



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

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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

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 and within countries
- **diminishing space for livelihoods:** climate change, environmental impact & land use

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
- SOCIAL POLICY SPACE???
- Unpaid work and Government retrenchment
- Food sovereignty and Agricultural policy
- Employment and work opportunities

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, 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**

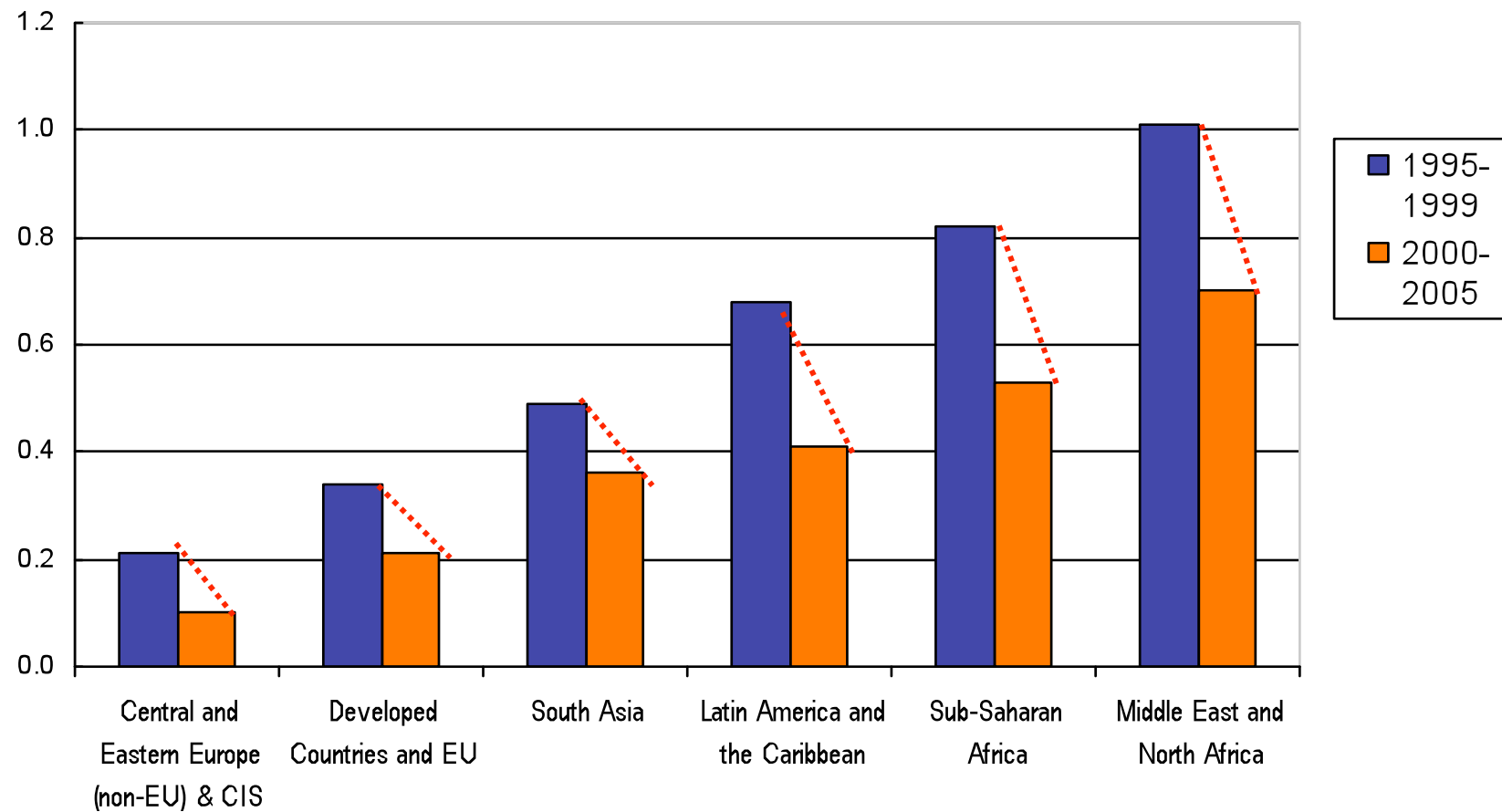
Jomo showed two slides on growth and employment recovery that point out the same issue highlighted by Lee and Rhee (1999):

“cross-country analysis for all countries under IMF financial assistance plans over the period of 1973 to 1994, found that employment recovery followed a much slower path than other macroeconomic indicators.”

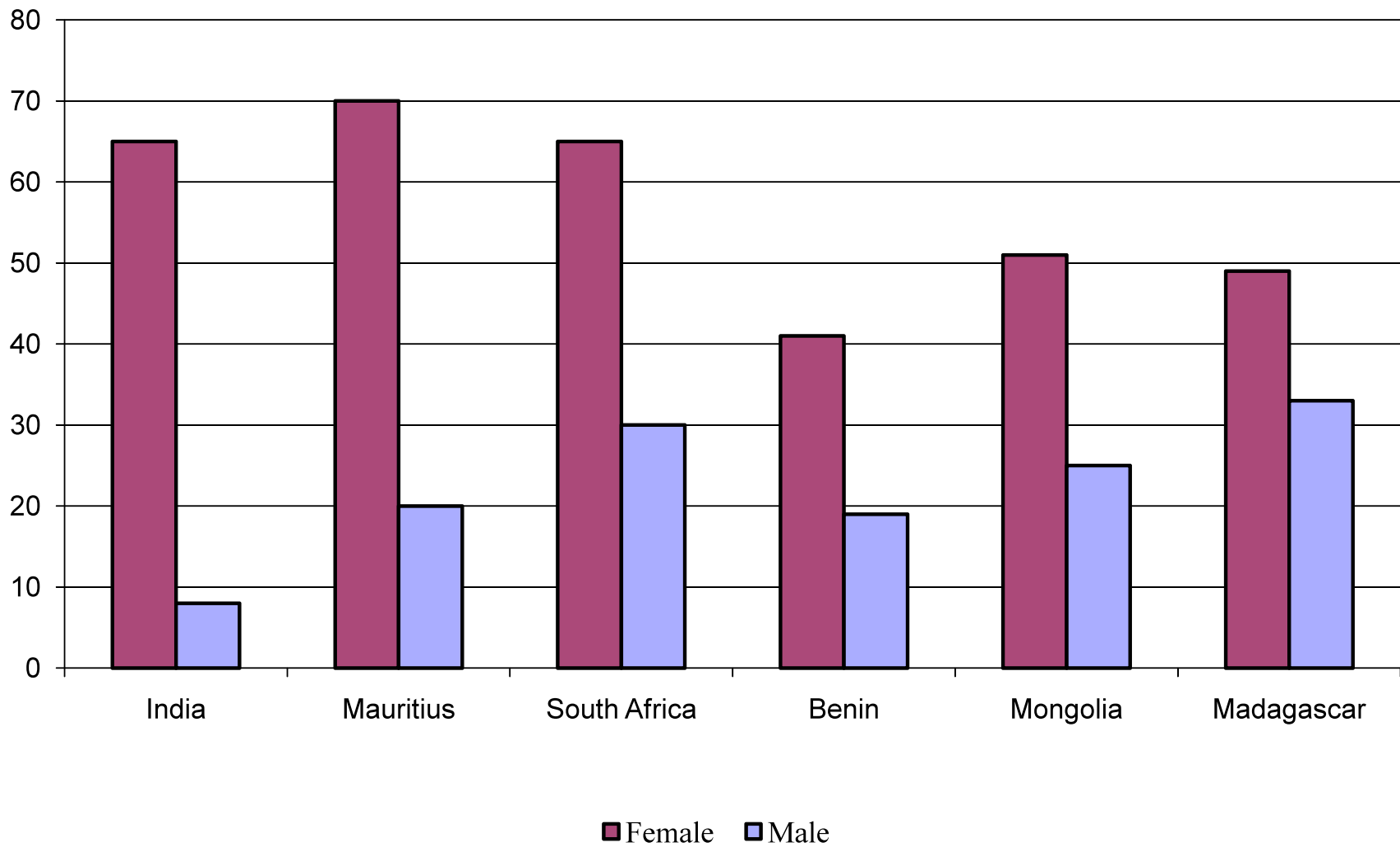
What do we know from past experiences?

- The Asian financial crisis shows that the massive unemployment impacts (doubled rates within a year of the crisis) persisted even after recovery (LABORSTA, ILO) ILO
- **Indonesia** has never recovered to the pre-crisis level, while **Thailand** and the **Philippines** have taken nearly a decade to decrease unemployment rates to the pre-crisis levels (Buvinic 2009).

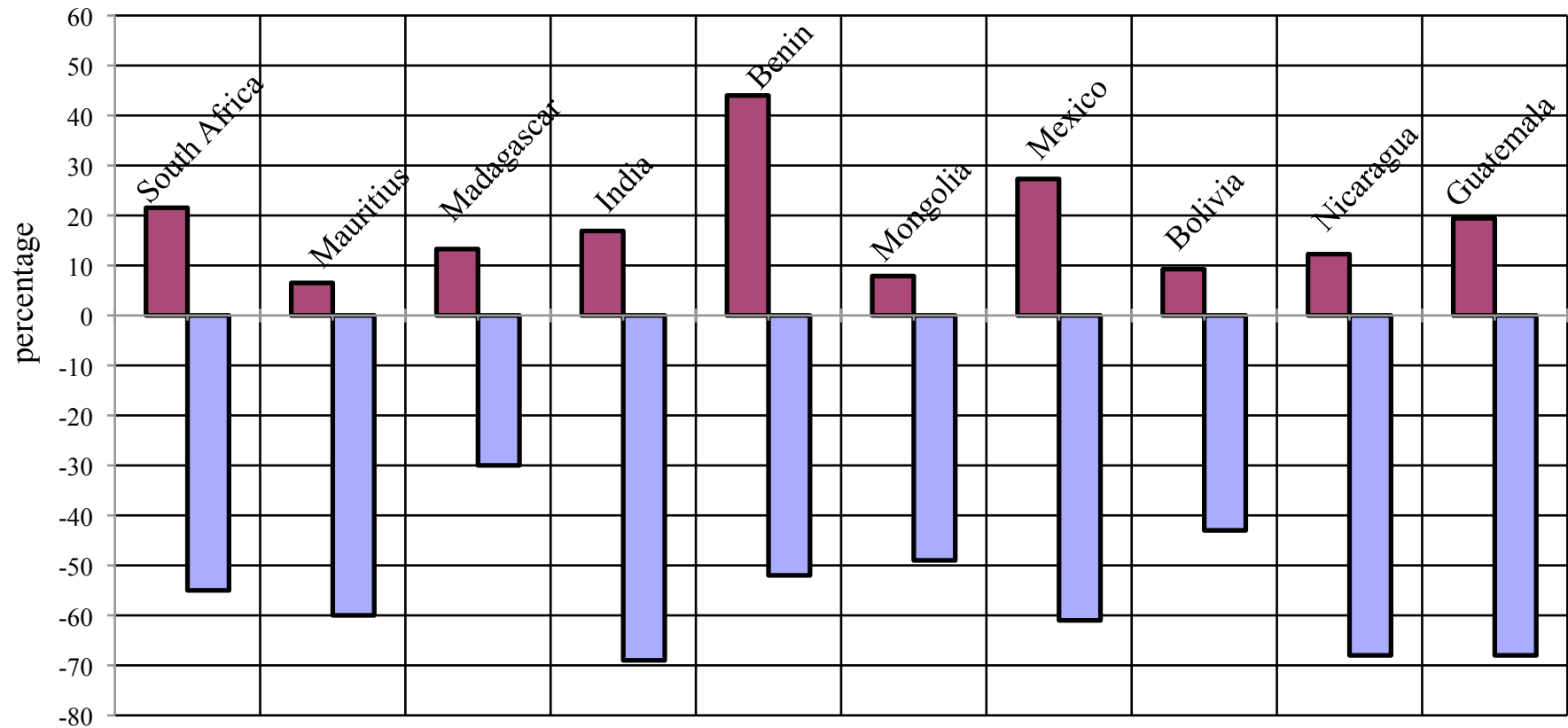
Changes in employment to output growth ratio



Time Spent on Nonmarket Activities (Selected Developing Economies)



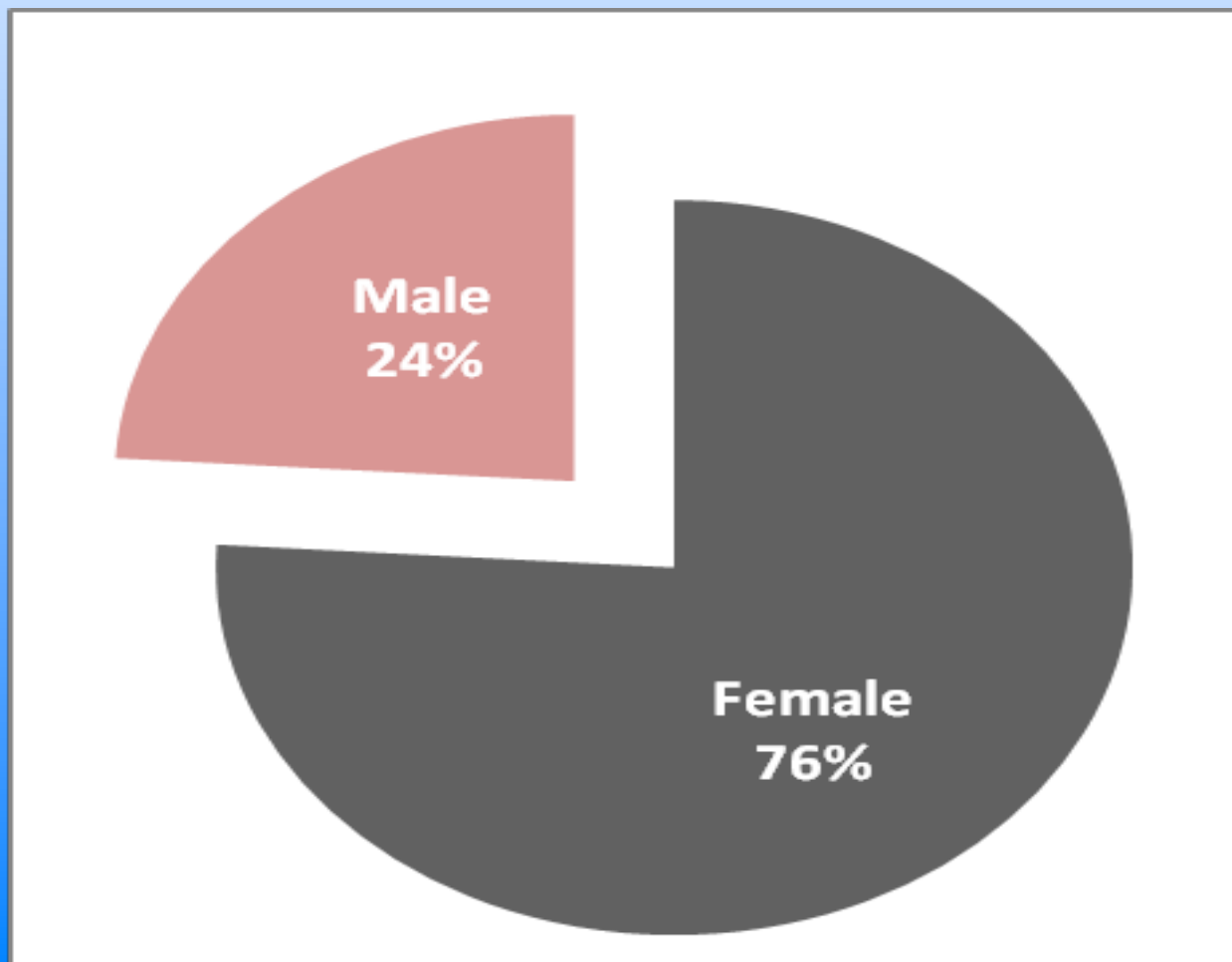
Total Workload – Earnings Gap: Selected Developing Countries



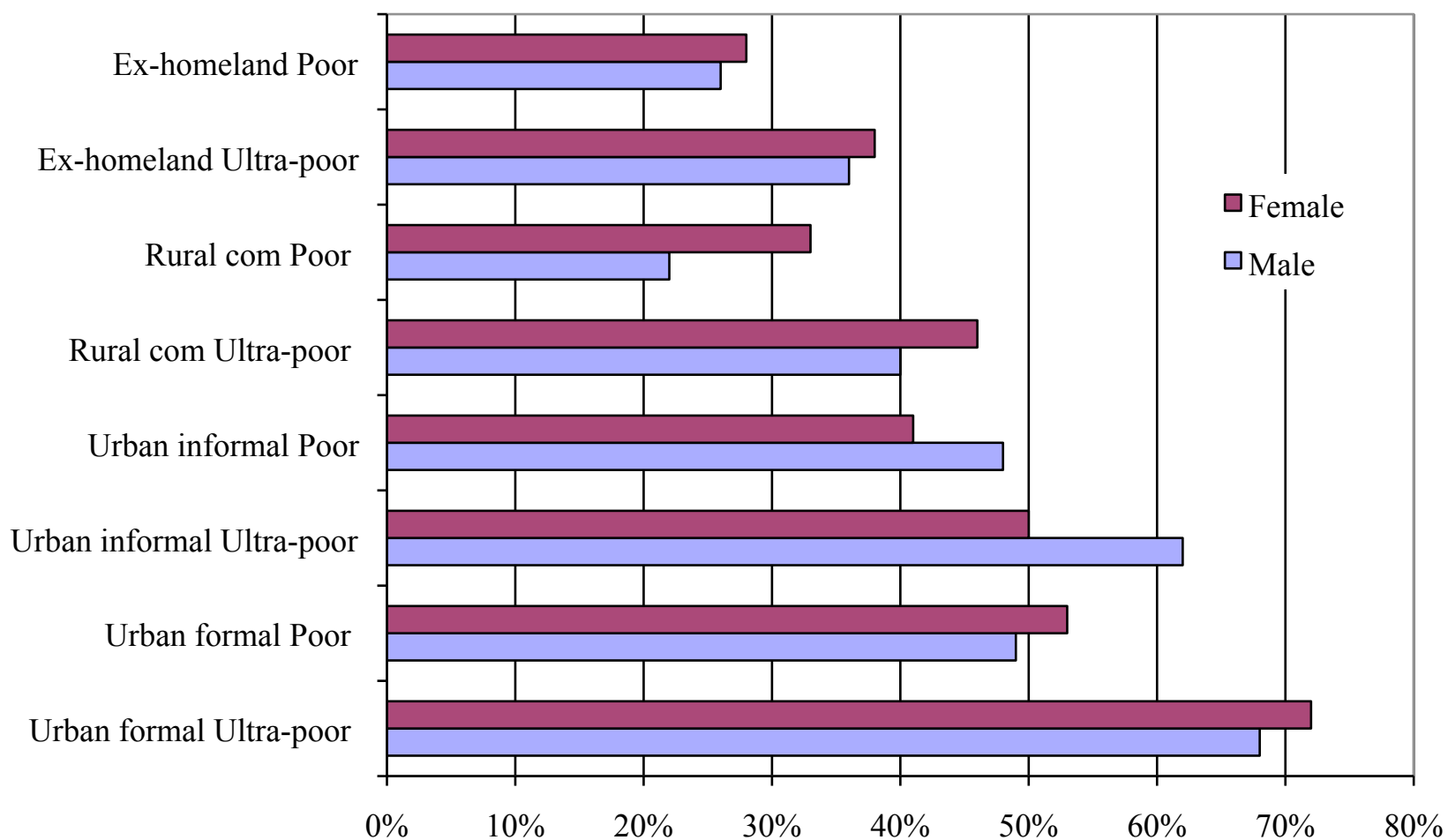
■ Percentage Difference Between Women's Total Workload and Men's Total Workload

■ Percentage Difference Between Women's Earnings and Men's Earnings

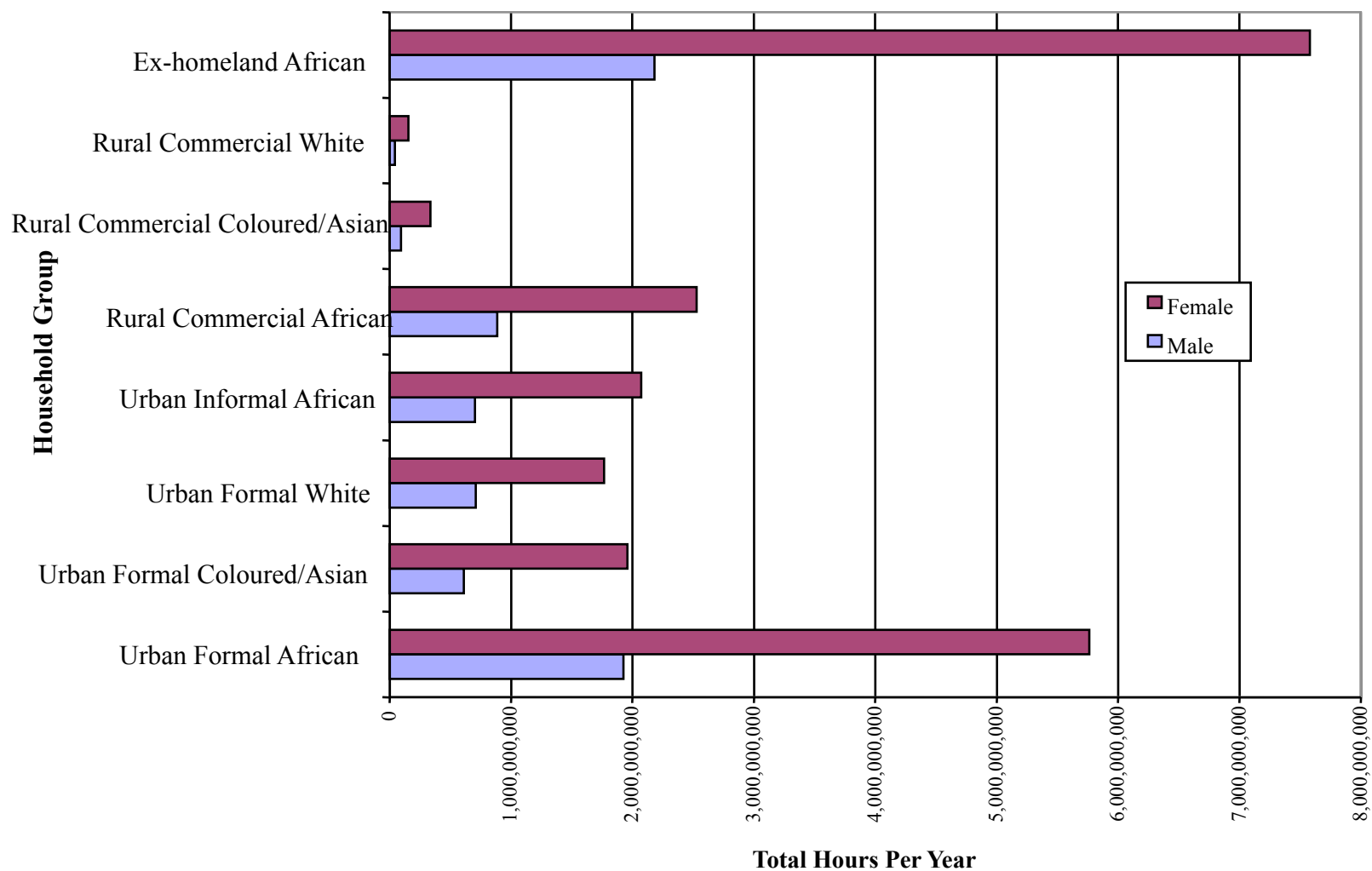
Time Spent on Unpaid Work -SA



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



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
- Direct and indirect income creation
- Direct and indirect job creation
- Public and Private Asset creation
- *Pro-poor* growth
- *Change our mentality about growth* as the single developmental objective and replace it with pro-poor growth, employment creation, 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

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

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

member institutions...

A WEBSITE PROMOTING EMPLOYMENT GUARANTEE POLICIES, EMPLOYER OF LAST RESORT PROGRAMS, & THE RIGHT TO A JOB.

**economists
for full
employment**



www.economistsforfullemployment.org

member institutions...



we are...

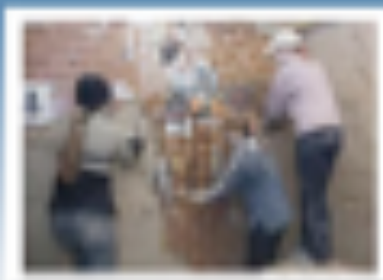
a group of economists working towards building a global informal network of academics, policy advisors, institutions, advocates and members of government, committed to the realization of the *right to work*...

we are committed to...

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...

economists for **full** employment

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Decelerating Growth

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Armenia
Azerbaijan, Rep. of
Belarus
Bosnia & Herz.
Bulgaria
Brazil
Chile
China, P.R. Mainland
Colombia
Costa Rica
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Tobago
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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
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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

		Current Account Balance				External Debt			Foreign Exchange Reserves, excl. gold		
		% of GDP 2003	% of GDP 2007	% with deficit, 2007	% with improvement	% of GDP 2003	% of GDP 2006	% with improvement	% of GDP 2003	% of GDP 2007	% with improvement
Africa	31	-5.6	-4.2	87%	45%	89.7	43.0	97%	12.8	18.1	78%
Central and Eastern Europe	8	-5.4	-9.1	100%	38%	55.4	57.3	57%	21.0	23.2	63%
CIS	8	-1.0	3.1	63%	25%	56.1	44.5	88%	12.9	21.3	100%
Latin America and the Caribbean	16	-0.7	-0.9	50%	38%	63.7	37.6	100%	11.7	14.8	69%
Middle East, incl. Egypt	7	7.2	6.5	43%	43%	54.0	28.6	100%	41.1	50.1	40%
Asia, incl. NICs	20	2.2	3.0	30%	45%	52.5	36.9	100%	27.2	32.7	69%
Total	90			63%	41%		94%		72%		

Total Workload – Earnings Gap: Selected OECD Countries

