



# Gender concerns in debt relief

---

Jayati Ghosh

Issue Paper

December 2021

---

**Economics; Climate change**

---

*Keywords:*

Debt relief, gender, adjustment, austerity, conditionalities

## About the author

Jayati Ghosh, Department of Economics, University of Massachusetts at Amherst, USA

Contact: [jayatijnu@gmail.com](mailto:jayatijnu@gmail.com)

## Produced by IIED's Shaping Sustainable Markets Group

The Shaping Sustainable Markets group works to make sure that local and global markets are fair and can help poor people and nature thrive. Our research focuses on the mechanisms, structures and policies that lead to sustainable and inclusive economies. Our strength is in finding locally appropriate solutions to complex global and national problems.

## Partner organisations

IDRC is a Canadian Crown corporation that funds research in developing countries to create lasting change on a large scale. IDRC supports local organisations in the global South to generate the evidence that is relevant in their context. They provide financial resources, advice, and training to researchers in developing countries to help them find solutions to local problems, and encourage knowledge sharing with policymakers, researchers, and communities.

Published by IIED, December 2021

Ghosh, J (2021) Gender concerns in debt relief. IIED, London.

<http://pubs.iied.org/20691IIED>

ISBN 978-1-78431-941-0

Photo credit: A woman dairy farmer supplies traders with raw milk in a village in Assam, India. Giulia Nicolini, IIED

Printed on recycled paper with vegetable-based inks.

International Institute for Environment and Development  
235 High Holborn, Holborn,  
London WC1V 7DN, UK  
Tel: +44 (0)20 3463 7399  
[www.iied.org](http://www.iied.org)

 @iied

 [www.facebook.com/theIIED](https://www.facebook.com/theIIED)

Download more publications at <http://pubs.iied.org>

IIED is a charity registered in England, Charity No.800066 and in Scotland, OSCR Reg No.SC039864 and a company limited by guarantee registered in England No.2188452.

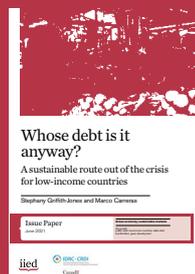
 IIED publications may be shared and republished in accordance with the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International Public License (CC BY-NC-ND 4.0). Under the terms of this licence, anyone can copy, distribute and display the material, providing that they credit the original source and don't use it for commercial purposes or make derivatives. Different licences may apply to some illustrative elements, in which instance the licence will be displayed alongside. IIED is happy to discuss any aspect of further usage. Get more information via [www.iied.org/Creative-Commons](http://www.iied.org/Creative-Commons)

## Acknowledgments

The author is grateful to Arjan de Haan and Laura Kelly for helpful comments and suggestions, and to C P Chandrasekhar for continuing collaboration on external debt issues.

This publication has been reviewed according to IIED's peer review policy, which sets out a rigorous, documented and accountable process (see [www.iied.org/researchexcellenceimpact](http://www.iied.org/researchexcellenceimpact) for more information). The reviewers were Margaux Granat, of EnGen Collaborative and Nipunika Perera, formerly of the International Institute for Environment and Development (IIED).

This paper is one of four publications from a collaborative research initiative between IIED and IDRC on the triple crisis of debt, climate and nature. Funding for the initiative was provided by IDRC.



The COVID-19 pandemic has exacerbated the unpayable debt burdens that many developing countries face. Debt relief is essential for an equitable and just global recovery. However, in the past, the lack of a gender perspective in designing policy conditionalities in debt relief has undermined the outcomes of relief for those most negatively impacted. Policy conditionalities associated with debt relief have rarely shown an understanding of gender dynamics, not recognising the different ways that women and men – across intersectional identities – interact with the economy, as paid and unpaid workers, as household providers, as family members and as citizens. This paper explores how recognising these differences, especially in relation to the roles and responsibilities of women, can be a first step for policymakers to explicitly take account of these differences to ensure more just and equitable outcomes.

## Contents

|   |          |   |           |
|---|----------|---|-----------|
| <b>Summary</b>                                      | <b>4</b> | <b>3 How can gender concerns be incorporated into debt relief programmes?</b> | <b>12</b> |
| <b>1 The nature of debt relief</b>                  | <b>6</b> | 3.1 Avoiding fiscal policies which unfairly impact women                      | 13        |
| <b>2 A gendered perspective on the economy</b>      | <b>8</b> | 3.2 Elements for gender-responsive debt relief                                | 13        |
| 2.1 Women in paid employment                        | 9        | <b>Conclusion</b>   | <b>15</b> |
| 2.2 Women in self-employment                        | 10       | <b>Endnotes</b>   | <b>16</b> |
| 2.3 Women migrant workers                           | 10       |   |           |
| 2.4 Women in unpaid work                            | 10       |   |           |
| 2.5 Women as resource managers for their households | 11       |   |           |
| 2.6 Reproductive and associated household roles     | 11       |   |           |
| 2.7 Women as citizens                               | 11       |   |           |

# Summary

Debt relief to address the now-unsustainable debt burdens of many developing countries, support COVID recovery and address the climate and nature crises is now urgently required. However, such relief is unlikely to have significant impacts without including a gender perspective. This is rarely done in practice, with adverse consequences for women as well as for social and environmental outcomes. This paper argues that measures like fiscal consolidation based on cutting social spending and increasing regressive taxes generate unequal and undesired outcomes. If conditions are imposed, they should integrate considerations of gender and equity concerns as well as addressing climate change and nature loss.

In the past, most debt relief packages have been linked to an International Monetary Fund (IMF) agreement with associated conditionalities. These packages have not always been successful in freeing up fiscal space for required public spending. In addition, many of the typical conditions associated with IMF agreements are worse than merely gender-blind: they actively impact women more adversely than men and disproportionately disempower women.

This is because they fail to distinguish the different and dynamic ways in which men and women interact with the economy. It is necessary to consider the various economic roles of women: as workers in paid employment, typically facing more difficult labour market conditions than men; as self-employed workers; as migrant workers; and as unpaid and underpaid workers within households and communities.

Globally, care activities are dominated by women: as unpaid workers, as paid workers, as migrant workers. This work is often increased by fiscal austerity

measures, largely because of the cynical assumption that women will take up the slack by delivering care services at lower wages or no wages. Indeed, policies that are apparently 'gender neutral' effectively rely on the gendered division of labour and the unpaid and underpaid work of women to cushion the impacts of fiscal austerity.

When developing debt relief packages, it is crucial to avoid purely symbolic or relatively minor gestures towards gender equality that do little to improve the actual condition of women within a wider package that makes them worse off. Therefore, 'do no harm' should be the basic minimum. This means, for example, that the debt relief should not be so small and so delayed that it has very little effect on a state's fiscal capacity. The level of ambition in debt restructuring must be much higher than at present and must recognise the need to involve private creditors in such restructuring.

Fiscal austerity and cuts in public spending are particularly detrimental in situations which require increased public spending, such as the ongoing pandemic and the climate and nature crises. Public spending cuts that reduce employment in public services or reduce wages of public workers should be avoided. Regressive taxation measures like value added tax (VAT) that increase prices of essential commodities are anti-poor and anti-women and can inhibit economic recovery.

Specific programmes targeted at women/children are unlikely to compensate for macroeconomic policies that reduce employment and livelihoods. Universal access needs to be a key principle in public service provision.

A debt restructuring agenda that incorporates gender concerns and supports climate and nature investments would include the following:

- Changes in the structure of taxation by focusing on more progressive taxation, in particular through equitable taxation of multinationals, taxes on extreme wealth and taxes on financial transactions.
- Increased spending on health care and education and ensuring that all women workers receive living wages and adequate working conditions.
- A strong focus on universal access to food and nutrition, especially in situations where livelihood losses coincide with rising food prices.
- Public employment programmes that ensure equal wages for men and women and include delivery of social benefits and public works to boost climate resilience
- Banking regulations that consider the requirements of women borrowers who are less likely to have collateral and land titles
- Recognition of the needs of women entrepreneurs, especially in relation to access to inputs and markets.
- Policies to enable greater association and unions for women workers, both employed and self-employed, and support for the formation of producer and marketing co-operatives.

Integrating these issues into debt relief programmes could form an element of a global 'Multicoloured' New Deal' outlined in this paper.

# The nature of debt relief



There are various types of debt management, not all of which lead to actual relief:

- Rescheduling (deferral) of interest and principal payments: new more favourable terms such as reduced interest and extended loan periods can (if agreed) be applied to the deferred amount.
- Standstill: in which interest payments are suspended for an agreed period but become due again when the period ends.
- Refinancing: replacing an existing debt with a new debt on more favourable terms.
- Forgiveness: the voluntary cancellation of all or part of a debt by a creditor.
- Swap: creditor agrees exchange of debt for something of economic value from the debtor. Includes debt conversion, such as debt-for-equity swaps, debt-for-development swaps, and debt-for-nature swaps.

Successful debt relief measures need to enable increased public investment and social spending, as well as encourage sustainable economic growth. Investments that are directed towards climate change alleviation (both mitigation and adaptation) and preservation of biodiversity are gaining increased attention, given the urgency of addressing climate change and nature loss.

The effectiveness of debt relief will depend on how significant and extensive it is. Rescheduling debt rarely does more than delay the need for repayment. Only the absolute reduction of both interest payments and total outstanding debt are likely to have a significant positive impact for debtor countries.

Debt relief is also typically accompanied by conditionalities. Officially, the conditions imposed on debtor governments are intended to support the objectives of debt relief; but they can work at cross-purposes with these goals. Not only can they worsen inequality, but they can also reduce growth, making economies more fragile and people, particularly those already marginalised, more vulnerable. For example,

requiring fiscal austerity and greater reliance on regressive taxation can inhibit or constrain economic recovery and employment opportunities, and generate more unequal outcomes across households. Therefore, the nature of the conditionalities imposed must be carefully thought through, and reliance on the standard measures like fiscal consolidation based on cutting social spending and increasing regressive taxes should be avoided. If conditions are imposed, they should integrate considerations of gender and other equity concerns, as well as addressing climate change and nature loss, for example by increasing public investment and incentives for greener private investment and consumption, as well as ensuring social protection and greater economic resilience among the population.

An important aspect of current debt relief efforts is the possibility of free riding by some creditors. Debt is held by bilateral, multilateral and private creditors, but most of the latter group have not engaged in relief efforts such as the Debt Service Suspension Initiative introduced by the G20 group of countries. This could result in the fiscal space gained by debt payment suspensions being used for payments to private creditors rather than for necessary and socially and environmentally desirable investments within the country.

Most historic debt relief has been linked to IMF conditionality. There has been much criticism of IMF conditionalities including from a gender perspective.<sup>1</sup> For our purposes, we focus on the fact that many of the typical conditions associated with IMF agreements are not merely gender-blind: they actively impact women more adversely than men and often end up disproportionately exacerbating the financial burdens and disempowerment of women. Since they also fail to take into account climate change considerations, especially the necessary spending on adaptation measures, they can also impact on women adversely because of the many ways in which women are differentially affected by climate change impacts and loss of biodiversity.<sup>2 3</sup>

# A gendered perspective on the economy



Taking a gendered perspective on the economy requires the recognition that the gender constructs of most societies result in men and women having very different experiences of economic life. These gender-differentiated outcomes are evident in production, consumption, asset ownership, health and nutrition requirements, mobility, political voice and agency. This drives distributive inequality and interacts with relational inequality, reflecting power imbalances at the household, community and national levels. These features in turn have specific impacts on the economy and also mean that economic policies and processes affect men and women, boys and girls, quite differently.

In considering how debt relief conditionalities could affect women, it is useful to look at women's different economic roles:

1. workers in paid employment;
2. self-employed workers;
3. migrant workers;
4. unpaid (or underpaid) workers within households and communities;
5. resource managers for households;
6. in reproduction, with associated household requirements; and
7. citizens, with associated rights.

## 2.1 Women in paid employment

During the COVID pandemic, women have been disproportionately affected in many ways, but especially as paid and unpaid workers. They have been more likely to lose paid jobs or face lower wages and more difficult working conditions, as well as increased unpaid domestic care work. This has occurred in a context within which women were already significantly disadvantaged in labour markets, with lower employment rates than for men. Women typically experience more adverse labour market conditions, including lower wages, vulnerability to harassment of various sorts in formal and informal enterprises, as well as patriarchal constraints on their mobility and the types of jobs they can seek.

Women are more likely to be informal workers, without the benefit of social and legal protection. They also dominate in part-time work in most societies and are concentrated in certain manufacturing sectors

(including export-oriented labour-intensive activities) and certain services, especially those associated with care work. Gender gaps in wages within and across sectors are widespread. For example, though women dominate in paid care work, they are at the lower end of the wage spectrum even in such activities.

Globally, women hold 70% of all health care jobs.<sup>4</sup> But they are more likely to be nurses, midwives and community health workers, while men predominate in the better-paid occupations like surgeons, physicians, dentists and pharmacists. Women earn on average 28% less than men in the health sector. Community health workers are often particularly exploited. Often, they are not recognised as workers but as 'volunteers', without formal contracts providing job security or a fair wage or healthcare benefits. Even as frontline workers, they are typically less protected and more likely to be exposed to infection. Research has shown that during the pandemic women healthcare workers have been more likely to be put at risk because of poorly fitting or inadequate personal protective equipment.<sup>5</sup> Women frontline health workers in countries facing fiscal constraints (such as countries applying for debt relief) have faced delayed or reduced wage payments at the same time as increased work demands. Conditionalities imposed by creditors in such situations have not yet ever demanded that the conditions of such workers must be improved.

The closure or collapse of public and private childcare facilities during COVID has affected women working in them and imposed additional childcare burdens on families. Women have had to take on childcare and education responsibilities, whether or not they have the skills or time to do so effectively. This has been particularly difficult for already disadvantaged women, such as single mothers, those coming from poor and deprived households and marginalised or minority communities.<sup>6</sup>

Women workers in global value chains (GVCs), such as garments, electronics and horticulture, have also been particularly negatively affected by the pandemic. Women have been largely employed as low-paid, temporary and flexible workers in GVCs, and they have remained concentrated in routine and repetitive tasks that are most amenable to automation. During the pandemic, many have been sent home without pay as international buyers cancelled orders, or been forced to work in increasingly unsafe conditions, often at lower wages. They also face job losses due to increased automation of garment production processes and technology-assisted reshoring of many tasks.<sup>7</sup>

## 2.2 Women in self-employment

Self-employment also shows gender differences. These can reflect other constraints women face, such as lower asset ownership and reduced ability to access credit, inputs and output markets relative to men, for example in agricultural production. Small-scale farmers produce around 80% of global food supply, and around 40% of these are women.<sup>8</sup> This makes them particularly vulnerable to climate change and biodiversity loss. However, they are less likely to have land titles or access to extension services or formal credit. In some places, social norms restrict them to food production, while men control cash crops. Fishing and forestry are also highly gendered, with women typically involved in activities that generate less value, such as processing and retail selling, as opposed to men's roles in resource extraction/harvesting or marketing.

In non-agricultural activities, women-led enterprises typically have higher costs than similar enterprises run by men, despite the fact that enterprises owned and/or operated by women on average are smaller than those run by men. For example, a study in Asia found that the relatively lower earnings of women's micro, small and medium enterprises (MSMEs) could be traced to gender-based differentials in input costs. Women-run enterprises had to rely on more costly informal lenders because of difficulties in accessing formal credit, while male-managed enterprises reduced their value added by drawing on their access to unpaid family labour.<sup>9</sup> These features are common to the bulk of developing countries.

Women and girls also face specific constraints, like insufficient or unreliable public amenities such as streetlights, toilets and transport systems, all of which can be affected by reductions in public expenditure due to fiscal constraints. Lack of these amenities can affect profitability and financial viability of women-run enterprises and make them less likely to be able to withstand economic, climate or pandemic shocks.

Lack of property rights and assets, which has been widely documented for women,<sup>10</sup> is a critical feature that both reflects and reinforces the economic political and social subordination that women face. More significantly, it makes women's self-employment that much less viable and more vulnerable, and much more likely to be drastically affected by economic shocks. The evidence of much greater damage to women-run MSMEs during the pandemic is one indicator of this.<sup>11</sup>

Women self-employed workers or those running small or micro enterprises tend to lack assets and titles to property and this in turn reduces access to bank credit and government programmes. Formalisation policies

that do not take into account these very different conditions and constraints may not be effective or may even be counterproductive for women workers, exacerbating existing circumstances and inequities.<sup>12</sup> Research has confirmed that COVID has worsened the economic and social situation of self-employed women, with the simultaneous additional burden of more care work in their own homes and families.

## 2.3 Women migrant workers

Women currently make up around half of the world's migrant population. International migration for work is highly gender segregated. Male migrant workers tend to be concentrated in the production and construction sectors, and to a lesser extent in service activities. Female migrant workers, by contrast, are mostly in the service sector, supplying domestic and other care services and entertainment. Demand for these roles depends on longer term demographic and social trends in receiving countries. Ageing societies require more care providers; societies where more women are in paid work, especially in higher-income countries, need more paid domestic workers.<sup>10</sup>

Migrant labour contributes to the sending economy through remittances. These vary depending on the gender of the migrant worker. Women migrants tend to send a greater proportion of their earnings back as remittances and send more regularly than men. Also, male migrant workers in manufacturing and construction sectors are more affected by business cycles in the host economies, tending to lose jobs, or experience reduced incomes affecting their remittances. Women working in service activities, especially those in the care sector, such as nurses or domestic workers, are less likely to be affected by the business cycle, as these activities are not the first to be curtailed. Therefore, their incomes and ability to send remittances are less affected. This means that countries sending more women migrant workers are likely to have more stable remittance inflows than countries with predominantly male out-migrants.<sup>13</sup>

## 2.4 Women in unpaid work

Across almost all societies, women and girls perform the bulk of unpaid household care work, whether or not they also participate in paid work. This can give rise to a double burden of paid and unpaid work and associated time poverty.<sup>14</sup> The extent of unpaid work is affected by the provision (or lack) of public services, such as childcare, and of basic amenities and infrastructure like piped water, fuel, and transportation. Public policies that provide more of these services or amenities, or that reduce or make them less accessible through

price rises, affect the unpaid female labour needed in a household. This means that public expenditure policies have a greater impact on the unpaid labour, time poverty and labour market access of women than men.

As women's domestic care work is not remunerated – and often not even recognised – it is easier for society to undervalue such work. This can lead to lower wages and worse working conditions in the care sector and a wage penalty for men and women involved in care activities predominantly performed by women.

Relying on unpaid domestic work in households (predominantly performed by women) has implications for the economy. Formal market economies can benefit from this implicit subsidy. It also acts as a cushion (though at a personal cost to the worker) during economic downswings, as governments reduce public care expenditures with the expectation that care will be delivered unpaid, largely by women. This regressive reliance on unpaid work is seldom recognised in adjustment or austerity programmes, or in debt relief conditionalities.

## 2.5 Women as resource managers for their households

Women are typically responsible for ensuring that basic goods and services are available for household members. This means that they are affected when prices for food and services (like health care) rise, as they need to adjust household budgets to cope. Research also shows that women and girls will often go without food when there isn't enough to go round, undermining their physical health and strength.

Resource mobilisation strategies of governments are not generally recognised to be gendered, but by being gender-blind – ignoring critical information of differentiated gender issues and impacts – they are complicit in reinforcing gender bias.<sup>15</sup> Greater reliance on indirect taxation that increases prices of necessities disproportionately affects women, especially those in poor households. Studies have shown how taxation, including the design and implementation of VAT, affects women differently.<sup>16</sup> VAT policies are generally regressive. They also have a significant gender dimension for female consumers and producers, since women-run MSMEs are more likely to be unregistered, and therefore less able to redeem tax payments on their inputs, which are already likely to be more expensive as they are buying on a smaller scale.

Environmental degradation linked to climate change and biodiversity loss has increased the burden of unpaid work for women. This includes time spent collecting water, which has increased significantly

in many parts of the developing world as rainfall has become less predictable. It is estimated that women around the world spend 200 million hours each day simply collecting water.<sup>17</sup> More time is also needed for collecting fuelwood for cooking and other domestic uses, as it becomes increasingly scarce as a result of deforestation. At the same time, there is growing evidence of women and girls facing gender-based violence during resource collection.

## 2.6 Reproductive and associated household roles

While women bear children, the subsequent division of labour and care work is not biologically driven but socially created, so their capacity for biological reproduction profoundly affects women's lives. Adolescence, menstruation and reproduction generate different requirements through a female's lifetime: for nutrition, demands on time and need for protection, and ability to work.<sup>18</sup> These are different from women's labour demands from the care economy, much of which depend on the socially constructed division of labour and therefore can vary across societies.

Adjustment programmes and macroeconomic policy seldom consider women's reproductive roles. For example, during the COVID-19 lockdown in India, sanitary pads were originally not included on the list of 'essential commodities' that could remain on sale until a public outcry forced their inclusion. This is another way that ignoring the needs of women and girls reinforces implicit biases within both the economy and the government as they fail to consider the labour and physical conditions of women.

## 2.7 Women as citizens

There are aspects of economies in distress, particularly in the COVID pandemic, that particularly impact women and girls, such as increasing food prices and disruptions to supplies. In many debt-stressed countries, the pandemic has increased income poverty and hunger. In these situations, women and girls tend to be disproportionately affected, eating less and/or less nutritious food. Incidents of violence against women have also increased during the pandemic at the same time as support systems for victims of violence have shrunk.<sup>19</sup> COVID-related lockdowns and other restrictions have not only reduced access to education and heightened adverse impacts of the digital divide, but they have also increased the vulnerability of adolescent girls, who are now more likely to be pulled out of schooling or forced into early marriages out of economic necessity. These impacts on women and girls should be considered in economic recovery and debt relief packages.

# How can gender concerns be incorporated into debt relief programmes?

3

The previous section described the gender-differentiated impacts of economic programmes and policies, and the lack of consideration of these issues in economic adjustment strategies associated with debt relief. It also shows that many economic policies effectively rely on gendered division of labour and the unpaid and underpaid work of women to cushion the impacts of fiscal austerity and cutbacks in public expenditure and public service provision. Ignoring these impacts is not only negative in terms of equity, women's welfare and socio-economic justice; it also reduces the chances of a sustainable recovery from a debt crisis and effectively addressing the climate and biodiversity crises. Debt relief packages, therefore, need to factor in these issues as well as the differing effects for intersectional identities of women and men, girls and boys, and the resultant impacts on wider economic and social outcomes.

Debt relief programmes should avoid including purely symbolic or relatively minor gender-responsive measures that do little to improve the actual condition of women within a wider package that makes them worse off. Incorporating gender concerns is frequently seen in terms of the inclusion of some specific women-oriented schemes or expenditure focused on women and children. This is at best inadequate and can be counterproductive, especially if it distracts attention from conditionalities that impact women adversely, such as social and educational expenditure cuts that increase women's unpaid work burden.

Analysis of recent and ongoing IMF agreements associated with some form of debt relief (including rescheduling) has revealed that these types of expenditure cuts are still common conditionalities. Between March and September 2020, 76 out of 91 IMF loans negotiated with 81 countries involved cutting public expenditure in ways that could result in reductions in public healthcare and pension schemes, wage freezes and cuts for public sector workers such as doctors, nurses and teachers, and reductions in benefits, like sick pay – a critical component during a global health crisis.<sup>20</sup> Nine countries, including Nigeria and Angola, have been asked to introduce or increase the collection of regressive VAT that, as discussed above, falls disproportionately on women and poor people. Fourteen countries, including Lesotho, Tunisia, Barbados and El Salvador, have been asked to freeze or cut public sector wages and/or jobs, affecting healthcare in countries that are already poorly served. In Ecuador, the IMF asked for reversal of increases in healthcare spending and stopping cash transfers to people unable to work. This indicates that, despite more positive statements from the IMF leadership on programme implementation, the lessons from previous adjustment programmes – and the knowledge of the gender-differentiated issues and impacts –

have not been learned. This does not bode well for addressing the COVID-19 pandemic or climate and biodiversity crises.

### 3.1 Avoiding fiscal policies which unfairly impact women

There is a range of policies that are typically part of debt relief packages that could disproportionately affect women. These should be avoided, for example:

- Fiscal measures that explicitly or implicitly reduce spending on provision of essential services, and, in particular, public spending cuts that reduce employment in public services or reduce wages of public workers. Instead, such spending should be protected and increased where necessary.
- Tighter monetary policies, without appropriate measures to support workers, especially for MSMEs and women-owned small enterprises in informal credit arrangements.
- Regressive taxation measures, like increasing VAT, that lead to price rises for essential commodities.
- The environmental impact of fiscal cuts that delay, prevent or reduce necessary public spending on climate change mitigation and adaptation should not be ignored, including impacts that would affect women's unpaid work.
- Macroeconomic policies that reduce employment and livelihoods for women.
- Formalisation policies that disadvantage women workers. For example, introducing requirements like online registration for public services and digital payments without support to enable less-literate women or women without online connectivity to access them.

### 3.2 Elements for gender-responsive debt relief

The COVID pandemic has resulted in economic downturns around the world but the recovery can also be an opportunity to develop more sustainable, inclusive economies. Many developed country governments have acknowledged the need for increased public spending to support their economies rather than letting debt servicing suppress incomes and recovery. There is no reason why the same logic should not apply to developing countries, which should also be allowed expansionary policies to support an inclusive green recovery. This approach can also address climate change and nature loss. Some of the elements that

should be incorporated into an inclusive and sustainable policy agenda are:

- Provide sufficient debt relief that builds the state's fiscal capacity. The volume and speed of debt relief should maintain public services and promote economic activity that includes women and supports climate and nature, for example through low carbon energy access or biodiversity conservation public works programmes.
- Consider debt for climate or nature swaps, incorporating performance indicators for environment and climate change, such as spending on mitigation and adaptation. Within these, emphasise those spending indicators that increase people's resilience, ensure and enable women's livelihoods and reduce the unpaid labour performed by women and girls.
- Change the structure of taxation by focusing on more progressive taxes, with reduced reliance on regressive indirect taxes.
- Improve universal access to food and nutrition and ensure that food policies address the threat of climate change that can disrupt subsistence agriculture and global trade.
- Improve women's access to financial products, such as insurance, to support their resilience in the face of climate impacts and other shocks. Women often lack property titles that would enable them to obtain insurance policies in their own right, and if a policy is held by a male family member, they do not receive the pay-out if the policy holder dies.
- Support the creation of 'green' jobs that address environmental concerns by mitigating or adapting to climate change, for example producing and selling renewable energy products, conservation agriculture, tree planting, and so on.
- Support women entrepreneurs with respect to their specific needs, for example by enabling and encouraging producer and marketing co-operatives. And develop concrete programmes to respond to these, such as credit to access inputs, safety and security in marketplaces.
- Ensure civic space for freedom of association and unions catering for women workers, both employed and self-employed.

# Conclusion

The policy changes suggested above could contribute to a broader framework for addressing global economic challenges, which I have described as a Multicoloured Global New Deal.<sup>21</sup> The pandemic has exposed existing gender discrimination and relational inequality and has the potential to intensify them. Many public policy responses have been inadequate to counter these trends.

The challenges posed by the pandemic are enormous, but the threats posed by climate change and biodiversity loss may be much greater. Current policy and institutional arrangements are inadequate to deal with these, and there are growing calls for a Global Green New Deal (see for example, Gallagher and Kozul-Wright 2019), and a Feminist Green New Deal as well as the UN Women Feminist Plan.<sup>22</sup> It is clear that we need a Global New Deal – but it must be multi-faceted and in consideration of all sectors and peoples: indeed, a multicoloured new deal. It requires a focus on economic recovery with increased public spending, regulation and redistribution across all sectors of society.

This New Deal must obviously be **green**, to address climate and environmental threats. Increased public spending has to be oriented towards recognising, respecting and preserving the environment, reducing carbon emissions, addressing climate challenges and enabling adaptation and changing patterns of production and consumption accordingly.

It must also be **blue**, to deal with the growing shortages of clean water and the inequalities of access to water that are evident geographically and across classes and have very strong gender-differentiated results.

It must be **purple**, to reflect the care economy. The pandemic has exposed critical need for massive investment in the care economy across all societies. With changing demographics, social change and public health concerns, more skilled care services will be needed. This requires rewarding paid care work through increased public spending; recognising, reducing and redistributing unpaid care work; and giving care workers representation and greater voice.

It must be **red**, with a critical focus on addressing and reducing inequalities: in assets, income, access to food, essential public services and employment opportunities. These inequalities have to be reduced across different dimensions: gender, race, ethnicity, caste, location, age. This requires more careful regulation of markets, including of financial markets, labour and land markets, and regulating interaction with the natural environment.

It also requires more active redistribution, such that new public spending is financed by taxing the rich and the multinational companies that have managed to evade taxes by exploiting legal loopholes. All of this requires international cooperation, which is why this Multicoloured New Deal must be global in scope, with appropriate international architecture, with controlled finance and capital flows, revised rules for trade, investment flows and intellectual property rights that simultaneously prevent concentration and monopoly rent-seeking and encourage good quality employment creation.

This may seem like an impossible agenda, both for debt relief and adjustment packages and for future economic strategies, but the constraints are mainly political. The nations of the world have come together in the past to confront seemingly impossible challenges; now is the moment to find similar if not greater levels of ambition for humanity.

# Endnotes

- 1 Bretton Woods Project (2017) *The IMF and Gender Equality: A Compendium of Feminist Macroeconomic Critiques*. Bretton Woods Project, London <https://www.brettonwoodsproject.org/2017/09/imf-gender-equality-compendium-feminist-macroeconomic-critiques/>  
For earlier critiques, see:  
Whitehead, A (2003) *Failing Women, Sustaining Poverty*. in *Gender in Poverty Reduction Strategies Papers*. Gender and Development Network and Christian Aid, London. [https://sarpn.org/documents/d0000428/P376\\_Gender\\_PRSP.pdf](https://sarpn.org/documents/d0000428/P376_Gender_PRSP.pdf) and  
van Staveren, I (2008) *The Gender Bias in the Poverty Reduction Strategy Framework*. *Review of International Political Economy*, 15:2, 289-313, DOI: 10.1080/09692290701869761
- 2 UN WomenWatch (2009) *Factsheet: Women, gender equality and climate change*. United Nations, [https://www.un.org/womenwatch/feature/climate\\_change/downloads/Women\\_and\\_Climate\\_Change\\_Factsheet.pdf](https://www.un.org/womenwatch/feature/climate_change/downloads/Women_and_Climate_Change_Factsheet.pdf)
- 3 Alam, M, Bhatia, R, & Mawby, B (2015) *Women and Climate Change: Impact and Agency in Human Rights, Security, and Economic Development*. Georgetown Institute for Women, Peace and Security, Washington, DC. <https://giwps.georgetown.edu/resource/women-and-climate-change/>
- 4 World Health Organization (2019) *Delivered by women, led by men: a gender and equity analysis of the global health and social workforce*. *Human Resources for Health Observer Series No. 24*. WHO, Geneva. <https://apps.who.int/iris/handle/10665/311322>
- 5 <https://eca.unwomen.org/en/news/stories/2020/5/op-ed-personal-protective-equipment-standards-must-respond-to-womens-needs>
- 6 Grantham, K, Rouhani, L, Gupta, N, Melesse, M, Dhar, D, Mehta, SK, Kingra KJ (2021) *Evidence review of the global childcare crisis and the road for post-covid-19 recovery and resilience*. International Development Research Centre. <http://hdl.handle.net/10625/59915>
- 7 Tejani, S and Fukuda-Parr, S (2021) *Gender and Covid-19: Workers in global value chains*. *Working Paper no. 2104*. New School for Social Research, New York. <https://econpapers.repec.org/paper/newwpaper/2104.htm>
- 8 Oxfam. *Empowering women farmers to end hunger and poverty*. <https://www.oxfam.org/en/empowering-women-farmers-end-hunger-and-poverty>
- 9 Akram-Lodhi, AH and van Staveren, I (2003) *A gender analysis of the impact of indirect taxes on small and medium enterprises in Vietnam*. Institute of Social Studies. <https://gender-financing.unwomen.org/en/resources/a/g/e/a-gender-analysis-of-the-impact-of-indirect-taxes-on-small-and-medium-enterprises-in-vietnam>
- 10 See for example, Agarwal, B (1995) *A Field of One's Own: Gender and Land Rights in South Asia*. Cambridge South Asian Studies 58. Cambridge University Press, Cambridge. doi:10.1017/CBO9780511522000
- 11 See for example, WIEGO study of women-run micro enterprises in 12 cities across the world: WIEGO (2021) *COVID-19 Crisis and the Informal Economy Study* <https://www.wiego.org/COVID-19-Crisis-and-the-Informal-Economy-Study>
- 12 Ghosh, J (ed, 2021) *Informal Women Workers in the Global South: Policies and Practices for the Formalisation of Women's Employment in Developing Economies*, Routledge.
- 13 Ghosh, J (2018) *Gendered labor markets and capitalist accumulation*, *The Japanese Political Economy*, 44:1-4, 25-41, DOI: 10.1080/2329194X.2019.1613899
- 14 Elson, D (1991) *Male bias in the development process*. Contemporary issues in development studies. Manchester University Press, Manchester.
- 15 Buenaventura, M and Miranda, C (2017) *The gender dimensions of the IMF's key fiscal policy advice on resource mobilisation in developing countries*. In *The IMF and Gender Equality: A Compendium of Feminist Macroeconomic Critiques*, Bretton Woods Project, Washington, DC.
- 16 Barnett, K and Grown, C (2004) *Gender Impacts of Government Revenue Collection: The Case of Taxation*. *Commonwealth Economic Paper Series*. Commonwealth Secretariat, London.
- 17 UNICEF (2016) "Collecting water is often a colossal waste of time for women and girls", <https://www.unicef.org/press-releases/unicef-collecting-water-often-colossal-waste-time-women-and-girls>

- 18 In this context, this piece written 35 years ago is still relevant: Steinem, G (1983) *If Men could Menstruate*. In *Outrageous Acts and Everyday Rebellions*. Holt, Rinehart, and Winston. New York, NY.
- 19 Azcona, G, Bhatt, A, Encarnacion, J, Plazaola-Castaño, J, Seck, P, Staab, S and Turquet, L (2020) *From Insights to Action: Gender Equality in the Wake of Covid-19*. UN Women, New York, NY. <https://www.unwomen.org/en/digital-library/publications/2020/09/gender-equality-in-the-wake-of-covid-19>
- 20 Oxfam (2020) *Over 80% of IMF covid-19 loans will push austerity on poor countries*. <https://www.oxfam.org.uk/media/press-releases/over-80-percent-of-imf-covid-19-loans-will-push-austerity-on-poor-countries/>
- 21 Ghosh, J (2021) *The gendered macroeconomics of Covid-19*. In Rawal, V, Ghosh, J and Chandrasekhar, CP (eds) *When Governments Fail: A pandemic and its aftermath*. Tulika Publications, New Delhi and Columbia University Press, New York.
- 22 Feminist Green New Deal Coalition (2019) <http://feministgreennewdeal.com/> and UN Women (2021) *Beyond Covid-19: A feminist plan for sustainability and justice*. UN Women, New York. [https://www.unwomen.org/en/digital-library/publications/2021/09/feminist-plan-for-sustainability-and-social-justice?gclid=Cj0KCQiAzMGNBhCyARIsANpUkzN93BfWkbThEkfK7TYzGIW4GPPnK5jL7WWSyQ0nWW38Ae8XO5MBtUEaAsISEALw\\_wcB](https://www.unwomen.org/en/digital-library/publications/2021/09/feminist-plan-for-sustainability-and-social-justice?gclid=Cj0KCQiAzMGNBhCyARIsANpUkzN93BfWkbThEkfK7TYzGIW4GPPnK5jL7WWSyQ0nWW38Ae8XO5MBtUEaAsISEALw_wcB)

The COVID-19 pandemic has exacerbated the unpayable debt burdens that many developing countries face. Debt relief is essential for an equitable and just global recovery. However, in the past, the lack of a gender perspective in designing policy conditionalities in debt relief has undermined the outcomes of relief for those most negatively impacted. Policy conditionalities associated with debt relief have rarely shown an understanding of gender dynamics, not recognising the different ways that women and men – across intersectional identities – interact with the economy, as paid and unpaid workers, as household providers, as family members and as citizens. This paper explores how recognising these differences, especially in relation to the roles and responsibilities of women, can be a first step for policymakers to explicitly take account of these differences to ensure more just and equitable outcomes.

IIED is a policy and action research organisation. We promote sustainable development to improve livelihoods and protect the environments on which these livelihoods are built. We specialise in linking local priorities to global challenges. IIED is based in London and works in Africa, Asia, Latin America, the Middle East and the Pacific, with some of the world's most vulnerable people. We work with them to strengthen their voice in the decision-making arenas that affect them – from village councils to international conventions.



International Institute for Environment and Development  
235 High Holborn, Holborn, London WC1V 7DN, UK  
Tel: +44 (0)20 3463 7399  
[www.iied.org](http://www.iied.org)

Funded by



Canada



Knowledge  
Products