



Who pays the price?

The impact of the global economic recession on women in developing countries

March 2009



‘With the economic recession, women's rights work will be sacrificed... in Zimbabwe these challenges have been made even worse by the economic and political problems we face. The communities we work with are feeling the effects of the recession. Many women have left the country to look for work. The education and health sectors that survived on donor funds are not getting that assistance.’

Cleopatra Ndlovu, Director of one of WOMANKIND's partners in Zimbabwe, Women in Politics Support Unit (WiPSU)

Cover photograph: Mother of three, Victoria Mpatsi, from Harare, Zimbabwe, where the global recession is making a desperate economic situation even worse. Too ill to work, Victoria can afford only a couple of months of anti-retroviral treatment to counter her HIV infection per year. While the drugs should be free, they are usually sold by corrupt officials. Life expectancy has fallen to 37 years for men and 34 years for women, the lowest in the world.

Robin Hammond/Panos Pictures

The financial crisis is still unfolding — and how far it will extend into the global economy is still unclear. But, by analysing the impact of past recessions and economic adjustment, we can better understand how women and girls living in the South will be affected by the current downturn.

The impact on poor households and women in particular is likely to become more urgent in the months to come. This WOMANKIND policy briefing highlights the implications for women in developing countries — and puts forward some key recommendations for policymakers.

Poverty

The World Bank predicts that the global economic crisis will trap up to 53 million more people in poverty, in developing countries, in 2009, bringing the total of those living on less than £2 a day to over 1.5 billion.¹

Women are disproportionately poorer than men — and are mainly responsible for managing the household and caring for family members. There will, therefore, be gender-specific impacts on the living situations of poor women and children. The burden of women's domestic and reproductive work is likely to increase as household incomes shrink and cuts are made to essential services, such as healthcare and social welfare. Because of their unequal position in the household and the workplace, girls are also more likely to be taken out of school first or to forgo food or medical treatment, as their families try to cut costs.

Trade

Over half of global economic output and vital export revenues for many developing nations are provided by trade.² Trade liberalisation has led to the expansion of multinational

The 2007 earthquake destroyed thousands of businesses.



PERU

'The effects of the crisis are already being felt in the agro-export sector, with a 30 per cent reduction of women's jobs out of a workforce of 50,000. Work is becoming more precarious, contracts are being cancelled and labour-rights violations are on the increase, which is likely to increase discrimination against women in the workplace. The 2007 earthquake affected many of Peru's 120,000 micro-enterprises and productive workshops in the zone and only a few small businesses have restarted, from tents and temporary units. Mining companies in the area are already cutting back on workers and there is no government support for small farmers who comprise 60 per cent of agricultural production. And remittances from families abroad have fallen, whilst migrants are returning home.'

Partner: Federación de Mujeres de Ica

OUR PARTNERS

WOMANKIND works in partnership with women's organisations around the world. All of them are deeply concerned about the impact the economic crisis will have on the already vulnerable women and communities with whom they work. The boxed examples in this briefing are based on their assessments of the changes that are taking place in their countries as a result of the crisis.

corporations and an increasing demand for young women in key sectors of the global economy: they make up between 60 and 90 per cent of workers in fresh produce and in the clothing and retail sectors in developing countries at the labour-intensive stages of the supply chain; they also work in significant numbers in outsourced service sectors such as in call centres and financial services.³

In Latin America and Asia women workers are likely to be the first affected as they are concentrated in export-manufacturing industries. Women in the Caribbean will feel the impact of job cuts in the tourist industry, and their families will be deeply affected given that almost 40% per cent of households in the region are female-headed.⁴

Employment and unemployment

Globally, unemployment is likely to increase quite drastically in 2009 — between 18 and 30 million jobs will be lost, according to the ILO. Depending on the recovery efforts, some 200 million workers, the majority in developing countries, could be pushed into extreme poverty.⁵

Women are likely to bear the brunt of economic hardship — being the first to lose their jobs or being forced to take on more work or work longer hours when male breadwinners lose their jobs. In the UK, jobs are being cut in female-dominated retail and service sectors and women are likely to be targeted by employers wanting to avoid new policies such as flexible working rights and longer maternity leave.⁶ In our globalised world these patterns are likely to be repeated in the other countries as the recession extends to other regions. Unemployment and decreases in consumer spending in the UK will have an impact on workers in developing countries and emerging markets in Eastern Europe.

The impact of job losses on the well-being of men and women will differ — as men have higher-paying jobs, more assets and wealth they are more likely to get benefits and be covered by unemployment insurance. As well as receiving lower wages, women are more likely to work part-time, and are often not covered by social-safety nets. When jobs are scarce, women are fired first, because men are perceived to be the 'legitimate' jobholders. Experiences in the 1997-8 Asian financial crisis confirmed this with women being laid off at seven times the rate of men in the Republic of Korea.⁷

Migration

Almost 100 million women make up nearly half the total global migrant population. The money that migrants send home (remittances) are essential to the economies of many developing countries. According to the World Bank, in 2007 they amounted to almost twice the amount of ODA (Overseas Development Assistance).⁸

According to UNFPA,⁹ women migrants tend to send a larger proportion of their resources home than men, even though they typically receive less pay for equal work. They also tend to focus more of this money on education and food, which can help to lift families and communities out of poverty. So when remittances decrease, so do the resources for family welfare. Migration is not only South-North but also South-South. In the past decade, for example, there has been a visible increase in migration to South Africa from within the region due to the economic crisis and conflict. An estimated 47 per cent of migrants within the region are women, working in commercial agriculture, domestic work, the informal sector in small and medium enterprises, and cross-border trade. Structural-adjustment measures in recent years have resulted in thousands of jobs being lost in the state sector leading to an exodus of skilled women migrants, who had worked in the teaching, health and care sectors.¹⁰

In the current crisis migrant groups will suffer because they tend to be situated in precarious and informal sectors of the economy. Protectionist measures are already being felt in Europe with protests about jobs being given to foreign workers.¹¹ Migrants in Europe are likely to feel the impact of the crisis with consequent, negative effects on remittances to developing countries. A reduction in wages and worse working conditions are also likely. Women migrants in these situations are more vulnerable to exploitation and abuse.

Violence against women

Economic inequalities at the local, national and global level can exacerbate violence against women, on two levels. Individual acts of violence increase, and the economic trends create or exacerbate the enabling conditions for violence.¹²

They can trigger discrimination against women in employment, lessen their access to resources, and increase their independence, capacity to act and take decisions — therefore



WOMANKIND's ICT training gives women and girls an advantage in an insecure work environment.



AFGHANISTAN — EVEN LESS JOB SECURITY

'Women who work in the private sector in Afghanistan have very little or no job security. At the moment, women working in small factories (sewing clothes or making jam and other processing work), are losing their jobs. In both government and non-government organisations, 'restructuring' is affecting women who work in lower-level positions: their jobs are being cut due to a lack of funding.'

Partner: Afghan Women's Resource Centre

increasing vulnerability to violence. Structural adjustment, deregulation and privatisation have tended to reinforce women's economic and social inequality, especially within marginalised communities; and have reduced the capacity of many national governments to promote and ensure women's rights through public-sector programmes and social spending.

Government responses and impact

In the current crisis, lower economic growth is likely to lead to governments reducing public expenditure, especially on social welfare and health care. The division of labour and women and girls' responsibility for domestic chores and childcare means that when services and social provision are cut, they have to take on additional burdens and the work of caring for the sick and the elderly. For girls this is often at the expense of their education.¹³

Women's organisations are concerned at further cuts in funding and the level of aid for their work¹⁴ in the current economic recession. Finance for ongoing programmes with partners has already decreased considerably due to rapid exchange rate changes and the weakness of sterling. This will have an impact on planned activities.

The UK Government has stated that it remains committed to achieving 0.7 per cent of its gross national income for development aid by 2013.¹⁵ Moreover, the UK International Development Committee has warned that levels of development assistance must be maintained in the current financial crisis and emphasises that the Millennium Development Goals to reduce poverty by 2015 will not be achieved unless 'tackling gender inequality is given the necessary political priority and leadership.'¹⁶

But reports of the Davos World Economic Forum highlighted the lack of women decision-makers present (the list of 170 business leaders included only five women) and that the discussions paid scant attention to the devastating impact on women and children or of the ways in which female contributions could help the recovery.¹⁷

Policy responses & women's rights

Feminist economists and women's organisations argue that market-liberalisation policies have failed to deliver in terms of higher growth; they have increased gender inequality. WOMANKIND and other women's organisations are calling for an alternative economic vision, including:



Rape Crisis expects sexual violence to rise as poverty increases.

SOUTH AFRICA

'The effect of unemployment and poverty on women is a big factor in violence against women — we expect the rape rate to increase and the need for our services to grow. We are told that overseas funding will be cut significantly and that our grants will be smaller, so, as an NGO, we ourselves are vulnerable to the global slowdown.'

Partner: Rape Crisis Cape Town

- approaches that enable developing countries to develop their productive capacity that are not so dependent on external trade
- implementing of gender budgets within governments, aid agencies and NGOs, to identify and target funding for gender-equality outcomes
- economic alternatives that take into account women's needs, such as childcare that is paid for by specific, earmarked taxes
- support for local initiatives, such as community currencies and solidarity funds.

The UN Committee on the Status of Women has issued a statement stressing that, in a financial crisis, all States party to the 1979 UN Convention for the Elimination of all Forms of Discrimination against Women (CEDAW) must:

- take a gender perspective in relation to education, health, security and livelihoods;
- comply with their obligations to end all forms of discrimination against women, in spite of the financial crisis;
- guarantee that the funding of programmes for women's empowerment is not eroded;
- include women in the dialogue and decision-making processes around these issues.

UNIFEM suggests that accountability mechanisms must be enhanced at an international level, and policymakers should consult with civil society and include women at all stages of these discussions.¹⁸ The UK Deputy Prime Minister is calling for women workers to be given a voice at the G20 Summit in London on 2 April 2009, and for decisions to be taken to protect women's employment during the economic downturn.¹⁹ Women's networks and organisations are calling for the World Trade Organisation to promote women's economic and labour rights.²⁰

When jobs are scarce, women are fired first — men are perceived to be the 'legitimate' jobholders

Additional recommendations

Support women workers

- Governments in developing countries should direct funding to women farmers. Increasing agricultural productivity would help to raise output and lower food prices, which would also reduce inflationary pressures and the demand for imports.
- Central banks should extend subsidised credit to small-scale agriculture, small- and medium-sized businesses and women's enterprises and co-operatives. The cost to the public budget will be limited as women have a strong track record for loan repayment.

Support for public sector

Governments should:

- target public spending at activities that employ women as this will benefit them and their children — funding should also focus on support for women's well-being.
- allocate funding for social welfare: health, education, child care and social services — this will also generate jobs for women, who are heavily represented in those occupations and will support women's care burden — which will mitigate some of the negative effects of the crisis on poor families.
- in countries with social-safety nets, governments should change the regulations for unemployment benefits to cover the type of work women often do: part-time and casual.

Promote women's equality

The UK Government and other donors must work with developing countries to ensure that:

- women's voices are included in high-level discussions, such as the G20 meeting on 2 April 2009.
- solutions to the current economic crisis include measures to address the impact on the most marginalised women.
- more aid is directed to support women's empowerment and gender equality.
- all governments uphold their commitments to women, as set out in CEDAW, BPFA (The Beijing Platform for Action) and the Millennium Development Goals (MDGs); and that solutions to the economic crisis do not violate their human rights.
- the gender implications of budget cuts are monitored through gender-sensitive budgets.

Carry out further research

- Governments must conduct a systematic gender analysis of the current economic crisis and develop appropriate policy responses. Research should focus on the impact on women and families of unemployment and the increasing informalisation of employment; the impact of the crisis on feminisation of migration and of the cuts in remittances at the household level; reduction in social-welfare support; the impact of cuts in public services on the care economy; social protection for vulnerable groups; and evidence of the links between violence against women and the economy.

Resources

AWID: Where is the Money for Women's Rights?
www.awid.org

Central American Women's Network *The Response of International Aid Agencies to Violence against Women in Central America: the case of Honduras*, November 2008
<http://www.cawn.org/html/publications.htm>

DAC Network on Gender Equality, 'Gender Equality, Women's Empowerment and the Paris Declaration on Aid Effectiveness', Issues Brief 3, July 2008.
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www.gadnetwork.org.uk/pdfs/Jan08/GAD-Network-Report.pdf

Kerr, J. & Sweetman, C. (eds.) (2003) *Women Reinventing Globalisation: Focus on gender*, Oxfam GB, Oxford.
http://publications.oxfam.org.uk/oxfam/display.asp?K=9780855984922&sf1=series&st1=Focus%20on%20Gender&ort=sort_date/d&m=10&dc=40

Levine, Ruth et al. (2008) *Girls Count*, Centre for Global Development.
<http://www.cgdev.org/content/publications/detail/15154>

Mehra R, Rojas, Mary Hill (2008)
'A significant shift: women, food security and agriculture in a global market place', International Centre for Research on Women (ICRW). <http://www.icrw.org/docs/2008/a-significant-shift-women-food%20security-and-agriculture%20FINAL.pdf>

Oxford Policy Management, Working Together Ltd and Social Development Direct (2008) 'Making aid more effective through gender rights and inclusion: evidence from implementing the Paris Declaration'.
http://www.opml.co.uk/policy_areas/aid_policy/effective_aid.html

UNIFEM (2008) 'Making the MDGs work for all: gender-responsive rights-based approaches to the MDGs', New York. http://cedaw-seasia.org/resource_documents.html#makingmdgswork2

UNIFEM (2008) *Progress of the World's Women 2008-2009*, New York. <http://www.unifem.org/progress/2008/>

Useful websites

Southern Voices on the Impact of the Financial Crisis, Institute of Development Studies, November 2008:
<http://www.ids.ac.uk/go/aboutids/news-and-commentary/november-2008-news/southern-voices-on-financial-crisis>
www.economicsofcrisis.com
www.socialwatch.org (Spanish/English)
www.olafinanciera.unam.mx

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Women's networks

Association of Women in Development: www.awid.org
Development Alternatives for a New Era: www.dawnnet.org
International Gender and Trade Network: www.igtn.org
Red latinoamericana de mujeres transformando la economía: www.movimientos.org/REMTE
Women in Development Europe: www.wide-network.org

United Nations

www.un.org/womenwatch
www.unifem.org
www.eclac.org
www.un-ngls.org

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- ^[2] *If Not Now, When?*, Oxfam Briefing Note, November 2008
- ^[3] UNIFEM Progress of the World's Women 2009-2009 p.56
- ^[4] Seguino, S. 'The gender perspective of the financial crisis in developing countries' written statement submitted to UN Commission on the Status of Women, 53rd session, March 2009
- ^[5] ILO press release Geneva 28/1/09: www.ilo.org
- ^[6] Report by Allegra Stratton and Jo Adetunji 'As the recession bites will women bear the brunt of job losses?' *The Guardian* 31/1/09
- ^[7] Seguino, S. 2009, op cit
- ^[8] Oxfam briefing, op cit
- ^[9] UNFPA 2006 State of the World's Population, <http://www.unfpa.org/swp/2006/english/introduction.html>
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- ^[13] *If Not Now, When?*, Oxfam Briefing Note, November 2008
- ^[14] See for example, GAD (2008) and CAWN (2009) reports cited in list of resources
- ^[15] UK confirms commitment to developing countries on health, 5/2/09. www.dfid.gov.uk
- ^[16] IDC Press notice: UK funding must be maintained 19/2/09: www.parliament.uk/indcom
<[file://www.parliament.uk/indcom](http://www.parliament.uk/indcom)>
- ^[17] Ruth Sunderland, *The Observer*, 1/2/09
- ^[18] UNIFEM Progress of the World's Women, Chapter 6
- ^[19] *The Guardian*, 14/2/09 p.21
- ^[20] See for example WIDE, 2009, *Feminist Visions for a Just Europe*



Put MONEY
IN HANDS
OF WOMEN

WOMANKIND Worldwide's vision is of a world where women are equal, secure, respected and proud.

WOMANKIND works together with women's organisations around the world to reduce violence against women, support women to play an active role in society, and support them to fight for their rights.

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