In Nicaragua, this has led to the displacement of nearly a third of the maquila workforce – about 30,000 workers, most of them women (Green, King, and Miller-Dawkins 2010, 33). In Southeast Asia and the Pacific, women make up 75 percent of the labour force in the light manufacturing export sector.

Small-scale farmers and their workers have been adversely affected as well. For example, the 40 percent decline in global cotton prices affected the earnings of Malawi cotton farmers and the employment of casual agricultural workers. Overall, however, the impact has been greatest for women. In Sub-Saharan Africa, over 60 percent of the female labour force consists of unpaid family workers, owner-cultivators, or wage workers in the agricultural export sector (ILO 2009). Declines in agricultural exports have significantly reduced female employment, particularly among these groups of women workers (Adekanye, Babalola, and Otitolaiye 2010). In Kenya, for example, the export of horticultural products and cut flowers declined by 35 percent between 2008 and mid-2009 (EJN 2009).

In addition to the impact on the export sector, there are important secondary effects on other sectors, both formal and informal. This includes firms that provide raw materials and other inputs to the export sector. For example, the decline in garment exports has affected cotton producers and farm workers, as well as home-based embroidery workers. In Indonesia, the government recorded 65,200 dismissals as of August 2009, but the employers’ association reported 150,000 to 200,000 layoffs once outsourced and daily workers were included. A five-country study by Women in Informal Employ-
ment: Globalizing and Organizing (WIEGO 2009) recorded significant impacts on home-based workers producing for global value chains.

Formal and informal sector enterprises that depend on consumption by workers and their families are also affected. These include restaurants and food vendors, entertainment businesses, grocery and retail stores, and waste pickers. In the informal sector in particular, the impact of declining demand is exacerbated by the rapid increase in the number of workers, many of them self-employed. This intensifies competition and leads to sharp fluctuations in earnings (Toksoz 2010). In India, waste collectors and rag pickers (from the lower castes, and often women and children) have seen their incomes cut in half (Jones and Holmes 2009). In Vietnam, service providers for internal migrant workers within industrial zones have seen falling demand for their dormitories and food (Green, King, and Miller-Dawkins 2010). Street vendors in several African countries have also experienced both a drop in demand and an increase in competition.

GOVERNMENT BUDGETS

The global economic crisis, like previous crises, has produced a fiscal squeeze in both developed and developing countries. Figure 1 shows the change in revenues as a percentage of GDP for low-income countries from 2008 to 2009 and from 2008 to 2010 (projected). On average, comparing 2009 with 2008, revenues fell by 1.8 percent of GDP, or 8 percent of 2008 revenue, with Latin America and the Caribbean the only region recording increased revenues. The sharpest declines were in South Asia, Europe and Central Asia, and the Middle East and North Africa. Although there has been some recovery in 2010, it is projected that revenues will still be 1.1 percent of GDP, or 5 percent of 2008 revenue, lower than in 2008 (Kyrili and Martin 2010, 8).
In monetary terms, government revenues in the low-income countries fell by $52 billion from 2008 to 2009. Projected revenues for 2010 are still $12 billion lower than the 2008 base (figure 2). The drop is due primarily to the decline in direct taxes (income, property, and business taxes). In addition, indirect taxes, which have become an important source of government revenues in developing countries, also fell in half of the countries in 2009 as a result of reduced consumption spending. Trade tax revenue also fell in 42 percent of the countries in 2009, which add to the fiscal deficits or fiscal holes (Kyrili and Martin 2010).
Unlike in the 1997–98 East Asian crisis and the debt crisis of the early 1980s, governments have made attempts to increase expenditures. In Asia, the increase in government spending is quite large, about 2.7 percent of GDP, compared with 2 percent on average in the G-20 countries (Chhibber, Ghosh, and Palanivel 2009). But the sectoral composition of the additional expenditures varies significantly among countries, although the majority tend to spend on infrastructure. Some countries like the Philippines, Thailand, and Cambodia have increased spending on agriculture as well. Governments of low-income countries in Africa also tend to focus on infrastructure and agriculture (Kyrili and Martin 2010). These African governments have reacted to the fiscal squeeze by making drastic cuts in education and social protection, which renders the situation of vulnerable households even more dire than before. For example, in light of the decline in oil prices in the second half of 2008, the Nigerian government warned that “the budget is not going to be workable or implementable and that means budget cuts across all the sectors including health” (Adekanye, Babalola, and Ottolaiye 2010, 6). Such cuts in public expenditures severely affect poor households and increase women’s unpaid work as primary caregivers.

There are long-term consequences as well, as previous crises have shown. There is a tendency for tax revenues to decline and public debt to increase dramatically in the years following a systemic financial crisis. Bailouts in the banking sector and fiscal stimulus packages that emphasize large-scale infrastructure projects may have significant effects on the burden of public debt.

Women often play little role in the decision-making processes that produce government budgets. Several countries adopted gender budget analyses prior to the crisis, including Tanzania, Rwanda, Uganda, Mexico, Australia, South Africa, and the United Kingdom. It is not yet clear whether these initiatives have helped promote government efforts to provide employment, social protection, and essential services that could cushion the impact of the crises on women, especially in poor households.

CREDIT FLOWS

The devastating impact of the crisis on financial markets is clearly evident in the developed countries. The magnitude of the impact on credit availability in developing economies and the differential effects on women and men, however, are less clear. The reasons include lack of sex-disaggregated data and the coexistence of formal and informal financial intermediaries. Commercial banks in most developing countries have significantly cut down on lending as a result of the global liquid-
ity crisis, but there is little direct evidence on the gendered dimensions of the credit squeeze. Nor is much known about how the crisis has affected credit volume and terms offered by informal lenders, which are the main source of loans to poor households and to women. These include, for example, rotating savings and credit associations, moneylenders, pawnshops, trader-lenders, employers, families, and friends.

To the extent that vertical linkages exist between formal and informal financial institutions, one can assume that the credit squeeze does spill over into these informal financial intermediaries. While the majority of loanable funds derive from the lenders’ earnings, formal financial institutions such as banks also lend to moneylenders, employers, and traders who offer credit. In addition to influencing the revenues of informal lenders, a squeeze in the formal credit market is likely to further constrain the supply of informal credit.

To date, there is no empirical research to show the extent to which the informal credit market serves to transmit the effects of the global financial crisis. Nor have the gendered dimensions of this transmission mechanism been examined. However, studies of poor households show the critical role of informal credit in meeting consumption needs and coping with shocks such as family health emergencies or natural disasters – areas of responsibility that often fall to women (Boris and Prügl 1996; Sebstad and Cohen 2001; Horn 2010).

**FOREIGN INVESTMENT FLOWS**

Foreign direct investment (FDI) has not been a significant source of capital formation for most developing countries. Most investment has gone to a small number of countries, especially the newly industrializing economies. Even for them, however, financial liberalization has made foreign capital flows fragile. Countries that have seen foreign investment in previous decades are subject to harsh market volatilities and the contagion effect of the financial meltdown in the United States and Europe.

The crisis altered both the level and direction of foreign capital flows, leading to increased disparities between countries in the pace of economic recovery. Globally, the financial meltdown drastically reduced the supply of capital investment funds. Recent estimates indicate that private capital flows to developing countries declined from almost $1 trillion in 2007 to only $165 billion in 2009. In percentage terms, they are projected to recover from 2.7 percent of the GDP of developing countries in 2009 to 3.2 percent in 2012 (World Bank 2010). Even in countries that are less integrated with the global economy through capital flows, many anticipated foreign investment flows did not materialize or were reduced because
of the crisis. In Mozambique and Tanzania, for example, several large projects planned for 2009 were cancelled, put on hold, or scaled down (EJN 2009). There are also ripple effects at regional levels. The contraction of South Africa’s economy as a result of the global crisis is likely to affect foreign investment flows to other countries in the region, especially in the telecommunications, mining, and energy sectors.

On the other hand, the economic downturn in most industrial countries has made foreign investment in the newly industrializing economies more attractive. The recession raised uncertainty and investor risk in the developed countries. It also increased pressures to minimize costs, either by relocating operations to countries with cheaper labour and overhead or by outsourcing. This has increased inflows to the newly industrializing countries in a few select sectors, such as information technology and natural resources extraction.

According to the United Nations Conference on Trade and Development (UNCTAD), investments in a handful of developing and transition economies surged in 2008, increasing the share of these countries in global FDI flows to 43 percent. In Africa, inflows rose to a record level, with the fastest increase in some West African countries (up 63 percent over 2007). Foreign investment inflows to a number of Asian countries expanded by 17 percent, while flows to some Latin America and Caribbean economies rose 13 percent (UNCTAD 2010).

The net impact on women and men of changes in FDI flows depends on the sector of investment, the female labour intensity of the workforce in that sector, and the extent to which the investment also generates jobs in other sectors of the economy through linkages (the so-called spillover effects). For example, foreign investment in several African countries, such as Ghana, has been concentrated in mineral extraction sectors, which employ mostly men (Brinkman, Bauer, and Casely-Hayford 2010; Adekanye, Babalola, and Otitolaıye 2010). Elsewhere, net increases or decreases in foreign investment have affected female labour-intensive sectors such as electronic components manufacturing and call centres.

The impact of foreign investment on women workers is further conditioned by the quality of the employment that is generated. When foreign investors make use of contingent, casual, or subcontracted labour, then the additional jobs created are likely to be insecure and poorly paid; this is especially true of home-based work. The manner in which governments negotiate terms with foreign investors and implement labour standards also matters. If a government eases or ignores labour standards in order to attract FDI, this has the effect of disempowering workers, especially those in insecure forms of employment, who are disproportionately women. Female workers as a group are more vulnerable than male workers: desperate
economic need compels many to find work, but their mobility is often constrained by their household and care responsibilities, so they have fewer options. They also have lower representation in labour unions (Floro and Meurs 2009).

**OFFICIAL DEVELOPMENT ASSISTANCE**

Official development assistance (ODA) has been recognized as a crucial form of global fiscal stimulus. However, assistance to developing countries is not making up for losses due to the crisis. Although several countries of the Organisation for Economic Co-operation and Development (OECD) have pledged to meet the target of devoting 0.7 percent of their GDP to foreign assistance by 2015, the financial crisis in OECD countries has put pressure on aid budgets. This continues historical trends, especially in the United States, where previous economic downturns also have negatively affected net development assistance (Mendoza, Jones, and Vergara 2009). In addition, measures to respond to the crisis, through financing commitments from the G-20 countries, have been implemented only slowly. Disbursements have been further delayed by continuing high levels of conditionality (Kyrili and Martin 2010).

An analysis of the budgets of 56 low-income countries found that the international community increased grants to them by $2.9 billion in 2009 over 2008, with another $5.3 billion increase forecast for 2010. However, this has compensated for only 13 percent of the budget deficits (or “fiscal hole”) created by the crisis. Accordingly, three-quarters of poor countries were forced to borrow more in 2009 than they did before the crisis.

These trends have serious implications for women, especially with respect to reduced international assistance for food, health care, education, and other humanitarian and capacity-building efforts. Already, low-income countries are cutting back on spending geared toward achieving the Millennium Development Goals (Kyrili and Martin 2010). Two-thirds of the countries are cutting budget allocations in 2010 to one or more of the sectors related to the goals, such as education, health, agriculture, and social protection, at the very time when they need to massively increase such spending. The United Nations Commission on the Status of Women has warned that declines in current ODA levels will have a particularly severe impact on the health sector in developing countries (CSW 2009). This will have devastating consequences for poor households, for people with HIV/AIDS, and for caregivers, who are predominantly women.
Some development agencies have funded programs to evaluate and address the gender impact of the crisis. For example, the UK Department for International Development has implemented a social transfer program to extremely poor women in Bangladesh. It has also provided financial support for a gender audit of Brazil’s largest social protection program and has assisted with the expansion of Mozambique’s unconditional cash transfer program (Choudhury 2009).

LABOUR MIGRATION AND REMITTANCES

Shifts in international labour migration flows and the resulting change in remittances are another channel through which the crisis has affected developing countries. This process has a clear gender dimension, given the increasing percentage of women among international migrants. Over the last three decades, women have increasingly sought employment outside their countries – generally at higher wages and in better working conditions than are available at home – as a household survival strategy. Overseas women workers include both “regular migrants”, whose recruitment, entry, stay, and work is officially recorded and legal, and “irregular migrants”, with no legal status (also referred to as undocumented workers). According to the United Nations, women represented slightly over half of the world’s migrant population in 2005, with approximately 95 million women in the migrant stream (UN 2006). The feminization of migration is especially evident in parts of Asia and Latin America. The numbers of overseas women migrants exceeded the numbers of male migrants coming from some countries like the Philippines, Ecuador, Indonesia, and Sri Lanka.

For the most part, women migrant workers are concentrated in the services sector (UN 2006). This includes both skilled jobs (nurses, doctors, teachers, secretaries) and unskilled jobs (domestic workers, entertainers, and helpers in restaurants and hotels). Women may also be employed in labour-intensive manufacturing sectors. The heaviest concentration, however, is at the lower end of the job hierarchy, where women working as domestics and entertainers are particularly vulnerable to human rights abuses.

Both sending and receiving countries have experienced changes in migration patterns due to the current economic crisis. Again, the impact on women varies by country and by sector. Several somewhat contradictory trends stand out.

First, there are changes in the demand for labour in the receiving countries. In certain countries, in sectors such as caregiving, health, and education, the demand for migrant work-
ers has remain stable or even increased despite the economic downturn. For example, in Jordan and Lebanon the number of women migrant workers remains high because the increasing labour force participation of native women has raised the demand for caregivers and domestic workers to perform their household chores (Abdo and Ayman 2010). In addition, some firms in the developed countries have responded to declining sales by adopting lower-cost production strategies such hiring migrant workers. But overall, the impact of the global downturn on migrant workers appears to be negative, given their concentration in some of the hardest-hit sectors such as construction and heavy manufacturing. For example, 31 percent of construction jobs in Greece, 21 percent in Spain, and roughly 15 percent in Portugal and Italy are held by foreigners, mostly men. Durable goods manufacturing, particularly automobile manufacturing, similarly employs high percentages of male foreign workers: 23 percent in the Czech Republic, 20 percent in Germany, and 13 percent in Italy (Taran 2009; Seguino 2010). The employment of women migrants in the tourism, entertainment, and domestic service sectors is likely to decline as well, or be shifted into short-term contracts, given the fall in real household incomes. Letting the hired housecleaner go is a common belt-tightening strategy for middle- and upper-class households.

At the same time, however, rising unemployment and underemployment, declining household incomes, and declining job security in developing countries are heightening the pressure for migration, despite uncertainties in the receiving countries. These “push factors”, which have made overseas work a major household survival strategy, including for women, are likely to intensify as the effects of the current economic crises ripple through developing economies (Adekanye, Babalola, and Otitolaiye 2010). This is the case even though many migrants already living in the developed countries are facing pressures to return because of the deteriorating economic conditions in these countries.

Even when migrants retain their jobs or remain in the receiving country in hopes of an economic recovery, they face a climate of intensifying anti-immigrant hostility and discrimination. This is especially evident in the United States, Europe, and Australia, where rising unemployment has stoked longstanding tensions. Despite studies showing that immigrants make a net economic contribution to the developed countries (UNDP 2009), public opinion tends to focus on the purported negative effects. Discrimination becomes a powerful factor in determining who is fired, retained, or hired. In a recent World Values Survey, 72 percent of respondents said that employers should give jobs to nationals rather than immigrants when jobs are scarce (Seguino 2010). Several OECD
countries are debating proposals to tighten the legal barriers to migrant entry.

Fourth, in addition to affecting the experiences of migrants themselves, the economic crisis has reduced the flow of remittances they send home. This is important at the national, community, and household levels. Remittances are a major source of foreign exchange for many developing countries. Officially recorded remittances totaled over $414 billion worldwide in 2009, with more than three-quarters ($316 billion) sent to developing countries. India and China each receive about $50 billion in migrant remittances annually. In 22 countries, remittances accounted for more than 10 percent of GDP in 2009; in 11 countries, they accounted for more than 20 percent of GDP (Migration Policy Institute 2010). In Bangladesh, remittances constitute an estimated 5–10 percent of GDP (ILO 2009), and in Guatemala and El Salvador about 12 and 18 percent respectively (Lazo 2008). In smaller economies such as Tajikistan, Tonga, Moldova, the Kyrgyz Republic, Lesotho, Samoa, and Lebanon, remittances exceed a quarter of GDP (World Bank 2009b).

Remittance flows to developing countries in 2009 were estimated to be 6.7 percent lower than those in 2008. As shown in figure 3, remittance flows to countries in the Latin America and Caribbean region show large declines through the third quarter of 2009, with flows to Mexico down 13.4 percent (World Bank 2009b). For small countries, the shrinking of remittances can have devastating effects. For example, in 2009 remittances to Ecuador fell by $288.7 million from the United States and by $44.1 million from Spain, two main destinations for Ecuadorian migrants (Herrera 2010). In Nigeria, remittances dropped from 3.5 million naira to 2.1 million naira between September and December 2008 (Adekanye, Babalola, and Otitola-iye 2010, 13). With the second-generation effects of the global economic crisis still unfolding, there are strong fears that remittance flows will continue to decrease over the next several years.
At the community and household levels, the reduced flow of remittances has a devastating impact. Many poor households in the developing world – even whole villages – largely survive on money sent home by members working abroad. The consequences of the crisis for migrant women and their households are difficult to track and document, but there is no doubt that the downturn is creating new strains. For example, a study of Jamaican nurses working in Ireland found that they experienced an increased plea for remittances from their families in Jamaica during the recession. But their own net salaries in Ireland were shrinking at the same time, as taxes rose and availability of overtime fell during the crisis. Reluctant to reduce their remittances, the nurses continued sending money home at great personal cost (Humphries, Brugha, and McGee 2009).

Pressures to support needy families may be increasing the number of women and children trafficked into sweatshop labour, forced prostitution, domestic servitude, and other kinds of exploitative work. These disturbing trends are difficult to track and are seldom captured in standard monitoring indicators.
3. The Impact of the Crisis on Women’s Well-Being and Empowerment

As the global financial crisis ripples through these transmission channels, women are feeling the consequences in the workplace and in the home. A deterioration in their employment and livelihood opportunities is accompanied by shrinking access to credit from both formal and informal sources. This decline in household buying power comes at a time when prices, especially for food and fuel, are rising. The result is heightened economic and food insecurity. Vulnerable households risk falling into poverty, and those already poor slide deeper into malnutrition and destitution.

A variety of coping strategies have been documented in studies that examine the impacts of structural adjustment in the 1980s, the economic crises of the 1990s, and the current global economic crisis. They include reduced consumption, especially eating less, with women and girls eating least of all; depletion of savings and sale or pawning of assets—often women’s assets; and an increased burden of unpaid work, performed overwhelmingly by women.

The effects of these coping mechanisms are not gender-neutral. They disproportionately increase the burden shouldered by women, limiting their opportunities in both the short and long term. They can also further shift the balance of power within the household, to women’s disadvantage, and increase the risk of domestic violence.

DETERIORATION IN EMPLOYMENT AND LIVELIHOOD OPPORTUNITIES

Effects of the crisis on women’s employment and livelihood opportunities, as discussed earlier, vary from sector to sector and from country to country. Overall, however, the interplay of gender norms and economic forces makes women more vulnerable than men to job cuts and deterioration in the quality of employment. Reduced household incomes have compelled many women—including those already employed—to devote more of their time to paid work, sometimes by taking on multiple jobs (Horn 2010).

Women make up the main share of informally employed workers with insecure jobs, low wages, poor working conditions, and lack of social protection (Carr and Chen 2002). They include subcontracted home workers, casual or temporary workers, and subsistence farmers.
Women are disproportionately represented in what the ILO refers to as vulnerable forms of informal employment, mainly own-account work and contributing (unpaid) family work (UN 2010). Women in these two categories of employment are considered vulnerable because, unlike salaried workers, they are subject to acute job insecurity and do not have safety-net protections when they are out of work or unable to work, such as sick leave and pensions. The earnings of own-account workers such as market vendors and home-based workers are generally low and variable, and their work situation is generally more sensitive to economic fluctuations and cycles. Contributing family workers are typically unpaid.
As figure 4 illustrates, although there are regional variations, ILO data show a higher rate of vulnerable employment among women than among men at the global level (UN 2010; see also Walby 2009).

Vulnerable employment as a share of total employment is estimated at 51 percent among women and 48 percent among men in 2009; both figures are likely to have declined since 1999 (ILO 2010). About 47 percent of women (and 23 percent of men) in the vulnerable employment category labour as unpaid family workers. Contributing family workers account for 46 percent of all female workers in Southern Asia, 34 percent in North Africa, and 32 percent in East and West Africa (UN 2010).

Women constitute the majority of home-based workers, a category that includes both subcontracted workers and own-account workers; the latter are a particularly vulnerable segment of the labour force. Although it is difficult to determine the number of home-based workers because of the scarcity of national data, several micro surveys and empirical studies indicate that home-based work is an important source of employment for women (Carr and Chen 2002). This largely invisible cohort of workers tends to suffer during economic crises because of the casual, temporary, and informal nature of their work arrangements. In Thailand, women make up 77 percent of subcontract workers (Tulaphan 2008). A study on the furniture industry in Indonesia found that women home workers have been disproportionately affected by retrenchment in the current crisis because they are clustered in casual, unskilled jobs, often with short-term contractual arrangements (Sugarda and Tambunan 2009). In Yogyakarta, Indonesia, the number of women home workers dropped drastically, to 60 percent of pre-crisis levels, as manufacturers replaced traditional handmade batik cloth with factory-printed cloth in order to keep prices competitive in the world market (Wijaya 2010).

The majority of countries (113 out of 152) had higher unemployment rates for women than men in 2008–9. In 30 countries, female rates exceeded male rates by more than 5 percentage points (ILO 2010). In the United States, however, the global crisis has had a greater adverse effect on male employment, a trend that is explained by men and women’s different locations in the U.S. economy (Hartmann 2009; ILO 2010). This was also the case initially for Argentina, although female employment was slower to recover than male employment, thus leading to higher unemployment among women by mid-2009 (Actis Di Pasquale and Lanari 2010; Brizuela and Tumini 2010).

The mixed effect of the global crisis on unemployment rates of women and men in part reflect occupational segre-
tion and gendered trends in employment across sectors. Men are more likely than women to work in the manufacturing and construction industries, where employment can easily be adjusted to cope with the demand volatility that occurs in those industries with economic expansion and contraction. Women tend to be concentrated in service areas like education and health care, where demand is less volatile. But they also tend to predominate in the informal sector, particularly in areas like market vending and street trading, which are vulnerable to economic downturns. On the other hand, because of the gender wage gap, women casual workers have in some cases replaced regular or permanent workers, acting as cheap and flexible “buffer labour” (Dejardin and Owens 2009). This may explain why women’s unemployment rate is lower than men’s in some countries.

As the crisis enters a second phase, female unemployment is expected to rise disproportionately as public sector budgets are cut, especially in education, health, and social services (Seguinno 2010). There is evidence from the United Kingdom that women’s unemployment is now rising faster than men’s, after an initial surge of male layoffs in construction and manufacturing. Since 2008, women’s unemployment in the UK has increased at double the rate for men, by 2.3 and 1.2 percentage points respectively (Elson 2010).

The magnitude of these effects is not adequately captured in standard employment indicators, which do not take into account the increase in discouraged workers who have given up searching for employment. This may be one reason why female labour force participation rates showed slight decreases all over the world between 2008 and 2009, whereas male rates declined only in the developed countries, Central Asia, and the Latin American–Caribbean region (ILO 2009). Employment rates also do not reflect changes in the quality of employment, such as the replacement of regular employees with short-term workers who receive minimal security and benefits, although underemployment rates do provide some indication of this.

Between 2007 and January 2009, exports declined rapidly in the labour-intensive textiles, apparel, footwear, and electronics sectors in a number of Asian countries. In 2008, export orders were cancelled, export financing was cut back, and layoffs were announced throughout Asia (Sirimanne 2009). In Cambodia, thousands of women workers lost their jobs in the garment industry (Dasgupta and Williams 2010). In Vietnam, women workers in several export industries reported a fall in income of 24 percent, compared to 21 percent for men (Hung 2009). Similar trends are evident in other regions. In the maquila factories in Honduras, approximately 19,000 textile workers lost their jobs from the beginning of the
crisis through April 2009; about 11,400 of them were women (Touza and Pineda 2010).

Workers who lose their jobs in export-oriented manufacturing sectors are forced to find other means of earning a living or withdraw from the labour force altogether. Often their only option is to seek work in the informal sector. In general, women account for most of those employed informally (ILO 2002; UNIFEM 2005; WIEGO 2009), although a number of studies indicate that both men’s and women’s employment in the informal sector is expanding. For some women, especially those with skills and access to capital, options may include starting new businesses such as dress shops or retail stores or raising livestock. But women in poor households who have little or no capital are forced into self-employment in petty trading, street hawking, market vending, scavenging, and begging. These activities offer no social security or employment benefits and usually are not covered by labour laws.

The oversupply of labour has encouraged employers to lower wages or increase work demands without increasing pay. Qualitative evidence from Arguello’s (2010) study of the Ica valley in Peru shows that the crisis has allowed employers to increase the daily quota of vegetables that women workers must pick, without any extra pay. A worker testified that “every day my quota of asparagus to pick is increased by my supervisor. I have to work longer hours to finish it, otherwise they won’t pay me. I am tired and I feel depressed. I can no longer cook or look after my children after work. I work more than 11 hours a day.” These employers also used the crisis as an excuse to lay off women workers who were about to gain permanent positions after five years of work; they were replaced by new workers hired under harsher terms. As one worker noted, “They fired me, arguing that the demand for the product is very low; this is not true as they are hiring new people. I have been working for nearly four years in this company and they are just firing old employees . . . I do not know what to do with my two children on my own” (Arguello 2010).

Displaced workers from the formal economy have flooded the informal sector, increasing competition and further reducing the low remuneration that many informal workers receive (SEWA 2009). In South Africa, a qualitative study of street vendors by Cohen (2009) found that because of increased unemployment among formal workers, more men have entered the street vending business. The study also argues that competition has reduced the profits and heightened the vulnerability of existing vendors, especially women, whose earnings were already insufficient to support their households. A study carried out in India, Thailand, Indonesia, and Pakistan found that home-based informal workers, most of them women, have experienced sharp declines in demand and prices, as have
waste pickers and street vendors (Horn 2010). A WIEGO study of waste pickers in Bogota, Colombia, shows a surge in the number of women, men, and children trying to earn a living by these desperate means, despite the decline in the volume of waste materials (Samson 2009). The influx of new entrants into the ranks of urban informal workers has led to rising tensions and even hostilities, especially between the newcomers and those traditionally engaged in these activities (Horn 2010).

International labour migration is an important coping strategy that women in poor countries have used to deal with local unemployment and decline in earnings. But the migrant labour market is contracting as receiving countries, beset by rising unemployment, increasingly restrict the legal entry of foreign workers. For example, women who migrate from Ethiopia to the Middle East to seek work in domestic service face a shrinking market for legal foreign labour (King and Sweetman 2010). Recorded remittances to Ethiopia (worth more to the national economy than FDI) fell by 20 percent from 2008 to 2009. Nevertheless, Ethiopian women continue to migrate as a strategy for coping with the economic downturn in Ethiopia, and the country witnessed a spike in emigration in the first half of 2009. As restrictions on legal migration increase, more women and men will resort to the desperate measure of illegal migration. Undocumented migrants are even more vulnerable to human rights abuses and downward pressure on wages than those with formal status.

SHRINKING ACCESS TO CREDIT

Limited access to sources of capital, including remittances and credit, further constrains women’s ability to cope with the crisis. Household credit serves two main purposes: it enables people to take up or expand self-employment to offset the decline in household income, and it provides a cushion for coping with shocks such as family illness. With respect to self-employment, reduced access to credit is particularly a problem for entrepreneurs in agriculture and trade-related sectors, which are important sources of employment for women in developing countries. In Georgia, bank loans to agriculture and industry decreased by 76 percent between 2008 and 2009 (Jashi 2010). In South Africa, access to credit was a problem for just over 50 percent of street traders when they started their businesses, but it is now a problem for more than 70 percent, according to a study in Gauteng Province (Cohen 2009). In Central America, women face greater difficulties than men in accessing credit for their small and medium enterprises (Pimentel 2010).

Microfinance institutions, which largely serve women microentrepreneurs, are not spared the effect of the global eco-
onomic crisis. While most microfinance institutions are funded through foreign donations, official development assistance, and members’ savings, commercial banks have also become more involved in providing loanable funds to microfinance institutions, especially in Central Asia, Latin America, and Eastern Europe. There is some evidence from South Asia that microfinance programs are experiencing a fall in the supply of loan funds and/or higher interest rates for the funds they borrow (Chandran 2008; Sirmanne 2009). An executive director of a large Bangladeshi microfinance institution, BRAC, declared, “If commercial banks are affected [by the crisis], then the expansion of microfinance program will be affected” (Chandran 2008). On the demand side, many microfinance institutions are experiencing higher default rates as customers are unable to repay the loans they obtained before the crisis, a result noted by Amret, a microfinance institution in Cambodia (Bauer and Thant 2010).

Studies show the critical role of credit in meeting consumption needs and managing loss from shocks such as family emergencies or natural disasters (Boris and Prügl 1996; Sebstad and Cohen 2001). Little research has been done on how the economic crisis is affecting the demand for and supply of consumption loans, especially among poor households. Anecdotal evidence, however, points to a devastating impact. In Burkina Faso, cotton producers testified: “Producers have been forced to sell their livestock or crops because they couldn’t get any credit. People have been forced to sell things as they get poorer and poorer.” One person reported, “Several times people have come to see me to borrow 1,000 CFA because they’ve been out all week looking for daily work and haven’t found any, while the rest of the family, especially children, go to sleep hungry” (Green, King, and Miller-Dawkins 2010, 24–25).

Households in crisis also draw on their social networks in the community, receiving informal loans and in-kind assistance in the form of food, child care, and other forms of help. People may seek credit from neighbourhood shopkeepers, local moneylenders, employers, relatives, and friends. Waste pickers in Colombia, for example, report borrowing money from scrap shop owners, while home-based workers in Thailand resort to borrowing from moneylenders to pay debts piling up with other informal lenders. In these informal credit markets, workers are being charged up to 30 percent interest a month (Samson 2009; Horn 2010). A credit squeeze can affect not only the amount of informal credit available but also the rate of interest charged and the form of collateral that is accepted. Employers and shopkeepers may be less willing to provide credit, and friends and relatives may be unable to lend at all.
The use of credit as a household coping strategy has gender implications. A study of urban poor households in Ecuador two years after the 1999/2000 economic crisis suggests that unsteady flow of earnings results in a reallocation of credit by women borrowers to meet consumption needs rather than to sustain businesses (Messier 2005). Loans taken by women for productive purposes may be used to smooth consumption. As a result, female microentrepreneurs may be unable to make or increase investment in their enterprises, which lowers their earnings. This in turn negatively affects their bargaining position in the household and in the economy at large.

Another study shows a significant gender gap in debt leverage ratios among borrowers, with women having a higher debt service burden ratio than men (Floro and Messier 2008). The obligation to meet their debt compels many women to work long hours and take on multiple jobs in addition to their household and care work.

Some informal self-employed workers, especially women, have no access to credit to begin with and are not directly affected by the credit squeeze. Street traders around Johannesburg, for example, who are predominantly black, had no access to any form of credit even before the crisis (Cohen 2009). Nearly half of all black-owned enterprises in South Africa, formal and informal, are unable to access credit, and over half of black South Africans have no access to banks at all (Clarke, Cull, and Martínez Pería 2006).

REDUCED CONSUMPTION

A common household strategy for coping with crisis consists of reducing consumption. This may entail eating fewer meals per day, cutting expenditures on clothing and medicine, and sharing living spaces. It may also mean replacing market purchases with home-produced goods and services, for example by replacing meals bought from food stalls with meals cooked at home. Because of gender inequities in the household, the burden of consumption cutbacks falls mainly on women, who end up consuming less while working more.

Focus groups of female small producers in northern Ghana mentioned reduction in food consumption as their most common coping strategy (Brinkman, Bauer, and Casely-Hayford 2010). Many of them have also cut down on travel, and they have curtailed their use of farm inputs. Household surveys in Vietnam and Indonesia by the Asian Development Bank and research by WIEGO found reduced household spending on both essential and nonessential items (Samson 2009; Theron 2010; Bauer and Thant 2010). In Vietnam, food expenditures are often cut while health expenses showed little decline. In Pakistan, however, medical expenses are considered a luxury...
Home-based workers in Pakistan report that they have foregone prescription medicine for cheaper home remedies. In Honduras, where women make up 80 percent of those receiving remittances, the decline in remittances has led households to reduce the number of meals per day (Touza and Pineda 2010).

Such coping mechanisms may increase inequities in the distribution of resources within households. In many societies, male adults traditionally are served food first, while women eat “last and least”. When a household cuts back on food expenditures, there is less to go around and thus less remaining for women and girls. These inequities are found not only in poor households but in modified form across the economic spectrum. In Bangladesh, one study found a greater prevalence of wasting among girls and reduced weight among women due to reduced food consumption associated with the hike in food prices since 2006 (Sulaiman, Parveen, and Chandra Das 2009).

There is some evidence that the crisis is forcing households to withdraw their children from school in order to put them to work. But most households remain reluctant to take this step, limiting the reduction in school enrolments. A study by Oxfam reveals a slight drop in enrolment rates in Vietnam. The same study found that parents in urban areas of Indonesia reported eating less and selling their assets in order to keep children in school. In Cambodia, only 1.8 percent of children had dropped out of school as of July 2009 (Green, King, and Miller-Dawkins 2010). Social norms often place higher value on boys’ education than on girls’, but dropout patterns also depend on family circumstances. Girls are likely to be withdrawn first from school if help is needed with domestic chores; boys may be withdrawn if help is needed on the farm. In India, where there is growing competition in the informal sector, children, especially young girls, are increasingly being taken to help their mothers in activities such as waste recycling, to give the family a competitive edge (Samson 2009; SEWA 2009). These trends hint at potential long-term, intergenerational gendered effects.

**INCREASED BURDEN OF UNPAID WORK**

Economic crises tend to create contradictory effects with respect to work. In some cases, there can be loss of employment or reduced hours at work, but in many cases the work day grows longer and more tiring with the performance of multiple paid and unpaid tasks. Studies on the impact of the economic crisis suggest that overall, women’s work burden has increased, especially for women in poor households.
Women have expanded their labour force participation wherever they can, working longer hours at more jobs and self-employment activities to bolster household income. But the increasing burden of paid work is not accompanied by a commensurate reduction in their unpaid domestic work, as men have been reluctant to pick up the slack at home (UNDP 1995; Hirway 2002). To the contrary, women and girls must increase their unpaid work to provide substitutes for food and other goods the family can no longer afford to buy. For households whose survival is threatened by hunger, for example, it is women who labour to collect wild plants or glean the fields after the harvest (Hossain 2009). Recent findings from over 100 interviews with informal female workers in 10 developing countries indicate that unpaid work by women, primarily in food production, has become a primary strategy for coping with the economic crisis (WIEGO 2009).

At the same time, public expenditure cuts in key sectors such as water, sanitation, and health services make domestic work much harder than before. Budget cuts that reduce the availability of public health facilities or increase the fees they charge, for example, force women to care for ill household members at home. In Sub-Saharan Africa, where women bear a huge burden caring for the ill, more than 50 percent of total public health spending comes from aid commitments. Groups such as the Global Fund to Fight AIDS, Tuberculosis and Malaria are already facing funding shortfalls (Seguino 2009).

For middle-income families, in developing as well as developed countries, hiring domestic workers, typically women, is a common solution to the problem of an increased work burden (Razavi 2007). For the working poor, however, hiring domestic help is unaffordable. Workers in these households are compelled to ask the help of kin or engage children in paid and unpaid domestic work so the family can meet its survival needs. In Ecuador, care activities are transferred to older daughters and to grandmothers so that adult women can increase their participation in the paid labour force (Herrera 2010).

DEPLETION OF ASSETS

Another way that households respond to cash shortages is by consuming their savings and by selling or pawning their assets. In Thailand, for example, residents of urban squatter communities have sold jewellery, livestock, and appliances to smooth consumption when income is irregular (Floro and Antonopoulos 2005). Similar trends are evident elsewhere.

There is evidence that women are more likely than men to pawn their assets to meet a household’s consumption needs. In India, a study found that selling assets was particularly common among rural women (Noponen and Kantor 1996). While
households in distress may be able to hold on to their assets initially, these assets become depleted over time through pawning or sale. If it is the woman who has parted with her assets, she may see her bargaining position within the household weakened. The question of whose assets or savings are depleted during periods of crisis is rarely examined, however, since most studies on coping strategies still consider the household as a collective unit where resources and incomes are pooled.

FOOD INSECURITY AND HUNGER

Food insecurity is already a grave concern for large numbers of households, especially in Sub-Saharan Africa, South Asia, Central America, and the Caribbean. People may lose access to food because their earnings have fallen or food prices have risen, or both. In the context of the global economic crisis, sharp increases in food prices have resulted both from shortages and from price speculation. Additional factors are worsening weather conditions in many parts of the world due to climate change and an earlier energy crisis that affected food production and distribution. The combined effect of these factors has been to push prices of basic staples beyond the reach of millions of poor people.

The global economic crisis has not only affected food-buying households; it has also constrained the ability of many small producers, especially women farmers, to maintain production levels. Both falling prices received by small farmers and cutbacks in government supports to them play a role. In Ghana, for example, one of the groups most severely affected by the crisis has been smallholder women farmers in the north, who produce shea nuts for lean-season income. The price of shea nuts has dropped significantly two years in a row, making it difficult for them to sustain production. In response, these women are reducing the quality and quantity of food their households consume. They also provide field labour to producers of other cash crops, with some women migrating to cacao-producing regions to work as wage labourers (Brinkman, Bauer, and Casely-Hayford 2010).

Although some countries have begun their recovery from the crisis, the effects on food insecurity do not fade easily. In addition to reducing their food consumption, vulnerable households, as mentioned earlier, have coped with the crisis by selling assets, which are difficult to rebuild. Loss of assets such as land, livestock, and small enterprises has long-term consequences for people’s livelihoods and thus for their future ability to access food.

According to the Food and Agriculture Organization, more than 860 million people in the world suffer from hunger; most of them, about 830 million, live in developing countries.
Food insecurity has long-term consequences in childhood malnutrition and infant mortality

(GAO 2008). For example, almost half the Zambian population is suffering from chronic malnutrition (Kachingwe 2009). Kenyan women and children, who constitute a large portion of the 10 million Kenyans facing hunger, are reported to walk as far as 15 kilometres a day in search of water and food (One-World.net 2009). According to World Bank estimates, 130 to 155 million people in the developing world fell into extreme poverty in 2007 and 2008 due to the surge in food and fuel prices (World Bank 2009a).

The rising threat of food insecurity has long-term implications for women and their dependents. According to the Food and Agricultural Organization, female-headed households are more vulnerable to food insecurity than male-headed households (FAO 2006). A study by the International Food Policy Research Institute estimates that the current crisis may push 16 million additional children into malnutrition by 2020, compared with the scenario under continued economic growth and investment in agriculture (von Braun 2008). In Bangladesh, low dietary diversity is worsening micronutrient deficiencies and child malnutrition (Thorne-Lyman et al. 2009). There is also likely to be an impact on infant mortality rates. A 1 percent contraction in per capita GDP is associated with one additional death for every 2,000 children born (Baird, Friedman, and Schady 2007). Estimates for Sub-Saharan Africa suggest that there will be 30,000–50,000 excess infant deaths in the aftermath of this crisis. Most will be among children born to poor, less-educated women in rural areas, and these excess infant deaths will be overwhelmingly female (Friedman and Schady 2009).

GENDER-BASED VIOLENCE

The economic crisis increases women’s vulnerability to sexual harassment and violent behaviour at home, in the workplace, and in the community. Job losses and reduced earnings undermine men’s status as breadwinners, and some men take out their anger and frustration on women. In a study of the 2001 economic crisis in Turkey, many men declared that they felt shame after losing their jobs, which led to alcoholism, violence, and other psychological problems (Erbaş and Turan 2009). More recently, focus group discussions in several Southeast Asian countries reveal tensions within households over declining income, leading in some cases to domestic violence (Green, King, and Miller-Dawkins 2010). In rural Kenya, women report that it has become common for men to abandon their families, stating that they are looking for work in the city (Horn 2010).

Economic crises also increase the pressures on poor women to enter domestic service and the sex trade, where they are of-
ten exposed to violence. Recent fieldwork examining Ethiopian women’s migration to the Gulf states reports significant declines in the numbers of recorded, or legal, migrants and an increase in the trafficking of women across borders. Most of the trafficked women work around the clock as entertainers or domestic workers for very low pay, and sometimes for no pay at all, receiving only food and shelter – a form of modern slavery. They regularly endure verbal and physical abuse (Fernandez 2010).

While there are no official statistics on prostitution, qualitative evidence indicates that it increased drastically during previous economic crises, when women and sometimes children were driven by poverty to enter the sex trade. The Commission on the Status of Women warns of women’s and girls’ increased vulnerability to trafficking in the current crisis (CSW 2009). The growth in trafficking of women and children in recent decades also reflects weak enforcement and the enormous profit potential for the traffickers. In the face of increased poverty and fear of job loss, women are constrained from asserting their rights or reporting any violations they have suffered. Many of these cases, unfortunately, will remain unreported, contributing to neglect of this issue in policy discourses.
Governments around the world have undertaken a range of measures to respond to the global financial crisis, including fiscal stimulus programs and social protection schemes. In considering the usefulness of these initiatives, we must ask two questions. First, to what extent have these measures helped people, and especially women, in the most vulnerable households? Second, how long can governments sustain these initiatives, and will they take steps to address the long-term effects of the crisis? The latter is crucial given the protracted nature of the current downturn. Job losses, declines in wages and remittances, and depletion of assets are likely to continue even after economic recovery is well underway.

In contrast to the response to the Asian crisis in the 1990s, most governments have either maintained or increased their spending despite the decline in revenues. This has led to a substantial increase in fiscal deficits. In several countries, governments have also provided tax cuts and subsidies to stimulate household and business demand. A study by Kyrili and Martin (2010), which focuses on post-crisis government budgets in low-income countries, shows that the collective deficit in the 56 countries surveyed increased by $43 billion in 2009 and is forecast to be $24 billion higher in 2010 than in 2008.

Figure 5.
Change in Fiscal Balance in Low-Income Countries
Source: Kyrili and Martin 2010.
Two-thirds of these countries increased their budget deficit in 2009, and 24 percent will continue to do so in 2010. Figure 5 shows trends by region, including a separate category for countries that borrowed from the International Monetary Fund (IMF).

While fiscal stimulus is essential for effective recovery, it is also important to ask whether these packages include higher expenditures on sectors such as education, health, and social protection, which could cushion poor households against the impact of the downturn. The majority of developing countries had weak social welfare and social protection systems prior to the crisis. Expenditure cuts in these critical sectors, even if spending increases in other sectors, could exacerbate the adverse impact of the crisis on vulnerable households. In particular, they may add to the unpaid work burden of poor women.

It is crucial that specific gender issues be considered in crafting the stimulus packages. Budget expenditures have different impacts on men and women and should be assessed in those terms, taking into account both paid and unpaid labour. In particular, gender-aware budgeting requires recognition of the importance of the reproductive sector and its dynamic interaction with market outcomes. Analyzing the effects on disadvantaged segments of the population, particularly women and children, is crucial in assessing whether fiscal policy responses serve the goals of human development, gender equality, and sustainable economic recovery. This requires considering not only the amount of fiscal stimulus, but the sectors in which funds are expended.

As a percentage of GDP, expenditures on infrastructure, health, and agriculture rose in 2009 for the low-income countries but fell in 2010 (figure 6).
Spending on social protection fell in both years and is projected to decline by more than 0.2 percent of GDP over the period. Education spending fell in 2009; it is expected to rise in 2010, but not enough to offset the decline.

In their attempts to create jobs and stimulate growth, a majority of governments in both developed and developing countries have focused on large-scale infrastructure investment in areas such as electricity, transport, water, and sanitation (ECLAC 2009). Cambodia, Vietnam, India, the Philippines, and Indonesia, for example, have received loans from the Asian Development Bank to fund infrastructure development, predominantly roads and water systems (Bauer and Thant 2010). Whether affected local communities have benefited from these projects is unclear, since most of these projects are not targeted to specific community needs. In rural areas, for example, girls and women spend long hours collecting water because of the absence of basic water infrastructure. Yet these types of infrastructure needs are typically given lower priority than road construction and other large projects.

Nor are large infrastructure projects designed to create jobs for women (Green, King, and Miller-Dawkins 2010). In the Middle East and North Africa, job creation projects have targeted male workers even though women are experiencing higher unemployment than men (Abdo and Ayman 2010). The fiscal stimulus programs, focusing on infrastructure, have done little to benefit women working in the non-oil export industries, such as agriculture and garments, which saw a spike in unemployment in 2008–9. A number of countries such as Argentina, Indonesia, and the Philippines have employment criteria to ensure that projects are labour-intensive and involve small-scale local infrastructure (Green, King, and Miller-Dawkins 2010). Small infrastructure projects can be targeted to community needs and have the potential to link to local markets through procurement and labour. This does not, however, guarantee that the benefits, including job creation, will accrue to men and women in an equitable manner.

A study of Argentina’s policy response to the crisis by Rodríguez-Enríquez (2010) argues that its fiscal stimulus and social protection initiatives lack gender-aware provisions to ensure that women and men benefit equally; as a result, these measures are likely to increase gender inequality. The study provides indirect evidence that men are the major beneficiaries of some of the employment generation programs in Argentina.

Employment-generating programs that target chronically unemployed workers, poor communities, communities with high unemployment, and low-income households have been introduced in Uruguay, Mexico, Chile, and the Dominican Republic, respectively. Although evidence is not available,
such targeting is likely to result in greater benefits for women. India’s National Rural Employment Guarantee Scheme (NREGS) had reached 49 million households by May 2009 (Gupta 2009). Bangladesh has introduced a public works program on the same model, which is reported to reach an estimated 10 million people, 28 percent of them women. A report by the Bangladesh Rural Advancement Committee suggests a positive assessment of this program by women, who report that has improved food consumption and reduced the need to resort to distress sale of assets (BRAC 2009).

Like public expenditures, tax breaks and subsidies intended to stimulate economic growth need evaluation in terms of their gender-specific effects on both paid and unpaid labour. Grown and Valodia (2010) have shown that tax cuts and exemptions have strong gender implications, depending on which sectors, activities, and taxpayers receive them. The large tax break given by Zambia to its mining sector, for example, may benefit men through job creation. But it affects women differently, because it entails foregone government revenue that could have been used to bolster social services and social protection schemes; women’s unpaid labour is likely to take up the slack. The government of Cambodia has reduced taxes on factory expenditures and export management fees and has set up a support fund for small and medium enterprises. An early analysis of this initiative suggests that the poorest groups are unlikely to have benefited. Given the absence of gender-aware provisions, it is also unclear to what extent women workers and entrepreneurs have benefited from the program (Tong 2010). In Mozambique, a food subsidy program targeted to poor households and the unemployed was initiated, but the lack of resources means that only 150,000 of 22 million people have been served (Green, King, and Miller-Dawkins 2010). With this and other programs reaching only a fraction of those in need, there is a particular risk of a lack of access to program benefits by female household heads.

Several countries in Latin America, Africa, and Asia have introduced a combination of social services and consumption subsidies to poor households. In some countries such as Mexico, Chile, Ghana, Angola, and Brazil, governments have increased support for social services, including health care, education, food, housing, and electricity. This has contributed to the affordability of essential services. These programs are likely to reduce the pressure on women who are primary providers for their households, in part by reducing their burden of unpaid work.

Cash transfer programs in a number of countries specifically target women and children. In Brazil, for example, the conditional cash transfer program called Bolsa Família pro-
vides monthly grants that help poor households meet the education and nutritional needs of their children. Indonesia has a cash transfer program for pregnant women and mothers of children under 15 years of age (Bender and Rompel 2009). While these programs reduce the pressure on cash-poor households, in some cases conditions for accessing the funds may increase the unpaid work burden of women, as shown in a time-use study of Guatemala’s conditional cash transfer program (Gammage 2010). The programs may also reinforce norms that place all responsibility for child care on mothers (Molyneux 2007).

Some countries, such as India and Vietnam, have introduced government scholarships and education fee waivers promoting gender equality with specific provisions for girls and women. Studies indicate that these programs have had positive impacts on primary school enrolments (Jones and Holmes 2009). In Bangladesh, a set of asset-transfer programs have targeted extremely poor households, especially those headed by women. There is evidence that these programs have had a positive impact on household asset accumulation and on women’s labour force participation. But the effects may not be long-lasting, as women reported a decrease in economic decision making after program support ended (Jones and Holmes 2009).

Existing food security and social assistance programs in India have to some extent shielded poor households from rising prices. But it is not clear whether the nutrition of women and children in those households has improved. Results from a monitoring study indicate that many poor Indian households continue to rely on informal social protection mechanisms, including borrowing from family and friends (Hossain 2009). Vietnam has introduced economic stabilization measures in response to the crisis, but its limited social protection measures have been unevenly implemented (Holmes, Jones, and Marsden 2009). These include subsidies to employers in order to prevent layoffs, a one-time bonus to poor families, and some short-term exemptions from personal income taxes (Nguanbanchong 2009).

In sum, many countries have turned to large government-funded projects to stimulate economic recovery, but brief review of some of these programs suggests that governments seldom consider their distributional and gender impact. Some countries have chosen to implement smaller community-driven projects or cash transfer programs to address the vulnerabilities of households in need. It remains an open question whether government efforts have reached the most vulnerable citizens, including indigenous groups, informal sector workers, and migrant workers, and especially women and children in these populations. In their allocation of public expendi-
tures, few countries have considered the work performed by women outside the scope of the market economy, such as caring for children, elders, and the sick or disabled.

Finally, there are concerns about the sustainability of government stimulus projects and social programs in the context of a prolonged crisis. Governments may end up intensifying the long-term consequences of the downturn if they decide to cut expenditures on social services as soon as the most immediate needs are met. Depletion of fiscal reserves, declines in tax revenue, and increases in government debt threaten the availability of adequate resources for meeting the needs of women and disadvantaged groups. This points to the urgent need for effective financial regulation and a reformed financial architecture that would avoid the excesses of the market.
5. Conclusions and Recommendations

The global financial crisis is having harsh and multidimensional effects on women in the developing countries. Most countries have adopted economic stabilization plans, fiscal stimulus packages, and social protection schemes in response to the crisis. But unless government actions become more gender-aware, they may fail to address and may even worsen gender inequalities, leading to further disempowerment of women. The fragile gains achieved in recent decades in poverty reduction, gender equality, and women’s empowerment are at risk.

The Commission on the Status of Women recommends that fiscal stimulus packages go beyond a focus on job creation in mostly male-dominated sectors, such as construction, and give priority to jobs for women, as well as to measures that ease women’s caregiving responsibilities. Stimulus packages should invest in social as well as physical infrastructure. Social sector expenditures, especially for health and education, should be protected and increased (CSW 2009).

Although women play little role in decision making about government budgets and economic policies, several countries, such as India, Australia, South Africa, and the United Kingdom, have adopted gender budget analyses. While the impact on policy is not yet well documented, gender budgeting gives civil society greater opportunities to monitor policy responses to the crisis. Civil society groups, including women’s organizations, should monitor government expenditures, especially stimulus packages, to ensure that they address the needs of women and vulnerable groups (CSW 2009).

A systematic gender analysis of the current crisis and continuous monitoring of its gender effects are critical. In particular, there is an urgent need to monitor hidden costs of the crisis, such as increased unpaid workloads, decreased access to education and health, and increased violence, that fall disproportionately on women. Governments, nongovernmental organizations, donor agencies, and civil society groups should coordinate their efforts to support the collection of sex-disaggregated data on employment, work conditions, earnings, and unpaid work. These data should cover not only employees in the formal sector but also home-based workers, informal workers, and migrants. Such data, together with qualitative information, can be used in the formulation of gender-sensitive responses to the financial crisis.

Only a quarter of the most vulnerable countries have the resources to implement measures to mitigate the effects of the
crisis. Therefore, the role of the international community is essential. Developed country governments and international organizations need to maintain and increase their ODA commitments, especially in Africa. At the same time, donors should take steps to ensure that ODA resources advance gender equality and poverty alleviation. This will require giving priority to the needs of the rural and urban poor, especially women. Donors should also support the role of civil society in monitoring responses to the crisis, including their impact on gender equality.

Looking ahead, the crisis presents opportunities to challenge entrenched asymmetric power structures that disadvantage women. Countries should adopt legal frameworks that address gender discrimination in the ownership of and access to productive resources, especially land and credit. Countries should also review, from a gender-aware perspective, the effects of their macroeconomic framework, including trade, fiscal, investment, and financial policies and laws, focusing on access to decent work by women and men and on the distribution of unpaid work. The same review should be done for social and family policies and laws, with particular attention to challenging norms of masculinity and addressing the problem of violence against women (OHCHR 2009). If these steps are taken, then the global financial crisis may serve as an opportunity for sustainable advances in gender equality instead of the reverse.

International donors should make sure their assistance promotes gender equality.


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The Impact of the Global Economic Crisis on Women’s Well-Being and Empowerment

The effects of the global financial crisis are gender-differentiated. This is because women and men face different opportunities and constraints in labour markets, interact differently with state services, and have different roles and an unequal sharing of work within their households. This paper summarizes recent evidence from the global economic crisis and lessons learned from previous crises that show the cumulative effects on women’s well-being and empowerment. Though the effects differ by context, the overall picture is one of deepening economic insecurity and an increase in women’s burden of unpaid work.