Gender inequality is not a new phenomenon; however, the current economic crisis has exacerbated gender inequalities throughout the world. As the global recession persists, bailouts and equity loans are being negotiated between governments and private industry; public services are increasingly being privatized to “protect” government coffers; and corporate taxes are being cut to benefit corporations and the wealthy. In all of this, it is increasingly clear that women stand to be profoundly disadvantaged by the global recession and national responses to the crisis.

The UN reports that while men’s job losses initially increased faster than women’s, men’s job loss rate is now slowing down, while that for women keeps going up. The global unemployment rate for women could reach as high as 7.4% compared to 7.0% for men.1 While the financial crisis first hit the financial and manufacturing sectors, its effects are starting to take hold in sectors dominated by women, namely the service industry and retail trade.

Women in the developing world are particularly disadvantaged due to the financial crisis. Their weaker control over property and resources, over-representation in piece-rate or vulnerable employment, lower earnings and lower levels of social protection make them, and their children, more vulnerable to the financial crisis. As a result, women are in a much weaker social and economic position than men in terms of their ability to cope with the recession. Women may have to work longer hours and take on extra forms of employment while maintaining primary household care responsibilities.

The Women’s Working Group on Financing for Development has noted that the financial crisis offers a critical opportunity to change the global financial architecture to adhere to rights-based and equitable principles. The group calls for an alternative to the G-20 decision to replenish the International Monetary Fund. Such a move would only perpetuate failed neoliberal economic policies; reinforce past structural inequalities; and increase the indebtedness of developing countries. This scenario continues the antiquated and unjust approach of a few rich nations working on behalf of many nations of varying circumstances. The Women’s Working Group calls for solutions and remedies for the financial crisis coming from a broad, consultative, inclusive process, not a process housed in the IMF, but in the United Nations, where women’s human rights are enshrined and where each member state has a voice at the table.2

Government approaches to addressing the economic and financial crisis are not, for the most part, based on human rights or equality principles. Many countries in the global North have negotiated huge bailouts using public money to prop up major industries. Many are also investing in infrastructure projects, focused primarily on male-dominated trades (construction, transport, etc.) rather than investing in soft infrastructure where women traditionally are the principal beneficiaries (health care, child care, income supports, etc.). Unemployment insurance programmes, where they exist, generally cover only full-time workers and rarely take into account the part-time workforce in which women are traditionally over-represented. Reports of violence against women are increasing; lacking economic and social security, women have a more difficult time escaping violent situations.

The just-released US Department of State report on human trafficking3 notes that the global economic crisis is contributing to labour and sex trafficking, as increasing unemployment and poverty make people more vulnerable to traffickers and there is a growing demand for cheap goods and services. The report predicts that the economic crisis will push more businesses underground in order to avoid taxes and labour protection laws while hiring non-union labour, which will increase the use of forced, cheap and child labour by cash-strapped multinational companies.

According to Amnesty International, the economic crisis is aggravating existing human rights problems and some very important issues are not getting the attention and resources they need, including poverty, reproductive rights and violence against women. Governments are investing in setting the market straight again, but the market is not going to address human rights problems. In the past, governments used security as a means to undermine human rights, now the economic crisis has produced another imperative for governments, and they are again ignoring human rights.

The reactions to the economic crisis involve cutbacks in financing for gender equality mechanisms and the implementation of gender equality legislation, which will jeopardize gender equality legislation and inevitably reinforce existing gender stereotypes. Related to this is the decreased financial support for women’s organizations which are an essential part of the global women’s movement.

Some regional trends in the gendered impact of the economic crisis were identified at a European Commission conference on “Equality between Men and Women in Times of Change” (15-16 June 2009). The problems identified are similar to the global trends: in Europe, women are overrepresented in insecure, part-time and short-term jobs, in large part due to their disproportionate household and caregiving responsibilities. Despite the EU standards on gender equality in employment, the problems of unequal pay and need to balance work with family life remain. Although the crisis has affected both women and men in Europe, it has affected them differently.

Among other things, the conference concluded that there is a need for additional measures to encourage women to participate in the labour market; equality between women and men must be a key element in the development of anti-crisis measures.

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2 The Women’s Working Group on Financing for development is coordinated by Development Alternatives with Women for a New Era (DAWN) and includes the following networks/organizations: African Women’s Development and Communication Network (FEMNET), Arab NGO Network for Development (ANND), Association for Women’s Rights in Development (AWID), Feminist Task Force-Global Call to Action against Poverty (FTF-GCAP), Global Policy Forum (GPF), International Council for Adult Education (ICAE), International Gender and Trade Network (ISTN), International Trade Union Confederation (ITUC), Network for Women’s Rights in Ghana (NETRIGHT), Red de Educación Popular entre Mujeres para America Latina y el Caribe (REPEM), Third World Network-Africa (TWN-Africa). Women’s Environment and Development Organization (WEDO), and Women in Development Europe (WIDE).

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GENDERED IMPACTS OF THE CRISIS IN SUB-SAHARAN AFRICA

While in the industrialized countries companies have been bailed out, in the South, the crisis has led to the intensification of privatization and to relaxing the collection of revenues from foreign investors. In many Sub-Saharan African countries, companies have taken advantage of the situation by further freezing wage increases and redundancies and even closing down operations in the name of reducing overhead costs. For instance, in Zambia in order to address the effects of the global financial crisis, the Government first and foremost removed windfall taxes on mining, in a bid to prevent investors in the mining sector from closing their operations. All of these measures have narrowed revenue collection. Consequently Governments in the South have continued to cut down on the provision of social services such as education and health.

Women continue to be the first to lose their jobs and are increasingly finding themselves engaged in petty informal trading of vegetables and tomatoes as a coping mechanism.

What is more worrying is the absence of women’s voices in the resolution to the crisis. Male-biased decisions continue to be taken to resolve the crisis, in order to serve men’s interests first. There is therefore a need to increase women’s participation in decision making, in order for their issues to be included in national measures to address the global economic and financial crisis.

and policies; the participation of women in private sector leadership positions should be encouraged; businesses must adopt family-friendly policies; and it is essential to invest in women’s education and training. Furthermore, the importance of gender equality laws and mechanisms in time of crisis was outlined.

Strengthening women’s rights during the crisis

An important initiative which was recently announced by the ILO Director-General Juan Somavia is the creation of an emergency global jobs pact designed to promote a coordinated policy response to the global jobs crisis and to the increase in unemployment, working poor and those in vulnerable employment.

This response is aimed at avoiding global social reclusion and mitigating its effects on people. The pact will help both the extraordinary stimulus measures together with other government policies better address the needs of people who need protection and work, in order to accelerate combined economic and employment recovery.

Amnesty International recently launched a Demand Dignity campaign to fight for rights threatened by the economic crisis, and for those neglected in the response to it. The fundamental issue is empowering people living in poverty. The campaign focuses on strengthening their voice along with government transparency and accountability, so that they can hold governments accountable for commitments to gender equality and women’s rights, and can participate in decisions that affect their lives. Special emphasis is put on women’s rights and the participation of women in decisions related to their rights.

Besides these initiatives, special attention is to be paid to the challenges and opportunities that the global crisis presents for women’s empowerment and leadership. We are witnessing positive examples of women emerging as high level leaders as a result of the global economic and financial crisis, most notably in the case of the new Prime Minister of Iceland and the new President of Lithuania, both of whom were elected in large part due to voter frustration with the failed economic policies that contributed to the impact of the crisis in those countries.

According to the Women’s Working Group for Financing Group for Financing for Development, the rights-based response to the crisis requires, inter alia, immediate reform of the global financial architecture to effectively manage liquidity shortages and balance of payments imbalances, and ensure that policy responses do not shift the burden of family welfare and service provision to the care economy. The Women’s Working Group advocates setting in place national, regional and international measures and processes that respect national policy space, and are consistent with internationally agreed standards and commitments, including those regarding women’s rights and gender equality. Trade policies and agreements should enable countries to move away from the imbalances of the WTO regime and the failed Doha round. Moreover, these measures should be accompanied by the cancellation of the illegitimate debts of developing countries and the creation of a debt workout mechanism with the participation of debtor governments, women’s rights groups and other civil society organizations.

At the UN High Level Conference on the Global Financial and Economic Crisis and Its Impact on Development (24-26 June 2009), the Women’s Working Group reminded UN Member States that women cannot wait, and that this is the time to act on fundamental reform of the global financial architecture.

Despite the unanimous call to action by civil society organizations, the conference outcome document did not meet expectations. In order to safeguard a fragile consensus, Member States have shown only weak commitment to reforming the financial architecture, while the central role of the UN (the so-called “G-192”), in economic governance nearly vanished.

Women’s rights advocates welcomed language in the document that recognizes women as facing “greater income insecurity and increased burdens of family care” (para. 3) and the recognition that women and children had been particularly impoverished by the crisis (para. 7). The document further recognized that responses to the crisis need to have a gender perspective (para. 10), mitigation measures should take into account gender equality, among others (para. 21), and leadership appointments in the International Financial Institutions (IFIs) should take gender balance into account (para. 49). The big disappointment was the lack of any strong commitment to follow-up. The consistent reference to a “United Nations Development System” throughout the text represents a narrowing of the UN role to a limited arena of humanitarian assistance and development cooperation. The conclusion of civil society groups was that the outcome document represented a clear attempt to keep the G-192 out of the global economic governance system.

Looking forward, however, the Women’s Working Group has stressed that women will continue to demand economic justice and gender justice within the UN arena, despite the continued resistance of the IFIs and the G-20 to put people, instead of profit, at the centre of development. Despite proven failure of their neoliberal policy prescriptions and irresponsible financial governance system, the IMF and the World Bank continue to promote their flawed policies and impose conditionalities on developing countries, acting not as special agencies of the UN, but as if the UN were their special agency. In the UN system, in which all Member States should be equal, some—now widened to 20—are more equal than the remaining 172. The Women’s Working Group statement states its strong opposition to this practice, and demands that all the Member States have equal votes, equal rights and equal obligations at the decision-making table.

Civil society organizations, including women’s organizations and networks, call for a rights-based approach to development. A review of the implementation of this approach by UN agencies shows that it can be effective in eradicating poverty, developing democracy and human rights, and supporting vulnerable groups, particularly women, to participate in decision-making. The application of this concept contributes to the realization of states’ commitments derived from the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and the Beijing Platform for Action.

However, there is a need to improve this approach in order to address effectively the needs of

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4 ILO projections of working poverty across the world indicate that 200 million workers are at risk of joining the ranks of people living on less than USD 2 per day between 2007 and 2009. See: ILO. Global Employment Trends Update, May 2009.

GENDER AND THE CRISIS IN EASTERN EUROPE

Global trends in the impact of the global crisis on women are characteristic also of countries in Eastern Europe, as seen in the national reports included in this volume. In the Czech Republic, for example, the reforms in public finances, such as lower taxation for the richest and increasing Value Added Tax (VAT) on basic articles, have put the largest share of the burden on the most deprived, women included. The same happens with the introduction of fees for services and the attempts to decrease social insurance taxes, especially for the richest taxpayers. Even before the crisis, unequal pay and discriminatory realization based on gender and age continued to be important issues. Additional gender equality problems in the Czech Republic are due to the Government’s conservative policy and lack of support for childcare institutions. Discrimination against female immigrants, particularly from Asia, has also been exacerbated as a result of the crisis.

In Hungary, one of the Eastern European countries most affected by the crisis, the new Government has agreed to a number of measures, including cutting pensions, public sector bonuses, maternity support, mortgage subsidies, energy subsidies and public transport subsidies as a condition of the IMF rescue package to address the impact of the economic crisis. All of these will negatively impact women and increase their care-giving burden, as will some of the additional measures being planned, including reductions in childcare support and childcare benefits, as well as assistance to young couples with children.

In Poland, the decrease in family incomes resulting from the economic crisis risks the pauperization of whole social groups, particularly among the lower and middle classes. It is very likely that this will in turn have a more significant impact on women, since they are traditionally responsible for the family’s well being. According to some analysts, the crisis is also likely to amplify the grey zone in the Polish economy, as many, especially small entrepreneurs, try to minimize labour costs and avoid taxation and other costs associated with formal employment. Consequently, it seems very likely that the growth of the grey economy will affect women more than men, as they are more often engaged in low-paid jobs, especially in the private service sector (e.g., in retail).

Other gender equality issues are: the shrinking of the highly feminized garment sector and the limited labour market mobility due to higher housing rental costs, especially in small towns in economically depressed areas.

In Bulgaria, NGOs and trade unions would not agree with what they saw as a Government policy shift towards accepting the need to reduce social expenditures in times of crisis. These expenditures were already scarce at the beginning of the currency board arrangement and any further reduction could rupture the country’s social peace. Unemployment is increasing (it should be noted that the unregistered unemployed equal – or even exceed – the registered) and will affect mainly young people that lack an employment record, low-skilled workers, elderly workers, people with disabilities and women.

In Serbia, trade unions have accepted the Government’s proposal to postpone the implementation of the General Collective Bargaining Contract, and to delay some of the employers’ financial obligations towards workers, including paying worker benefits, “to assist the private sector to get out of the economic crisis”. Workers’ rights are openly violated under the excuse of maintaining economic stability, while big companies and tycoons are free to refrain from paying taxes, salaries and other benefits. It was recently announced that maintenance of the new stand-by arrangement with the IMF, worth USD 3.96 billion, will lead to cuts in pensions, education and health care, all of which will further deteriorate women’s social position. And in Slovakia, despite initial predictions that the country would not be affected, official estimates of job losses topped 30,000 in April 2009. In these conditions, discrimination against women in the labour market persists.

As a rule, in all the countries of the CEE/CES region, women constitute the majority of temporary, seasonal, and contract labourers as well as low-skilled workers, who are unlikely to be covered by formal unemployment insurance or social protection schemes. As the July 2009 Development & Transition report warns, the crisis seems likely to affect women in such areas as employment and social safety nets, unpaid care work, education, migration and gender based violence. For example, in Kazakhstan, limited access to the financial resources necessary for formal business activities pushes women into self-employment and small-scale commercial activities in the informal sector. Women’s vulnerability could easily deepen as the crisis unfolds. The scale of female labour migration is often under-reported, and with it the impact on families dependent on their wages for survival. On the other hand, women may find themselves in an even more vulnerable position when they return home, rejected by their communities and families and perceived as prostitutes.1