

**53<sup>rd</sup> session of the Commission on the Status of Women**  
**Emerging issues, trends and new approaches to issues affecting the situation of**  
**women or equality between women and men**

**Interactive expert panel: Gender perspectives of the financial crisis**

**Thursday 5 March 2009, 3:00-6:00 pm**

**ISSUES PAPER**

**I. Background**

The issue of financial crisis was addressed in the Beijing Platform for Action, which recognized that widespread economic recession, as well as political instability in some regions, had been responsible for setting back development goals in many countries.<sup>1</sup> The Platform for Action noted that economic recession in many developed and developing countries, as well as ongoing restructuring in countries with economies in transition, had a disproportionately negative impact on women's employment. Women often had no choice but to take employment that lacked long-term job security or involved dangerous working conditions, to work in unprotected home-based production or to be unemployed. Many women entered the labour market in under-remunerated and undervalued jobs, seeking to improve their household income; others decided to migrate for the same purpose. This increased the total burden of work for women.<sup>2</sup> The Platform for Action called on States to provide adequate safety nets and strengthen State-based and community-based support systems, as an integral part of social policy, in order to enable women living in poverty to withstand adverse economic environments and preserve their livelihood, assets and revenues in times of crisis.

was central to achievement of the Millennium Development Goals and to poverty eradication. It further recognized the need for adequate resources to be allocated at all levels, mechanisms and capacities to be strengthened, and gender-responsive policies enhanced to fully utilize the multiplier effect.<sup>6</sup> The Commission called on Governments to incorporate gender perspectives into all economic policy-making and increase participation of women in economic governance structures and processes to ensure policy coherence and adequate resources for gender equality and the empowerment of women.<sup>7</sup>

In the Doha Declaration on Financing for Development, Heads of State and Government and High Representatives expressed deep concern that the international community was challenged by the severe impact on development of multiple, interrelated global crises and challenges, including the global financial crisis, and decided that the United Nations would hold a conference at the highest level on the world financial and economic crisis and its impact on development.<sup>8</sup> This conference provides an opportunity for the Commission on the Status of Women to highlight the gender implications of the financial crisis and ensure that policy responses do not exacerbate gender inequalities and do promote gender equality.

Financial and economic crises not only involve monetary costs but also impact human rights.<sup>9</sup> Economic and social rights are enshrined in Article 22 of the Universal Declaration of Human Rights.<sup>10</sup> A number of international human rights instruments, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the International Covenant on Economic, Social and Cultural Rights, contain provisions promoting economic rights of women.

## **II. Critical issues**

The spread of the credit crisis around the world has led to massive bailouts in the financial sector. Currency and commodity markets became more volatile and the cost of external borrowing increased. Growth in the volume of trade dropped to about two percent in September 2008. Unemployment is expected to increase in 2009.<sup>11</sup> Falling commodity prices, decrease in demand for exports, a possible decline in official development assistance and declines in private capital flows, particularly remittances, will have a negative impact on developing countries.<sup>12</sup> The financial crisis will not only have an impact on financial markets throughout the world, but will also have a serious and more widespread impact on the real economy and on the lives of people, particularly in developing countries, through global economic recession.<sup>13</sup> The crisis is expected to impact all countries —developing and developed. Countries with stronger fundamentals and countries with less integration into the global economy are expected to be affected to a lesser degree.<sup>14</sup>

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<sup>6</sup> Official Records of the Economic and Social Council, 2008, Supplement No. 7 (E/2008/27- E/CN.6/2008/11), chap. I, sect. A, Agreed Conclusions, para. 11

<sup>7</sup> Ibid, para. 21 (f).

<sup>8</sup> The conference will be organized by the President of the General Assembly and the modalities will be defined by March 2009 at the latest.

<sup>9</sup> Balakrishnan, Radhika and Diane Elson (2008). "The U.S. Financial Crisis is a Human

Economic recessions put a disproportionate burden on women, who are concentrated in vulnerable employment, are more likely to be unemployed than men, tend to have lower unemployment and social security benefits,<sup>15</sup> and have unequal access and control over economic and financial resources. Women also take on additional responsibilities to provide non-market substitutes for market goods that their families are no longer able to afford.<sup>16</sup>

The review of the implementation of the Beijing Platform for Action in 2000 indicated that the economic and financial crises in Latin America, South Asia and Eastern Europe in the 1990s hit the most vulnerable social groups hardest, and women in particular faced bigger burdens of unpaid work.<sup>17</sup> Member States cited social problems resulting from economic crises and structural adjustment policies, including the elimination of protective tariffs and cuts in government spending on social services, as obstacles to full implementation of the Beijing Platform for Action. Women were especially affected by the resulting loss of jobs in the State sector.<sup>18</sup>

During the Asian financial crisis in 1998, for example, women were found to be disproportionately affected in the labour market. While both men and women were laid off, women were let go first as men were traditionally considered “breadwinners”.<sup>19</sup> Women in the informal sector, including agricultural labourers, homeworkers, traditional artisans, weavers and vendors, were the most affected, as the demand for the informal sector’s output decreased substantially.<sup>20</sup>

The manner in which countries use monetary and fiscal policies to respond to recessions can also lead to disproportionate impacts on women and girls. Cuts in public spending in the areas of health and education, for example, can reduce women’s and girls’ access to basic services. Girls may be withdrawn from schools to help with household work during times of economic crisis, reinforcing gender gaps in education.<sup>21</sup> These coping strategies can undermine the long-term development for the society as a whole.<sup>22</sup> Increasing unemployment and decreasing household incomes increases unpaid work, including caregiving, mostly done by women and girls,<sup>23</sup> and may force women to turn to vulnerable and informal employment.<sup>24</sup>

Policy responses to the Asian financial crisis have been criticized for imposing cuts in public spending and promoting further market liberalization.<sup>25</sup> “Deflationary bias” in macroeconomic

growth of decent employment—can put women in a disadvantaged position.<sup>26</sup> Policy responses should avoid this “deflationary bias” and focus on gender-sensitive employment creation, public investment in care services that reduces women’s unpaid domestic and care work, and policies that promote equal sharing of responsibilities between women and men.<sup>27</sup> Short-term policy responses can have longer-term implications for development,<sup>28</sup> in particular through their impact on human capital. It is crucial to ensure that policy responses take into account the differential priorities and needs of women and girls and do not undermine the policies and plans that promote gender equality and women’s empowerment. In the context of the financial crisis, gender-responsive budgets are increasingly important for ensuring adequate resources for gender equality and women’s empowerment.

Women need to participate fully in the decision-making processes in order to ensure attention to gender perspectives in policy responses to the financial crisis. There has been limited progress in increasing women’s access to financial and economic decision-making. For example, women have less than 5 per cent overall representation in the control of the European financial system. All the governors of the central banks of European Union Member States are men, while only 17 per cent women are included in the key decision-making bodies of these organizations. Similarly, only one of the six members of the executive board of the governing council of the European Central Bank is a woman.<sup>29</sup>

### **III. Format of the interactive expert panel**

Experts will make introductory presentations of 7-10 minutes. Member States, United Nations system entities and non-governmental organizations will be encouraged to share specific challenges, as well as innovative approaches and experiences, in relation to gender perspectives of financial crises and/or respond to the panellists’ presentations. Interventions from the floor will be limited to 3 minutes. A Chairperson’s summary will be prepared.

### **IV. Issues for consideration in the interactive dialogue**

The following questions serve as a non-exhaustive discussion guide:

What impact has the current financial crisis already had on women and girls?

What needs to be done to ensure that gender perspectives are incorporated in policy responses to the crisis? What lessons can be learned from the past economic crises?

How can gender-responsive budgets be systematically used to ensure adequate resources for gender equality and women’s empowerment in the context of the financial crisis? Can gender-responsive budget processes be used effectively to assess the impact of financial crises on women and girls?

What role can Governments, international organizations, and civil society, including the private sector, play to ensure that financial and economic crises do not have a disproportionate negative impact on women?

What types of policies are needed to reduce the increased burden of unpaid care work on women in times of crises?

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<sup>26</sup> Elson, Diane (2007). “Macroeconomic Policy, Employment, Unemployment, and Gender Equality”, Chapter 5 in Ocampo, J. A. and Jomo K.S. (eds) “Towards Full and Decent Employment”, 2007, New York.

<sup>27</sup> Elson, Diane (2007). “Macroeconomic Policy, Employment, Unemployment, and Gender Equality”, Chapter 5 in Ocampo, J. A. and Jomo K.S. (eds) “Towards Full and Decent Employment”, 2007, New York.

<sup>28</sup> World Bank (2008). “Lessons from World Bank Research on Financial Crises”. Development Research Group, p. 24.

<sup>29</sup> [http://ec.europa.eu/employment\\_social/women\\_men\\_stats/index\\_en.htm](http://ec.europa.eu/employment_social/women_men_stats/index_en.htm) (accessed on 13 January 2009).