

Feminist economics and the new development paradigm

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Women around the world work longer hours, participate less in labour markets than men, receive lower incomes and are more involved in unpaid work. Feminist economics demands a new development paradigm that is not based on economic growth and whose indicator is not the average GDP which conceals the half of the economy that is non-monetary. The classic model ignores essential activities that take place outside markets, such as maintaining a household, voluntary work, child rearing, caring for the elderly and a large part of food production and crop maintenance.

Elsa Duhagon

The economic and financial crisis has shown once again that we need an economic analysis that takes gender inequalities into account and that adjusts some of the basic assumptions of classical economics. To the current economic conception, growth equals economic development and the Gross Domestic Product (GDP) is the most used indicator to measure the “wealth” generated. However, feminist economics has shown that over 50% of all human work is unpaid and therefore is not recorded in GDP. If this invisible work were considered we would see that nearly 2/3 of wealth is created by women.¹

The traditional divisions of tasks by gender, such as women’s “specialisation” in domestic work and other unpaid activities, do not take into account the fact that this “specialisation” is a social construction based on hegemonic practices that have an impact in the economy. A progressive redistribution of wealth and income which considers women in this light is an element that usually does not appear in the economic policy debate because of the “invisibility” of the unpaid economy (non monetary). However, when the analysis is based on hours of labour (not in terms of finance and money) we see that it is women who bear the heavy burden of the global economy.

In classical economics, activities that are essential for the existence of the family and community are ignored as they take place outside markets. These include maintaining a household, voluntary work, child rearing, caring for the elderly and a large part of food production and crop maintenance. Since these activities are carried out in the context of the family, without any exchange of money, they are considered “non-economic activities”, not only in the economics textbooks but also the in the very United Nations System of National Accounts (the indexes of Gross National Product (GNP) and Gross Domestic Product (GDP).

Therefore, it is necessary to redefine macroeconomics and recognize that the monetary economy is just the tip of the iceberg that rests on an extensive *care economy* in which the main work force is female, and that women account for at least half the total work force.

1 Hazel Henderson, *Root causes of poverty, inequality and ecological degradation: the need to redesign the creation of money and credit allocation, and restructure the financial systems*. July 2009. See in Spanish: <www.eclac.org/mujer/noticias/paginas/5/36595/Henderson_espanol.pdf>

The evolutive economist Hazel Henderson says that human behaviour ranges from conflict and competition at one end of the scale to cooperation and exchange at the other. She points out that only market economics functions at the competition end and that all the other social sciences are interested in cooperation and exchange, and consequently the theory of games is more and more the model to be applied.² She adds, “In fact, new economics and even the mainstream of economic theory are beginning to recognise the limitations of classical economics or microeconomics and its assumptions when it comes to explaining individual and group behaviour and the way economic life itself works”.³

The crisis, gender blindness and the role of the state

The global crisis that began in September 2008 gave rise to numerous analyses about macro and microeconomics. But gender equality received less attention in initiatives by governments and decision-makers in the field of economics. For example, the gender perspective should be kept in mind when the time comes to examine the relations between the state, the market and society, national budgets or the impact of fiscal policies. All of these have an impact on how women are able to exercise their rights and on their quality of life in a differentiated way since the repercussions in the labour market are different and this applies in particular to changes that occur in the unpaid work sector.

The Costa Rican economist Rebeca Grynspan, who is director of the UNDP regional branch for Latin America and the Caribbean, says “Paid and unpaid work constitute a fundamental element of analysis and of public policy because it is one of the major factors affecting women’s insertion in the labour market”⁴

Society takes it for granted that women have to do unpaid work and at the same time take on new responsibilities and the freedoms that they have con-

quered. To cope with this new situation, society must organise itself around a family model different from the traditional one of “man as provider” and “woman as housewife”. Today many families are headed by women or by men and women where both have paid jobs. For this reason, Grynspan proposes programs of reconciliation between work and family in a way that involves reconciling men and women, with this relation now being seen as one of co-responsibility in the family and one that transcends the private sphere and connects with the public in areas ranging from the labour market to state policies.

According to an International Labour Organization (ILO) report, world growth in terms of real wage fell dramatically in 2008 as a result of the economic crisis, and is expected to fall still further in spite of signs that economic recovery may be on the way.

According to this report, the current deterioration of wages has come after ten years of wage moderation prior to the outbreak of the crisis, and it is thought that years of wage stagnation in times of increasing productivity – together with increasing inequality – helped to bring on the crisis because households were unable to raise their consumption capacity except by going into debt. “The continuing fall in real wages worldwide raises serious doubts about the real extent of economic recovery, especially if governments prematurely terminate their measures to stimulate the economy”⁵

In another ILO report, from June 2009,⁶ it is noted that “Respect for fundamental principles and rights at work, the promotion of gender equality, free expression, and participation in social dialogue are also of vital importance for recovery and development”.

Although many countries have given importance to the promotion of employment, in the measures they have taken they are still “blind” to the gender aspect. For example, Brazil reduced taxes on the automobile industry from 7% to 0% for small cars to stimulate sales and keep the labour force employed, and while this is an important measure we can still ask just how many of these jobs are for women, and what general impact these measures will have on women.

2 Economists have used the games theory to analyse a wide range of economic problems including auctions, duopolies, oligopolies, the formation of social networks, and voting systems. This kind of research is normally geared to particular groups of strategies known as solution concepts.

3 Analysis of the economic and financial crisis from the gender perspective: “Understanding its impact on poverty and women’s work”. Presentation at ECLAC, Specialists’ Meeting. *The crisis and its impact on women’s global work*

4 Presentation at ECLAC, *The crisis and its impact on women’s global work*.

5 *ILO Global Wage Report 2008/09*. See: <www.ilo.org/wcmsp5/groups/public/-/dgreports/-/dcomm/documents/publication/wcms_100786.pdf>

6 *Recovering from the crisis: A Global Jobs Pact*, adopted at the 98th International Labour Conference, Geneva, 19 June 2009. See: <www.ilo.org/wcmsp5/groups/public/-/ed_norm/-/relconf/documents/meetingdocument/wcms_108456.pdf>

BEYOND THE CRISIS AND BEYOND BEIJING: KEY ISSUES AS WE MOVE FORWARD

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Capitalism and crisis are like two sides of a coin. There is no capitalism without successful and systematic crisis every now and then, every few years; this is the nature of capitalism as a system of production and reproduction in itself. Within the nature of the capitalist crisis there are two kinds of crisis: there is the crisis that you can write in small letters and then there's the crisis that one has to write in capital letters.

The crises that one writes in capital letters are those that typically go with the decline of an empire. The current crisis goes hand in hand with huge changes in systems of economic production and in distribution systems. The nature of economic life itself has changed dramatically, to the point where the financialization of the economy has become immense. However, this has not happened in a political vacuum; it has happened in a context where the ruling dominant economy of the last half century or more – at least since World War II, and one could argue even from before World War II – the U.S. economy, has in fact been steadily going downhill.

This is a recipe for crisis with a capital C, because it means that the economic power that is losing its economic position in the world attempts desperately to retain and hold it through other mechanisms, be those political or military. And this becomes crisis with a large C precisely because this is the time that presents the biggest risks for major wars and catastrophes, for social catastrophes of different kinds, and at this point we are going through a time like this.

The American hegemony is clearly under enormous stress and will not hold any longer. The harder decline in the value of the dollar that everybody is speaking about is a clear recognition that it is on its way down and out. But what kind of new world economy gets created in this place is the major challenge the world faces today. Now, in this brave new world – or as some people have called it, and as in DAWN we now have begun to call it, the Fierce New World – that we are engaged in, what is the role for social movements? What's the role for identity politics? And what is, of course, the role for the women's movement?

Moving beyond Beijing

One could ask, as we've been asking in DAWN in this context, what is the social project of the women's movement? Can we go beyond identity politics? Some would argue we have always been about both a mixture of identity politics as well as something beyond identity politics. But in the world of today, what is the social project of the women's movement? What is the nature of the economy and society that we want to see? And, in what ways will that economy and society take hold of the kind of issues that the women movement has raised, be able to integrate then in a central way in the creation of a new society, and a new economy as well?

This is one of the most critical questions for the Fierce New World that we are living today. The women's movement is to see beyond Beijing and is to go beyond Beijing. We need to go beyond the 12 chapters and the 12 key teams of Beijing.

A great deal of the energy of the women's movement comes from its willingness to grab hold of and grasp very difficult issues that have to do with personal life, specifically those issues dealing with sexuality. Now we know that Beijing – although the famous 96¹ Plan was much better than anything we have up to that point in the area of sexuality and sexual rights – was far from adequate.

And since then the struggle to understand and create politics around sexuality is inherent and intrinsic to the women's movement, and is I think still an ongoing and incomplete struggle. It is a struggle where identity, politics actually, is a central question and a central issue, but in a period where, increasingly in the world, sexuality and reproduction – for the first time in human history – are not inextricably bound together, is an issue that has to be addressed particularly for young people, because of demographic changes.

People simply do not marry at the age of nine as my grandmother did, or at the age of fourteen; they may marry at the age of 27, they may not marry at all, they may have children through artificial assisted reproductive technologies, they may have children in all kinds of ways, families may be created in all kinds of ways. The women's movement is at the forefront of grappling with these issues, but it is not alone, there are others as well. But it is extremely important that we try to think of how we move beyond and integrate identity politics with the politics of social movements more broadly, and that we hold on and bring these issues into the center of the discussion.

The key issues

The three issues that I would pick on as the core ones we need to be working together collectively in moving beyond Beijing would be: firstly the implication of the financial crisis for the kind of new world that is being created in production, in the economy and politics. What is the woman's place, what is the role of our identities in that?

The second is the critical question about the social project of our movements: What is that? And what does it translate into, in terms of the nuts and bolts of development and of transformation?

And thirdly – dealing with the personal in its most fundamental sense – the issue of connections between sexuality, identity, reproduction and human life. ■

Extracted from "Beyond the Crisis: Forging Ahead with Development Alternatives", Dr. Sen's intervention in the Asia-Pacific NGO Forum on Beijing+15 held between 22-24 October 2009.

1 Since 1996 the Commission on the Status of Women has been monitoring Beijing's Platform for Action, based on a series of conclusions on the 12 critical areas of concern.

Another revealing example comes from Spain (although there are parallels in almost every country). The first anti-crisis measures taken by the State Local Investment Fund involved allocating funds to the construction sector, in which 93% of the workers are men, rather than helping women to progress towards equality in employment.

In many countries there are programmes to support employment such as Conditional Cash Transfer Programs (income granted to poor households conditional upon children going to school and having health care). While it is true that these are an important form of social security for the poor, these programs still fail to consider women's work time, even though the success of these programmes depends on this very factor.

From what has been learned from previous crises, it is clear that social policies and state involvement are of vital importance in times of crisis, but we also know that social indicators take twice as long as economic ones to recover and many people are left by the wayside. This means that human capital is lost, and that the equation "when the economy recovers, the social indicators will recover" is not valid.

A change must come in economic theory and this must be reflected in practice. It is not a question of aiming for growth and formulating some policies for women, but of designing and implementing a new development paradigm with equal rights and equal opportunities for everyone without any kind of discrimination whatsoever.

The impact on employment and work

Macroeconomic policy, when referring to the crisis and its impact on the world of women's work has focused mainly on inflation therefore employment has been largely left to one side. In 2005 novel approaches to the question of employment began to emerge internationally, including the fruits of the ECOSOC meeting in 2009.

Some of the impacts of the crisis on women at work are quantifiable and others are invisible, and

among the latter there are the responses of women in relation to paid and unpaid work.

Women, in their strategies to cope with the crisis, put themselves second so as to give priority to the family's survival; they accept lower wages, work all day, they do more unpaid hours or they enter the informal economy. It is important to know which sectors of the economy women work in, and not to fall into generalizations as if they were all in one uniform category called "workers". For example, government spending cuts will always tend to cause an increase in unpaid work.

Women's employment recovers much more slowly, and a country's growth rates recover before its employment rates. For example, six or seven years after the 1997 crisis in Asia, GDP had again reached considerable growth rates but employment levels have still not recovered even today.

In the developed countries, when we examine the total of all paid and unpaid work done by women it is clear that they work more hours than men but earn less. According to the economist Rania Antonopoulos, this situation has led to a great paradox, "In the good times or the bad times, in times of prosperity or times of crisis, there is high unemployment and hence an increase in unpaid work. Unpaid work is necessary for people to survive, and it becomes more widespread at times when governments do not do all they should to satisfy the population's basic needs. Women do unpaid work in conditions in which this is not recognised, they are not paid and they do not have social protection. In other words, women pay a tax with their time."⁷

In the face of this contradiction, Antonopoulos asks whether it might be possible to find a mechanism that yields benefits for both sides, one that increases employment and also reduces unpaid work. One such scheme was proposed in South Africa, and the Government put an adapted version into operation. The idea was that the Government became the employer of last resort, creating jobs for people who were doing 'voluntary work'—although it was not in fact voluntary.

Instruments to achieve a more equitable economy

Even though we must recognize the importance of social protection networks, like Conditional Cash Transfer Programmes for example—which aim at breaking the transmission of poverty from one generation to the next—these programmes are being asked to achieve the impossible in the sense that on their own they cannot serve as a whole social policy for a country. To go further, we need systems of social protection that are universal and holistic. Gender discrimination is not just a matter of poverty, it is also a question of equity and citizenship, and the problems that emerge from inequality cannot be solved by these Conditional Cash Transfer Programmes alone.

In addition, women must be involved institutionally in budget decision-making. Follow-up, monitoring and evaluation are important too, to prevent the impact of budget resources allocated to improving women's lives and the quality of their jobs from being lost or minimised.

The current development model is not centred on people but on profits and other elements in the world economic system. To acknowledge this forgotten pyramid structure we need to return to the concept of people as the priority. As men and women, we have to change our approach to how society is constructed.

In all the areas we have been discussing, a key input in the decision-making process is the generation of statistical information. It is vital to have quantitative indicators, and as far as possible qualitative ones too, to be able to bring a whole range of things into the light, including unpaid women's work.

In view of the fact that indicators like GDP do not reflect the contribution of women through unpaid work or the care economy, we need new indicators that will enable us to strengthen assertions about gender inequality, and these indicators should be used as a basis for less arbitrary decision-making. ■

⁷ Presentation in *The crisis and its impact on women's global work*.