



The Current Economic Crisis: visible and *invisible* gender dimensions (a developing country perspective)

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For many people, in many countries this crisis comes to sit on top of another crises

- **poverty:** multi-dimensional and use of TIME
- **work:** quantity-quality of employment *and unpaid work*
- **income inequality:** between, within countries
- **diminishing space for livelihoods:**
environmental and land use rights

Gender dimension of the crisis

CAUSES & IMPACTS, OUTCOMES

- (1) MACROECONOMIC concerns
- (2) INSTITUTIONAL arrangements
- (3) MICRO-LEVEL location of men and women and
 - Fiscal space in times of crises counter-cyclical policies?
 - Policy space: fiscal, monetary, exchange rate
 - Unpaid work and Government retrenchment
 - Food security/sovereignty and Agricultural policy
 - Employment and work opportunities

Gender paths of transmission of the crisis

- Paid work in export sectors: textiles, consignment, agriculture and tourism
- Informal work and vulnerable workers
- Micro credit and Micro-finance institutions
- Unpaid work and invisible vulnerabilities
- Food security and women in agriculture
- Remittances and migration

The role of Markets revisited

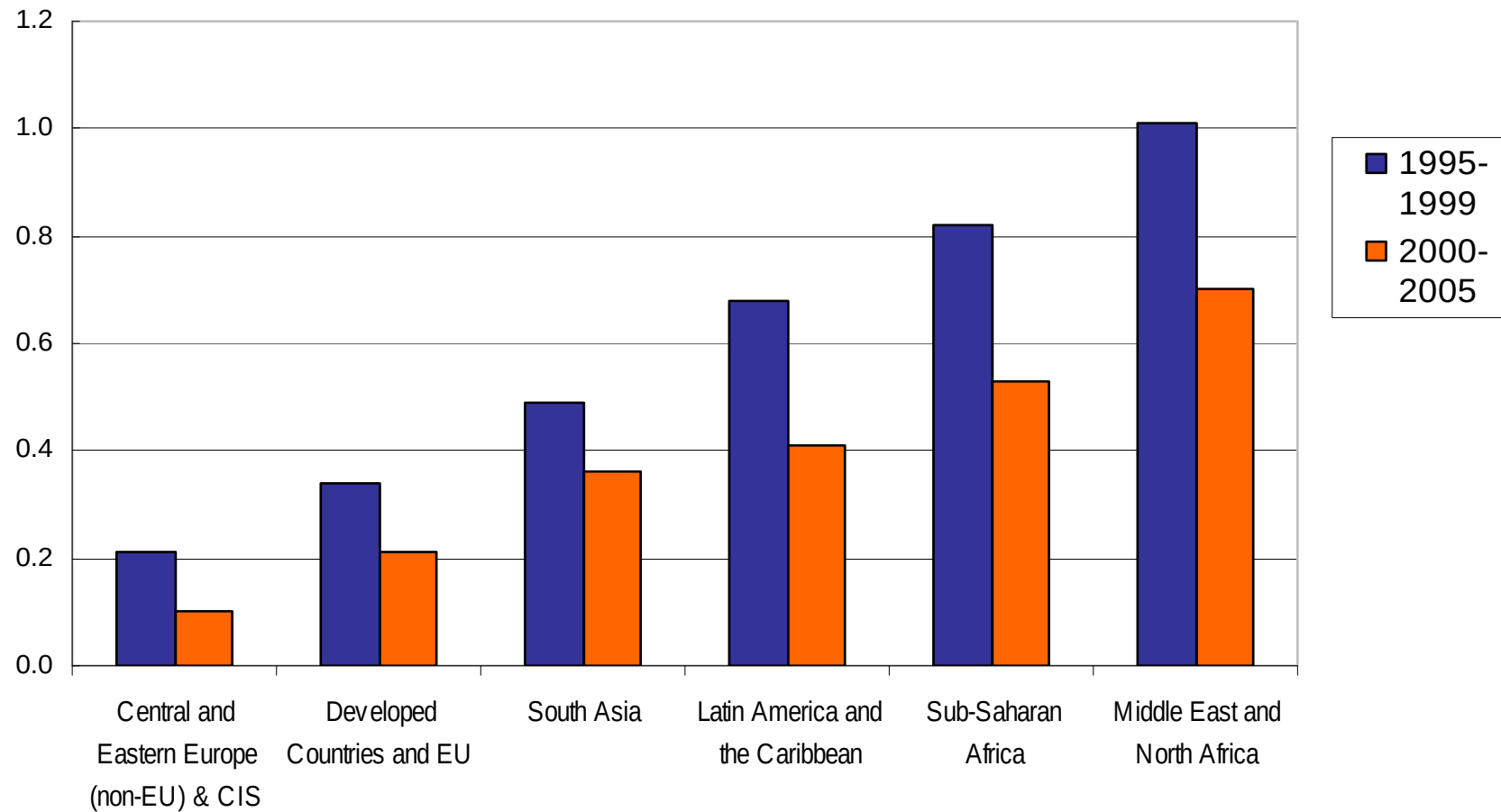
- *Challenge:* International market dynamics lead to the **crisis** of rising food prices....
- *Challenge:* Sub-prime mortgage **crisis** leads to turmoil in financial markets...
- *Challenge:* demand is **insufficient** to provide jobs and hire those who need and wish to work;

The role of Government revisited

Economic and Social outcomes of *Laissez faire*, and small government prove uneven and often times disappointing

- **In production markets it can increase food security** price subsidies of staple foods, stockpiling, Malawi's subsidies of fertilizers, South Africa rethinking land policy
- **In financial markets it can ameliorate instability and fragility** bailout? Not stronger, different rules and regulations are needed
- **To address unemployment it can introduce an active labor market policy: ELR**

Changes in employment to output growth ratio



Decelerating Growth

Albania
 Argentina
 Armenia
 Azerbaijan, Rep. of
 Belarus
 Bosnia & Herz.
 Bulgaria
 Brazil
 Chile
 China, P.R. Mainland
 Colombia
 Costa Rica
 Croatia
 Dominican Republic
 Ecuador
 El Salvador
 Egypt
 Gabon
 Georgia
 Guatemala
 Honduras
 Hungary
 Iran
 Jamaica
 Jordan
 Kazakhstan
 Kenya
 Latvia
 Libya
 Lithuania
 Macedonia
 Malaysia
 Mexico
 Moldova
 Nicaragua
 Panama
 Paraguay
 Poland
 Romania
 Russia
 Senegal
 Slovak Rep.
 Sri Lanka
 Thailand
 Trinidad &
 Tobago
 Tunisia
 Turkey
 Ukraine
 Uruguay
 Venezuela

High Exposure

Afghanistan
 Angola
 Bangladesh
 Bhutan
 Botswana
 Burkina Faso
 Cambodia
 Central Afr. Rep.
 Chad
 Comoros
 Congo, DR
 Ethiopia
 Eq. Guinea
 Gambia, The
 Ghana
 Haiti
 India
 Indonesia
 Lao, PDR
 Lesotho
 Mali
 Mauritania
 Myanmar
 Mongolia
 Mozambique
 Namibia
 Niger
 Nigeria
 Pakistan
 Philippines
 Rwanda
 Sierra Leone
 South Africa
 Sudan
 Swaziland
 Tanzania
 Tajikistan
 Timor Leste
 Togo
 Turkmenistan
 Uzbekistan
 Vietnam
 Zambia

High Poverty

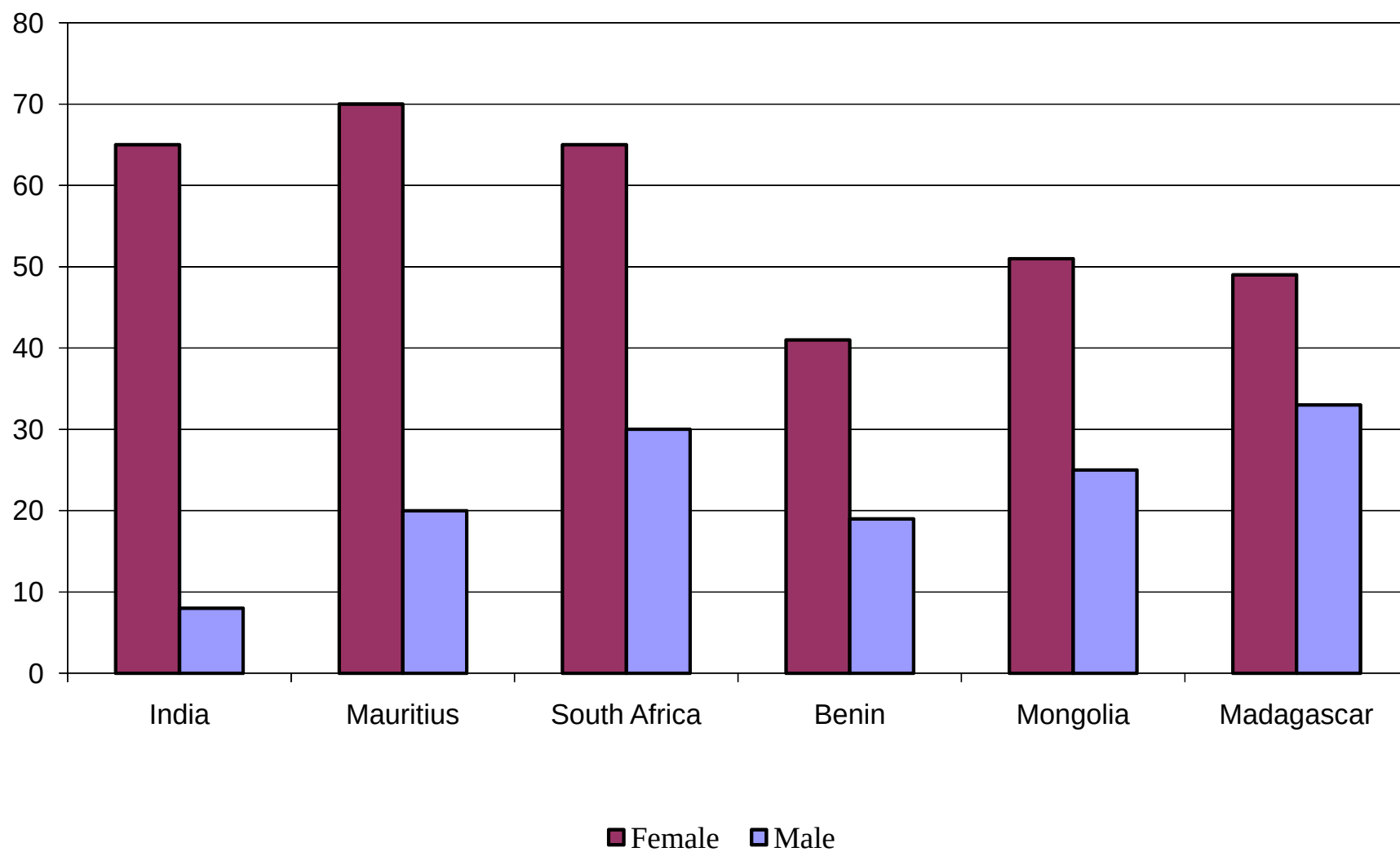
Benin
 Burundi
 Cameroon
 Congo, Rep.
 Guinea
 Guinea-Bissau
 Ivory Coast
 Kyrgyz Rep.
 Liberia
 Madagascar
 Malawi
 Nepal
 Papua New Guinea
 Uganda

Source: Sources: Growth estimates: WEO
 January 2009 forecast and Bank staff estimates.
 Poverty: 2008 WDI estimates for 2005.

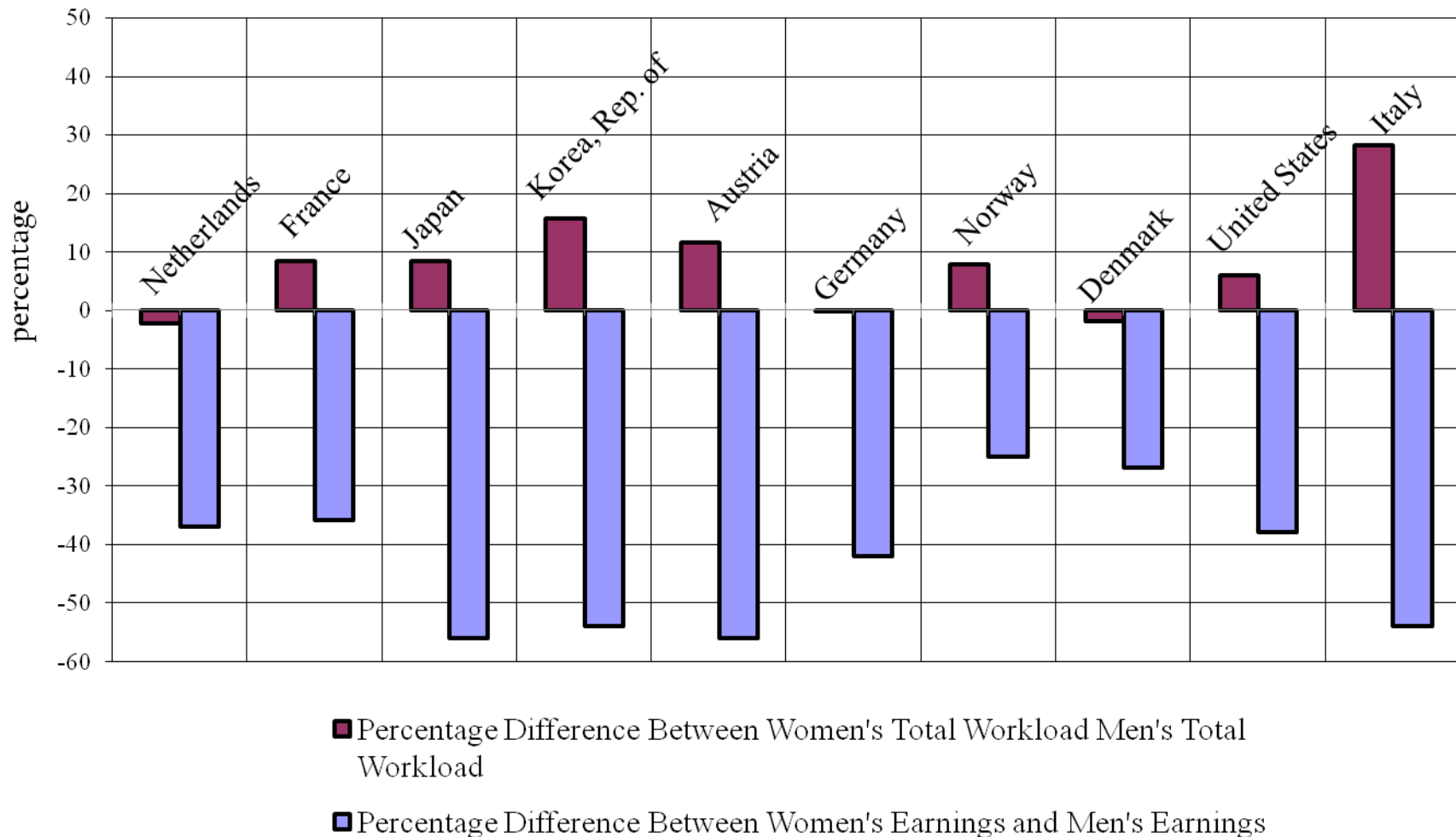
**External Indicators of Developing and Transition Economies
with Population Over 5 Million
2003 to 2007**

	<u>Number of Countries</u>	Current Account Balance	External Debt			Foreign Exchange Reserves, excl. gold		
		% improvement	% of GDP 2003	% of GDP 2006	% with improvement	% of GDP 2003	% of GDP 2007	% with improvement
Africa	31	45%	89.7	43.0	97%	12.8	18.1	78%
Central and Eastern Europe	8	38%	55.4	57.3	57%	21.0	23.2	63%
CIS	8	25%	56.1	44.5	88%	12.9	21.3	100%
Latin America and the Caribbean	16	38%	63.7	37.6	100%	11.7	14.8	69%
Middle East, incl. Egypt	7	43%	54.0	28.6	100%	41.1	50.1	40%

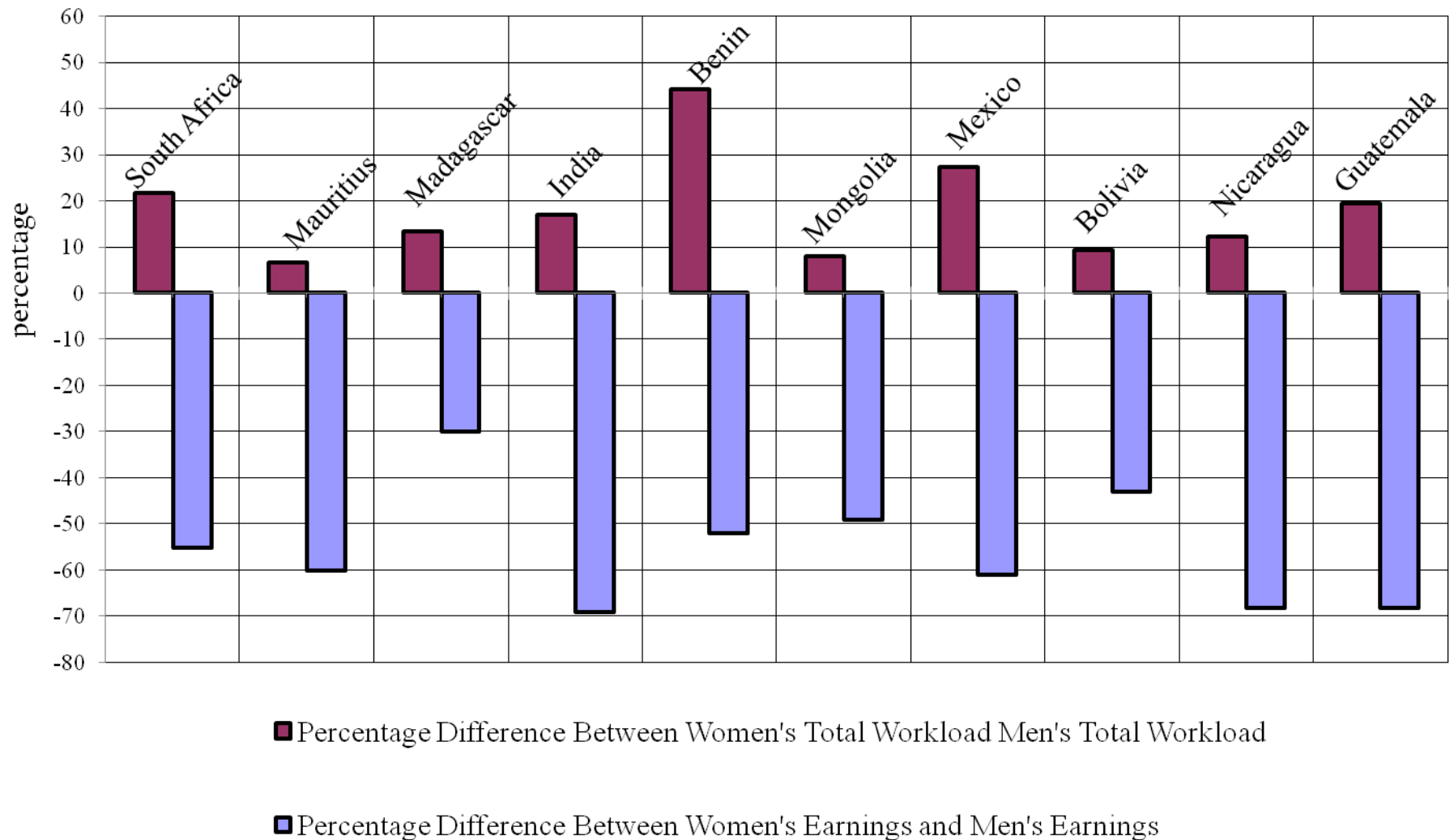
Time Spent on Nonmarket Activities (Selected Developing Economies)



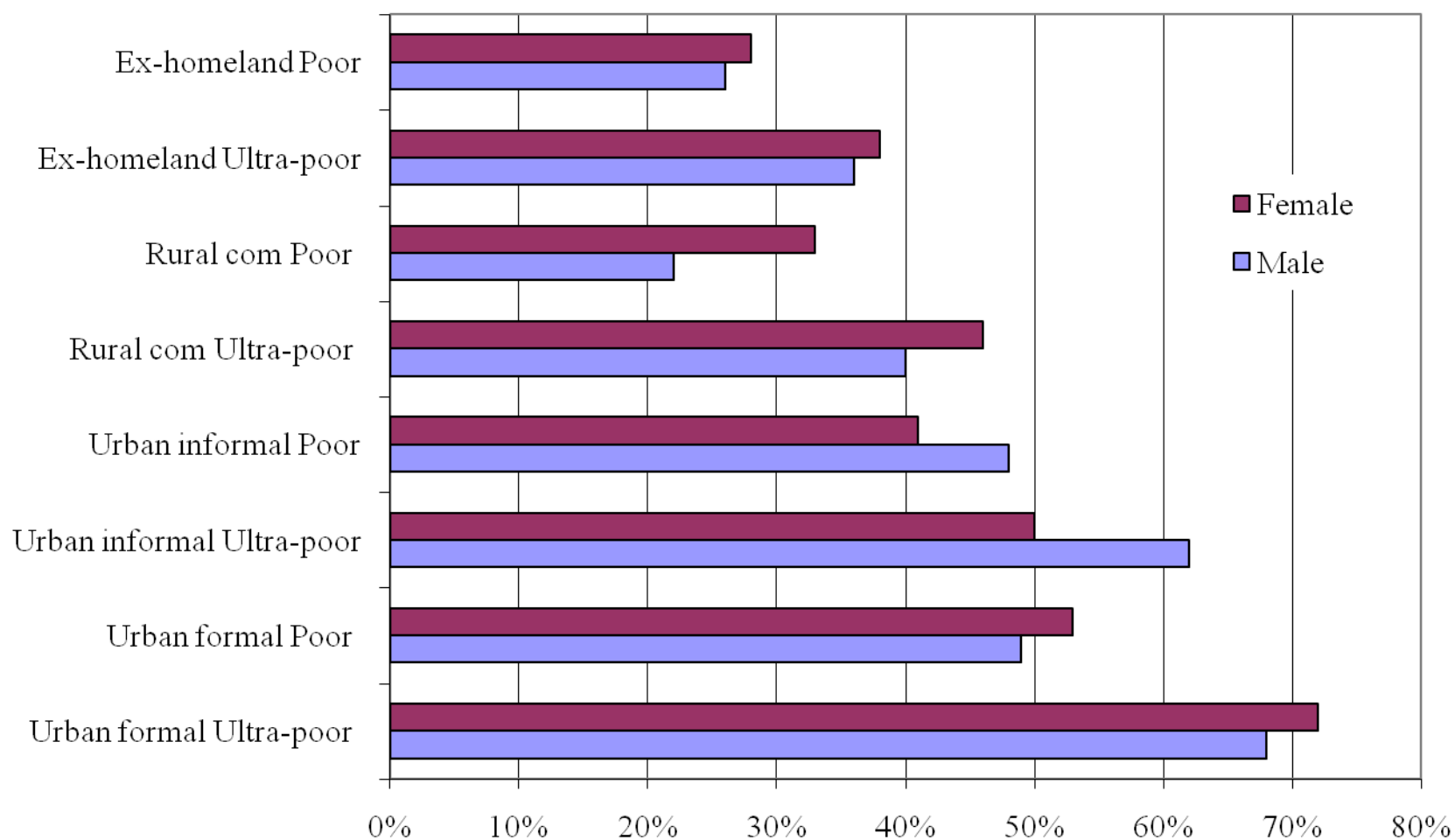
Total Workload – Earnings Gap: Selected OECD Countries



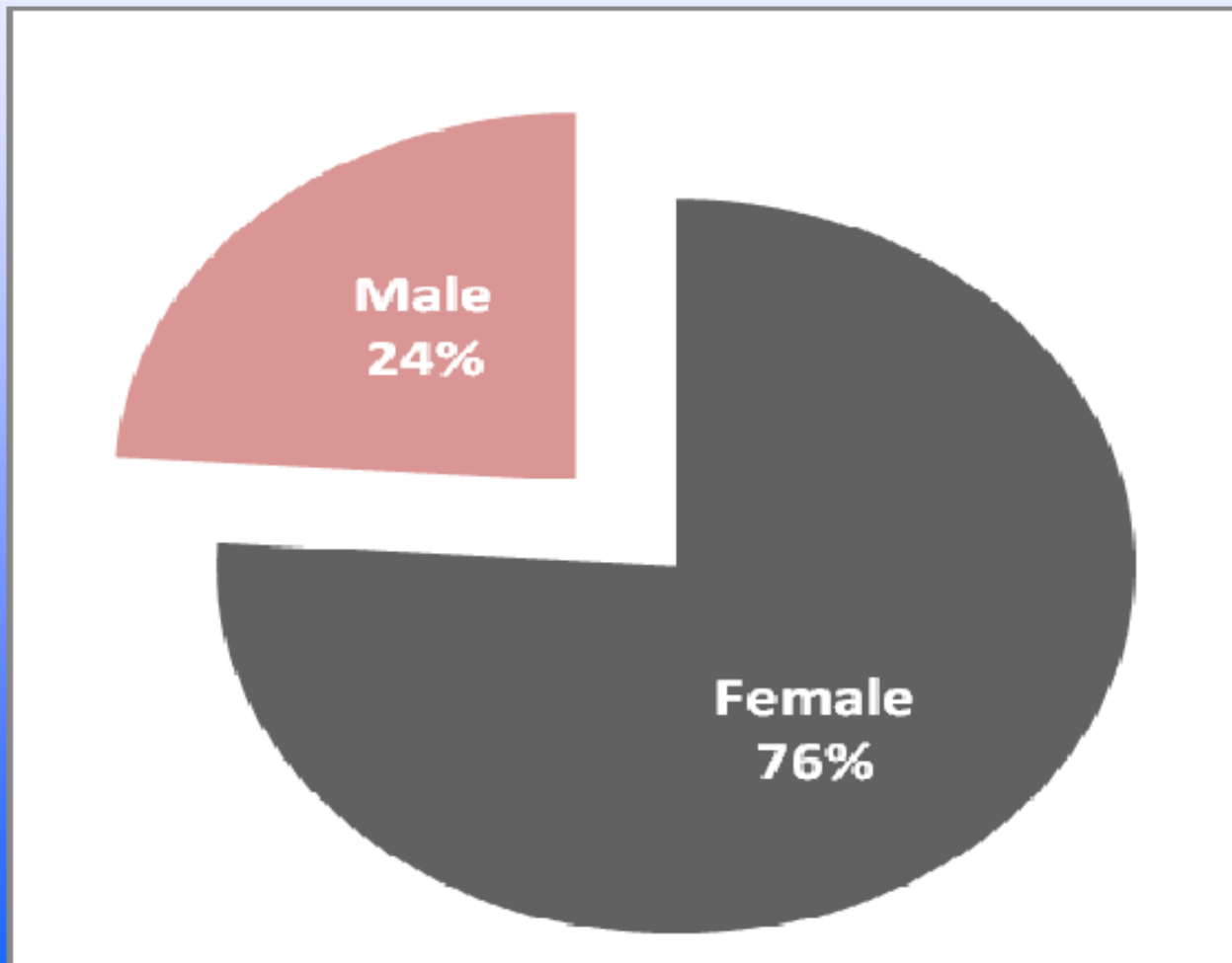
Total Workload – Earnings Gap: Selected Developing Countries



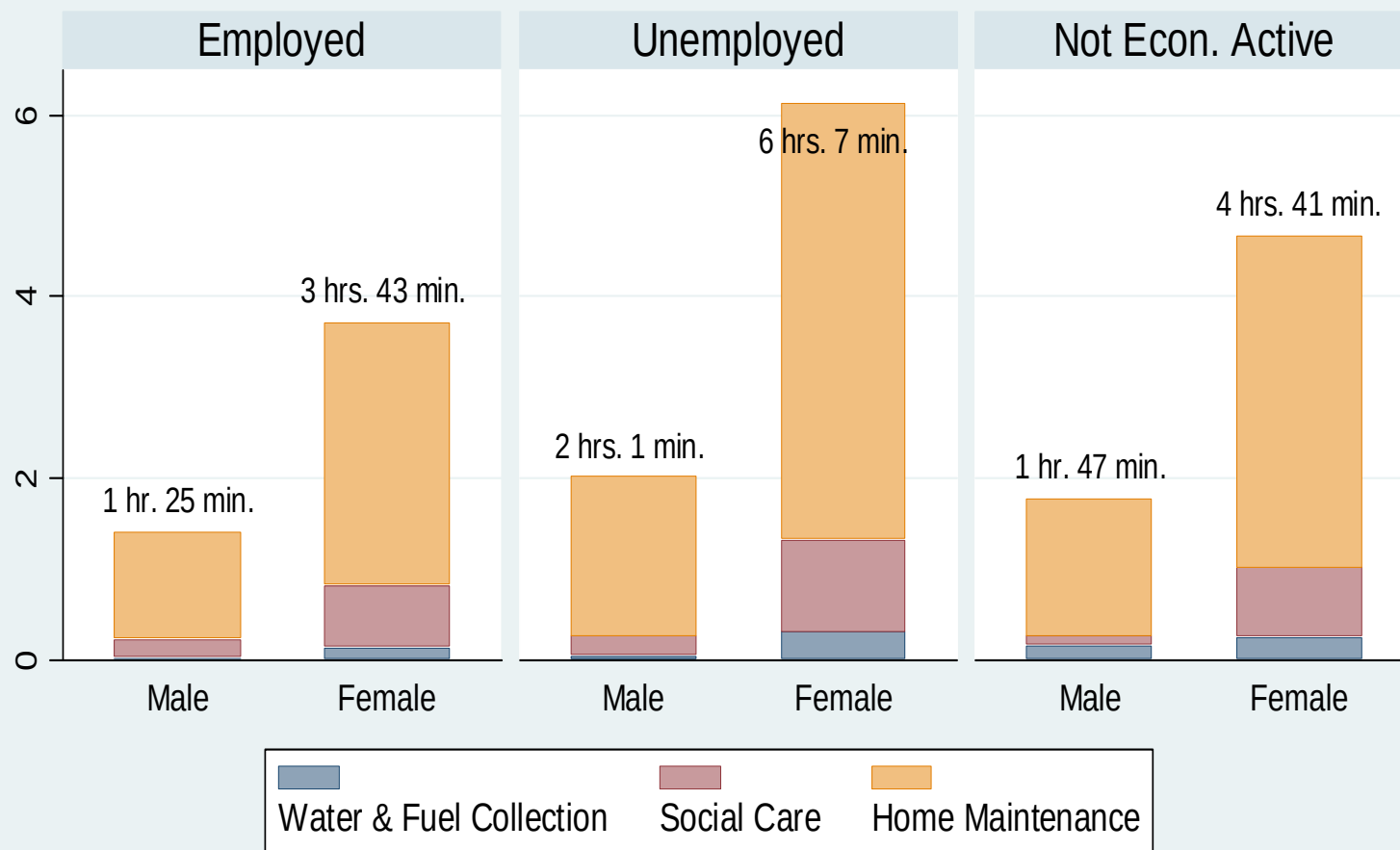
Unemployment Rate - African, poor/ultra-poor (strict definition)



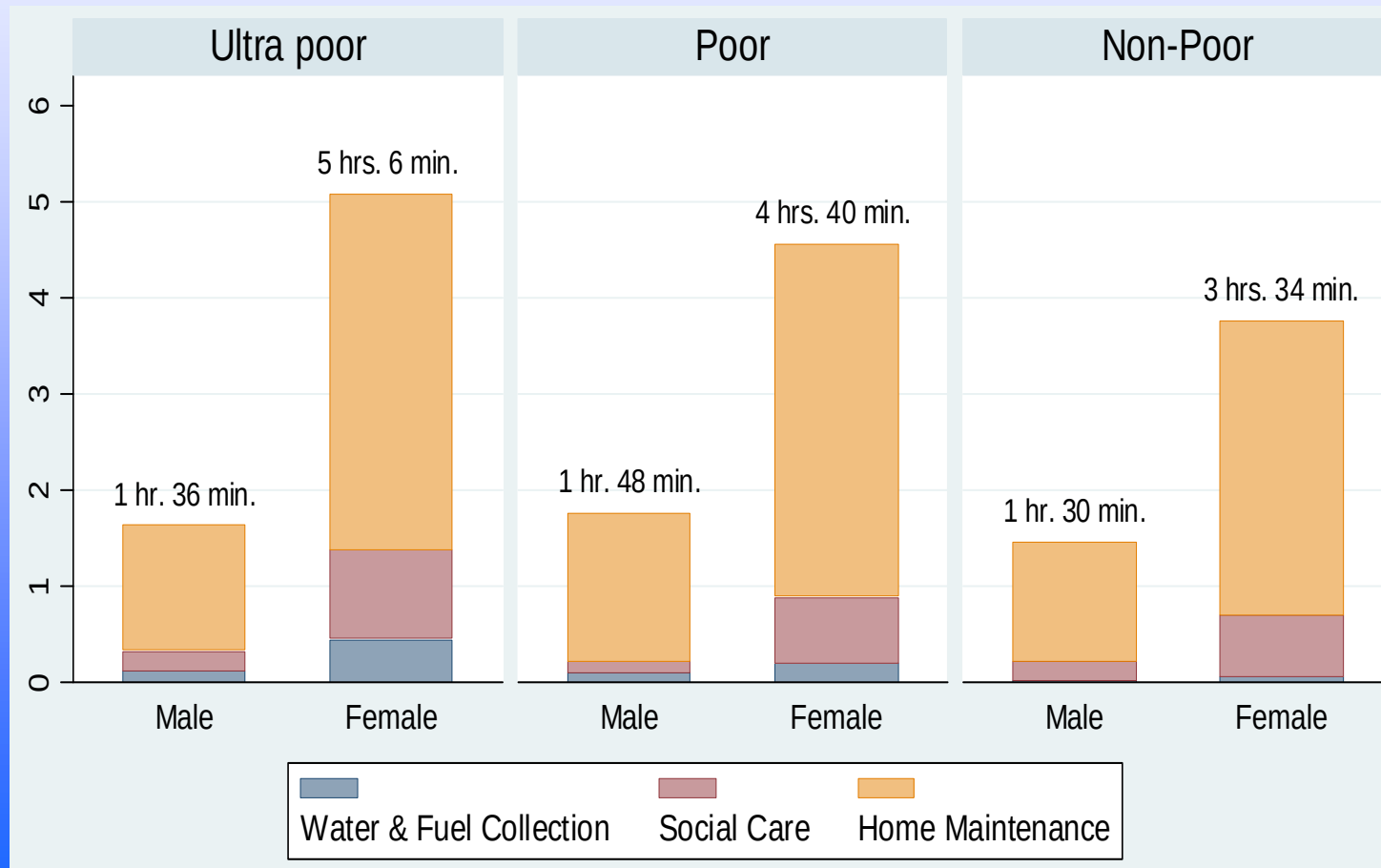
Time Spent on Unpaid Work -SA



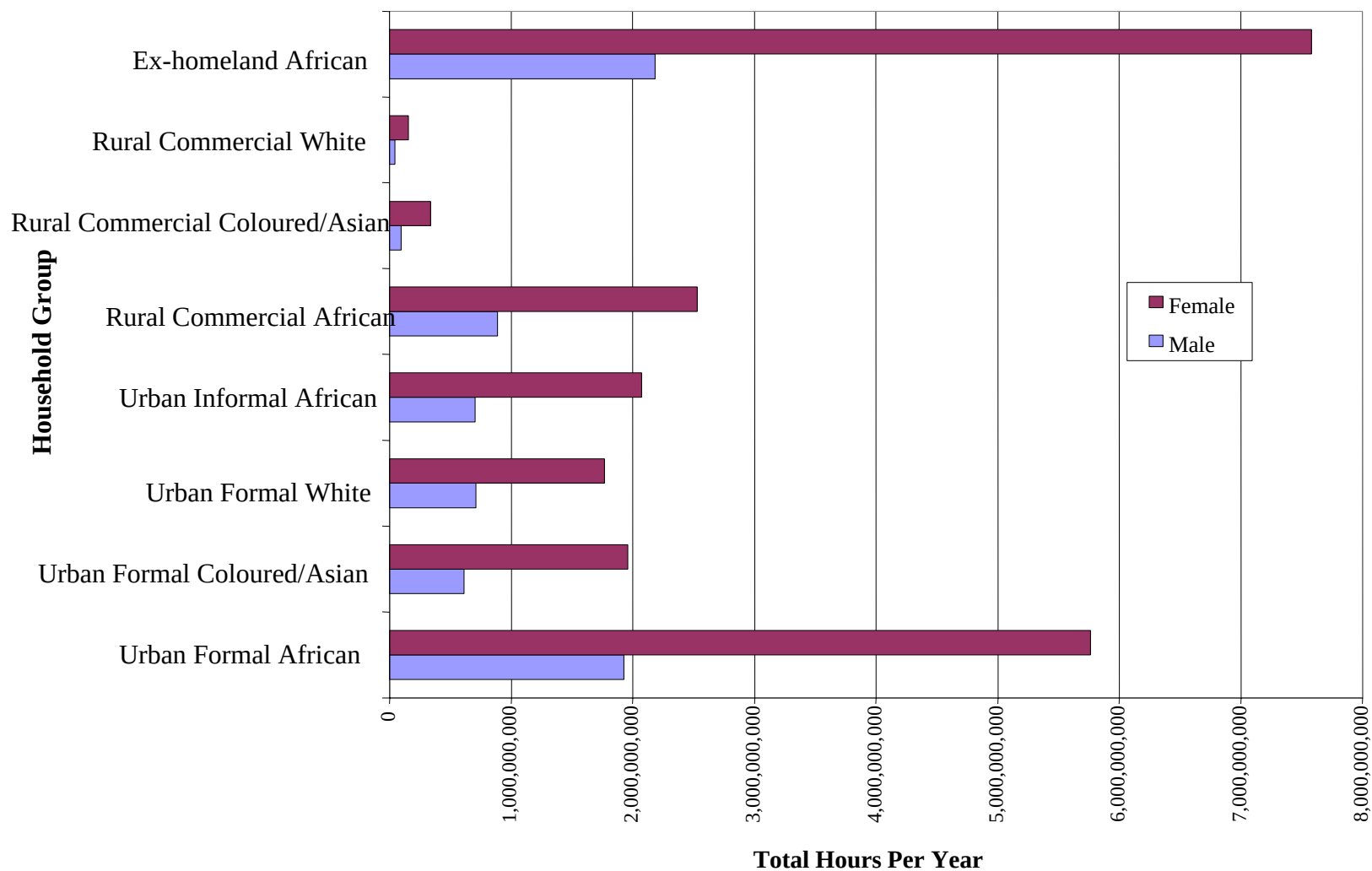
Time spent on unpaid work SA by status of Employment



Unpaid work in South Africa by Poverty Status



Total Hours Spent on Unpaid Work per Year by **Household Type** and Gender



Why an EGS,ELR,PWP?

The right to work promotes

- Dignity, inclusion and expanded democracy
(rights based approach to economics and to life)
- Direct and indirect income creation
- Direct and indirect job creation
- Public and Private Asset creation
- **RESOURCE MOBILIZATION??? LABOUR!!!!**
- **But community promoting work!!!
that also reduces unpaid work**

Why an EGS,ELR,PWP?

Macroeconomic target:

Fiscal stance? Level of government spending to achieve what??? Efficiency of Gov. investment?

- *Pro-poor* growth , community development
- *Change our mentality about growth* as the single developmental objective and replace it with

pro-poor growth

job/work security

social inclusion and improvement in standard of living of people

Typology of Direct Job Creation Government Programs

- **Emergency Programmes:**Indonesia, Korea, Argentina post 2001 financial crisis, USA (New Deal)
- **Social Funds:**Bolivia (1986), Chile (1975-1987), Peru (1991)
- **ILO Employment Intensive Infrastructure**(since 70's in many African countries)
- **The Right to Food,the Right to Work:**NREGA since 2006
- **Recognition of Unemployment during prosperity:** South Africa since 2005, Sweden and Australia (1940's-70's)

Employment Guarantee Programs

- What kinds of jobs? What types of “projects”?
Who is eligible? For how long?
- What is the “cost” of such projects and what are the “benefits”? Financing? Are they inflationary?
- Institutional arrangements? Technical expertise?
Fiscal and monetary policy consistency?

Employment Guarantee Programs

- **Expanded Public Works Programmes**
[infrastructure, social sector, environment, economic]

SOUTH AFRICA

- **National Rural Employment Guarantee Act**
[Right to Information Act- Ongoing Social Audits]

INDIA

NREGA

Types of Community Projects

Rural roads and access roads

Rural land development

Flood control works

Water conservation and water harvesting

Irrigation facilities to land owned by poor people and to beneficiaries of land reforms

Reactivation of traditional water harvesting and distribution systems

Background on the Study

- **Research project** on micro-macro impact of scaling up public job creation
- **South Africa Study:** Kijong Kim (Levy Institute), EPWP interviews , Irwin Friedman (Health Trust Fund) and PROVIDE team (Dept. of Agriculture),
- **Type of Intervention** : scaling up Early Childhood Development and Home/Community Based Care
- **The right to work , the right types of projects?**
unpaid work and gender issues

The SAM for South Africa

- Based on PROVIDE, Dept. of Agriculture
- Factors disaggregated by skill and gender
- 26 sectors
- 20 types of hhs
- 7 exogenous sectors

1 FGOS
2 FMaleUS
3 FMaleSk
4 FFemUS
5 FFemSk

1 HUF_Af1_3
2 HUF_Af4
3 HUF_Af5
4 HUF_Co1_3
5 HUF_Co4
6 HUF_Co5
7 HUF_Wh
8 HUI_Af1_3
9 HUI_Af4
10 HUI_Af5
11 HRF_Af1_3
12 HRF_Af4
13 HRF_Af5
14 HRF_Co1_3
15 HRF_Co4
16 HRF_Co5
17 HRF_Wh
18 HRI_Af1_3
19 HRI_Af4
20 HRI_Af5

E 53 1 SALTAX
X 54 2 IND TAX
O 55 3 DIRTAX
G 56 4 GOVT
57 5 KAP
58 6 DSTOC
59 7 ROW

A 27 1 Cagric
C 28 2 Cmining
T 29 3 Cfood
I 30 4 Ctext
V 31 5 Cpaper
I 32 6 Cpetro
T 33 7 Cnonmet
I 34 8 Cmetals
E 35 9 Cmachin
S 36 10 Ccomeq
37 11 Ctrnseq
38 12 Comanuf
39 13 Celec
40 14 Cwater
41 15 Cbuild
42 16 Cconstr
43 17 Ctradacc
44 18 Ctrnscom
45 19 Cfin serv
46 20 Cbusserv
47 21 Ceduc
48 22 Cogovserv
49 23 Chealth
50 24 Csocial
51 25 Coserv
52 26 Cdomserv

Types of Households

1 HUF_Af1_3	Urban Formal African Non-Poor
2 HUF_Af4	Urban Formal African Poor
3 HUF_Af5	Urban Formal African Ultra Poor
4 HUF_Co1_3	Urban Formal Colored Non-Poor
5 HUF_Co4	Urban Formal Colored Poor
6 HUF_Co5	Urban Formal Colored Ultra Poor
7 HUF_Wh	Urban Formal White Non-Poor
8 HUI_Af1_3	Urban Informal African Non-Poor
9 HUI_Af4	Urban Informal African Poor
10 HUI_Af5	Urban Informal African Ultra Poor
11 HRF_Af1_3	Rural Commercial African Non-Poor
12 HRF_Af4	Rural Commercial African Poor
13 HRF_Af5	Rural Commercial African Ultra Poor
14 HRF_Co1_3	Rural Commercial Colored Non-Poor
15 HRF_Co4	Rural Commercial Colored Poor
16 HRF_Co5	Rural Commercial Colored Ultra Poor
17 HRF_Wh	Rural Commercial White Non-Poor
18 HRI_Af1_3	Ex-homeland African Non-Poor
19 HRI_Af4	Ex-homeland African Poor
20 HRI_Af5	Ex-homeland African Ultra Poor

EPWP

Types of Community Projects

Road construction and maintenance

Water delivery

Ecological latrines

Early childhood development (unpaid work)

Home and community based care (unpaid work)

Environmental water conservation

Prevention of fires

Policy Simulations

- **All Existing Types of Projects** have the potential to reduce unpaid work and facilitate creation and access to basic services
 - EPWP Working for Water; environment sector (*Tsitsikamma 2004/05*)
 - EPWP Social Sector** (*Health Trust Fund*)
 - EPWP Infrastructure; Access roads and Water Reticulation (*SCIP Engineering Group*)
- **Options for Job allocation scheme**
 - Jefes variation by population weights (part time year around)
 - NREGA scheme (100 days)
 - Poverty weights-normalized by population
 - Unemployment weights normalized by poverty incidence
- **Target population**
 - Poor and ultra poor households comprising (50% of the unemployed); “unskilled” wages according to programme stipulations and skilled according to SAM

Impact of EPWP Injection

ex-ante evaluation of policy scenarios

- Direct and indirect job creation (skill level/gender/sector)
- Direct and indirect income received by type of hh
- Depth of poverty reduction
- GDP growth? Pro-poor growth? Sectoral growth?
- Fiscal space expansion?
- *Impact of new assets and service delivery for participants and community*

EPWP: Social Sector

- Social Sector consists of ECD/Education and HCBC/Health
- High female intensity (60 and 69% respectively)
→ addresses female unemployment in the short run and builds skills in the long-term
- *Data source:* Friedman, Irwin, Bhengu, L., Mothibe, N., Reynolds, N., and Mafuleka, A., (2007) *Scaling up the EPWP*, Health Systems Trust, November, Volume 1-4. Study commissioned by Development Bank of South Africa and EPWP.

Simulation Results

9 billion Rand, full time-year around jobs

- Direct job creation (1,2million)
- Indirect job creation: for every 3 EPWP, another one in the economy is created
- GDP (+1.7%), tax expansion (1/3 recovered)
- Poverty reduction: pro-poor growth!

Costs and Benefits

- Social inclusion
- Income-Poverty reduction? This depends on the length and duration of jobs, wages and targeting method
- Asset poverty reduction!!!
- Service delivery!!!
- Gender equality in unpaid and paid work
- Pro-poor development
- Monetary cost: 1% of GDP?3% of GDP?
- Opportunity cost of not mobilizing domestic resources?

Thank you

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for full
employment**



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joining forces with all who foster public dialogue and seek to promote employment guarantee around the world. Together, we can provide coherent, viable policy alternatives that lead to inclusive and just outcomes for all...

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Brazil



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Costa Rica



Djibouti



Argentina



Georgia



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Iran



United States



Belgium



Tunisia



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