

BACKGROUND PAPER

Fiscal Consolidation and Women's Human Rights

April 2018, Bretton Woods Project

I. Introduction

This background paper aims to respond to the call for contributions by the UN Independent Expert on Foreign Debt in view of supporting the next thematic report to the 73rd session of the UN General Assembly on the links and impact of economic reforms and austerity measures on women's human rights.¹

There is strong evidence that demonstrates that fiscal consolidation policies² have devastating human rights costs. These costs are cumulative and are disproportionately shouldered by women and marginalised.³ To demonstrate just that, this paper first provides a birds-eye view of some of the main pathways through which fiscal consolidation policies, in particular those implemented during and following financial crises, impact women's human rights⁴. It then provides a snapshot of the key elements of the international human rights normative framework relevant to this area. Having outlined how this issue has progressed from academia to the UN sphere, the paper then moves on to examine whether this work has been translated into actual policymaking at the national level and sets out a few hopeful examples of feminist alternative approaches to macroeconomic policymaking. Yet, it concludes with the notion that fiscal consolidation continues and is perhaps even increasingly becoming the '*new normal*',⁵ despite clear evidence of its failings. Overall, this paper aims to demonstrate that little analysis and policy recommendations from this field of work have been put into policy practice. Calls for feminist and rights-based reforms of global macroeconomic governance remain as valid today as they were when first issued more than three decades back.

Given the very limited format of a background paper and the enormity of this subject, about which nearly four decades of literature exist, the paper can only aim to provide the most cursory overview and a general impression of highlights on how work on fiscal consolidation and women's rights has evolved in recent decades at the global level. In that context, the main objective of the paper is to summarise what has long been well-known in certain circles, that is, that fiscal consolidation measures exacerbate inequality and disproportionately impact women, often in contravention of States' human rights obligations, to help focus current and ongoing discussions on questions of political economy, that is, why has much of this work not trickled through to policymaking and how can effective change be realised to further a global feminist macroeconomic policy environment?

The attached ADDENDUM to this background paper comprises the notes of an expert meeting held in March in London asking these very questions of political economy and strategies for change, aiming to complement this paper and the report of the Independent Expert.

This paper has benefitted greatly from the research done by Katarzyna Staszewska and the many partners of the Bretton Woods Project that contributed input, for which we are very grateful.

¹ <http://www.ohchr.org/EN/Issues/Development/IEDebt/Pages/ImpactEconomicReformPoliciesWomen.aspx>

² '**Fiscal consolidation**' references a package of macroeconomic policies typically involving a mix of public expenditure cuts, labour market reforms, privatisation of public assets and services, consumption taxation increases, and pension reforms applied to decrease public debts and deficits, sometimes referred interchangeably to in this paper as 'austerity'.

³ See, for example, Office of the High Commissioner for Human Rights (OHCHR), 2013 *Report on austerity measures and economic, social and cultural rights*, at <http://www.ohchr.org/Documents/Issues/Development/RightsCrisis/E-2013-82_en.pdf>.

⁴ '**Women's human rights**' and '**gender equality**' as frequently referenced in this paper, point out to the international human rights standards such as, among others, Convention on Elimination of All Forms of Discrimination against Women (CEDAW) as the most comprehensive and transformative blueprint for women's substantive equality in all spheres of life, including in the economy.

⁵ United Nations Conference on Trade and Development (UNCTAD), 2017, *Trade and Development Report 2017. Beyond Austerity: Towards Global New Deal*.

1. In academia

By virtually every global measure, women are more economically excluded than men and play different economic roles.⁶ They confront structural and intersectional inequalities such as gender wage gaps, occupational segregation, lack of decent work, disproportionate concentration in the informal economy, violence at and on the way to work, lack of access to and control over resources, heavy unpaid work burdens, and discriminatory norms about appropriate social roles, including women's political voice and participation. All these inequalities, as feminist economists first pointed out, have macroeconomic dimensions that need to be addressed.⁷

While specific impacts differ country by country and depend on both existing gender inequalities in-country and the specifics of the policies undertaken, overall, feminist economist literature has established that macroeconomic policies, and in particular fiscal consolidation policies, are enormously consequential for the ability of states to fulfil their obligations to women's human rights and carry immense gendered impacts.⁸ They have also provided a conceptual framework for understanding macroeconomic policy as a gendered structure with embedded with gender biases.⁹

Below follows a birds-eye view of some of the most clear, robustly-demonstrated and well-established results of these nearly four decades of research on the gendered impacts of fiscal consolidation policies, illustrated by a number of country cases going as far back as 1980's debt crises in the Global South to those that are as recent as 2017. While this particular chapter is broken down primarily by policy area, more recent feminist analyses increasingly focus on the cumulative impacts these policies have on women's lives throughout the course of their lives and recognise additional burdens intersectional discrimination brings, some of which are expanded upon in the final chapter of this paper.

1.1 Wage bill measures

Fiscal consolidation policies that cut, cap or freeze the public wage bill can disproportionately impact women and directly undermine women's income and economic security. Women make up 58 per cent of the total public sector workforce in OECD countries, as compared to the whole economy where female employment as a share of total employment only reaches 45 per cent.¹⁰ The public sector is also one of the main employers of women in developing nations, as demonstrated by International Labour Organisation (ILO) data that shows the share of women in public sector employment exceeded their share in total employment in a majority of countries.¹¹

Women tend to have more opportunities in civil service due to governmental policies on equality of opportunity and treatment, as well as flexible working hours and relative job stability, so wage bill measures generally can significantly impact women. Yet, horizontal occupational segregation means that women are disproportionately clustered in occupations such as teaching and nursing, which are often heavily affected by broad wage bill measures. Due to vertical segregation, within the public-

⁶ <http://www.worldbank.org/en/topic/gender/publication/gender-at-work-companion-report-to-world-development-report-2013-jobs>

⁷ Macroeconomics policies are not gender neutral because they influence quantity and quality of employment, size of a fiscal space, determine which investments are increased or cut back, and who takes the decisions. See more at: UN Women, 2015, *Transforming Economies, Realising Rights: Progress of the World's Women 2015-6*, Chapter 4, at: http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf

⁸ See, for example, Kabeer, N., (2015) *Gender, poverty, and inequality: a brief history of feminist contributions in the field of international development*, Gender & Development, 23:2, 189-205, at <https://doi.org/10.1080/13552074.2015.1062300>.

⁹ See, for example, pioneering critique of mainstream economics from the gender perspective by Dine Elson, which has formed the basis of much subsequent writing on the subject: Elson, D., *From Survival Strategies to Transformation Strategies: Women's Needs and Structural Adjustment*, in UNEQUAL BURDEN, supra note 7, at 26, 33-34..

¹⁰ OECD, Women, Government and Policy Making in OECD Countries: Fostering Diversity for IG, 2014.

¹¹ UN Women 'Transforming Economies, Realising Rights' Progress of the World's Women 2015-2016, p. 114.

sector women are also often clustered in lower-level and lower-paid administrative positions, which are more vulnerable under public sector wage reductions.

For example, during 2014-15, 165,000 civil service jobs were cut in the Ukraine, with further deep cuts projected in future. Women have been disproportionately impacted, as they comprise more than 75% of the civil service, primarily in non-managerial positions.¹² Due to these existing inequalities in the labour market, restrictive wage bill measures tend to push many women into unemployment, precarious work or into the informal economy, with long-lasting damage to their income and assets, and in some cases widening the gender pay gap.¹³

1.2 Public services and social protection measures

Fiscal consolidation measures that privatise public entities and/or directly reduce budgets for public services, social protection and subsidies impact women disproportionately. In many cases, budget cuts are made directly to organisations and services which serve to promote gender equality or protect women's rights, such as women's health clinics, domestic violence shelters or gender equality bodies. Cutting this funding clearly and very directly undermines women's rights. This has been established as far back as 1988 in Tanzania for instance, where 71 mothers died in the first 13 weeks of the year when economic reforms were in force - four times the maternal death rate of previous years.¹⁴ The deaths were attributed to inadequate quality of maternal care, stemming from lack of sufficient funding. The shortage of trained health personnel resulting from later fiscal consolidation measures was significant, from 249.4 nurses per 100,000 people in 1994/5 to 162.1 in 2001/2002. This resulted in the government relying upon inadequately supported home-based care, provided mostly by women, worsening conditions of women's poverty and enjoyment of human rights.¹⁵ Austerity measures implemented in Europe in response to the 2008 financial crisis meant funding for gender equality bodies were cut in Spain, Ireland and the UK, amongst others.¹⁶ Most recently in Brazil, Constitutional Amendment 95 adopted in 2016 that froze public spending for 20 years has meant no new women's shelters have been built since 2017, while Brazil now carries the fifth highest female homicide rate in the world and faces a significant recent increase in violence against women.¹⁷

Yet, even when services benefit whole populations, like education or health services, women tend to particularly rely on them due to their economic disadvantages or specific needs, such as needs for reproductive and maternal health services. Privatisation of public services also often go hand-in-hand with increased user fees, which, because of the gender pay gap and women's general economic disadvantage compared to men, also disproportionately target women.

Moreover, social transfers such as housing, disability and child benefits, are extremely important for women due to their disproportionate unpaid work burdens and prevailing economic disadvantage. In some cases, cuts are achieved through 'targeting' of social protection programs, including in

¹² Women's International League for Peace and Freedom, et al., 2017 Obstacles to Women's Meaningful Participation in Peace Efforts in Ukraine: Impact of Austerity Measures and Stigmatisation of Organisations Working for Dialogue, Joint submission to the Universal Periodic Review Working Group 28th Session at <http://wilpf.org/wp-content/uploads/2017/04/UKRAINE.UPR_JointSubmission-30-Mar-2017.pdf>.

¹³ Fulton, L., 2011 Widening the gender gap: the impact of public sector pay and job cuts on the employment and working conditions of women in four countries, Report for the European Federation of Public Service Unions, prepared by the Labour Research Department, at: <http://www.epsu.org/sites/default/files/article/files/L_Fulton_Final_report.pdf> Rubery, J., 2015 Austerity, the Public Sector and the Threat to Gender Equality, The Economic and Social Review. Vol.46. Iss.1.

¹⁴ Ibid.

¹⁵ *Overstretched: Coping with HIV & AIDS in Tanzania*, in Shakra Razavi and Silke Staab, eds., Global Variations in the Political and Social Economy of Care: Worlds Apart, Routledge, New York

¹⁶ European Women's Lobby, 2012 The Price of Austerity: Findings of an EWL study, at <<http://www.womenlobby.org/The-Price-of-Austerity-The-Impact-on-Women-s-Rights-and-Gender-Equality-in>>

¹⁷ David, Grazielle, 2018 *The impacts of IMF-backed austerity on women's rights in Brazil*, Spring 2018 Observer, Bretton Woods Project.

countries where poverty is very widespread.¹⁸ For example, the UK Women’s Budget Group has assessed that from 2010-2015, the cumulative impact of tax and benefit changes were far more dramatic for women at every decile, amounting to losses of 50 per cent more than men in cash terms and twice as much as a proportion of income,¹⁹ while in Ukraine, cuts to pensions and child benefits have disproportionately impacted women’s income as well.²⁰

Compounded by wage bill reductions, these fiscal consolidation measures create additional hurdles for women to access public services and can have long-term negative impacts on their human rights to health, education, food, bodily integrity, social security, adequate living standards and work, among others”.²¹

1.3 Relying upon and increasing women’s unpaid care work

The ways in which practically all fiscal consolidation measures further increase women’s unpaid care work through reductions to care services and continued underinvestment in care infrastructure is discriminatory and of enormous significance for women’s ability to enjoy a whole spectrum of rights, as estimates put women’s unpaid care burdens three times as high than that of men globally.^{22 23}

The work of feminist economists has put the reproductive economy at the centre of and challenges its invisibility in economic policy making, which takes women’s unpaid labour for granted and assumes its unlimited supply. In doing so, feminist economists have consistently pointed out that economic policymakers make the implicit or explicit assumption that households will step in when services such as healthcare, water or energy are cut, and take up the work previously provided or subsidised by the state, essentially shifting the burden of care overwhelmingly to women, in what Budlender and Meena famously termed “super-exploitation”.²⁴

1.4 Regressive tax policies

Fiscal consolidation measures often result from the failure of governments to mobilise maximum available resources for the fulfilment of human rights, thereby making tax policy part and parcel of feminist analyses of austerity, in addition to expenditure policy.²⁵ Feminist economists’ literature generally addresses two fields of critique in this area.

First, the *amount* of revenue collected through taxes is often not adequate to meet the expenditure needs of States to fulfil core human rights obligations. Rather than being the result of inadequate economic growth or the lack of an ‘enabling business environment’, this is the result of deliberate

¹⁸ Bretton Woods Project, 2017, *The IMF, Gender Equality, and Expenditure Policy*, at <http://www.brettonwoodsproject.org/wp-content/uploads/2017/09/The-IMF-Gender-Equality-and-Expenditure-Policy-CESR-and-BWP-Sept-2017.pdf>

¹⁹ Women’s Budget Group, 2016 A cumulative gender impact assessment of ten years of austerity policies, at <http://wbg.org.uk/wp-content/uploads/2016/03/De_HenauReed_WBG_GIAtaxben_briefing_2016_03_06.pdf>.

²⁰ Women’s International League for Peace and Freedom, et al., 2017 Obstacles to Women’s Meaningful Participation in Peace Efforts in Ukraine: Impact of Austerity Measures and Stigmatisation of Organisations Working for Dialogue, Joint submission to the Universal Periodic Review Working Group 28th Session at <http://wilpf.org/wp-content/uploads/2017/04/UKRAINE.UPR_JointSubmission-30-Mar-2017.pdf>.

²¹ Ibid

²² UN Secretary General’s High-Level Panel on Women’s Economic Empowerment, 2016 Unpaid Work and Care: a Policy Brief, at: <<https://www.empowerwomen.org//media/files/un%20women/empowerwomen/resources/hlp%20briefs/unpaid%20work%20%20carepolicy%20brief.pdf>>.

²³ Sadasivam, B., 1997, *The Impact of Structural Adjustment on Women: A Governance and Human Rights Agenda*, Source: Human Rights Quarterly, Vol. 19, No. 3, pp. 630-665.

²⁴ See, for example, UN Women, 2015, *Transforming Economies, Realizing Rights: Progress of the World’s Women 2015-6*, or Bretton Woods Project, 2017, *The IMF and Gender Equality: The compendium of feminist macroeconomic critiques*, at <http://www.brettonwoodsproject.org/wp-content/uploads/2017/10/The-IMF-and-Gender-Equality-A-Compendium-of-Feminist-Macroeconomic-Critiques.pdf>

²⁵ See more at: UN Women, 2015, *Transforming Economies, Realizing Rights: Progress of the World’s Women 2015-6*, Chapter 4, at: http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf

tax policies that facilitate tax avoidance and evasion and reduce tax rates on corporations, trade, wealth, property, capital gains and high incomes. Significantly enhancing international tax cooperation through the establishment of a UN Intergovernmental Global Tax Body and increasing tax collection from these overwhelmingly underutilised sources could dramatically reduce the need for fiscal consolidation measures.

A second critique focuses on the gendered impacts different *types* of tax policies that are implemented during times of fiscal consolidation carry in-and-of-themselves, which should be recognised and addressed by governments to avoid women being simultaneously disproportionately burdened by biased expenditure as well as tax policy, creating women's 'double austerity burden'. A common example of this is increases or introductions to Value Added Tax (VAT) on consumer goods and services, which are increasingly being implemented across the world, are unable to compensate the revenue losses of reductions of more progressive taxes and have extensively been shown to carry implicit gendered impacts.²⁶

1.5 Exacerbating structural gender inequalities

Finally, austerity policies pursued during and following times of crisis can intensify discriminatory social norms, which can further silence women's voices in political and economic decision-making processes.²⁷ Crucially, when jobs are scarce and economic inequality increases, conservative and radical groups tend to become more powerful, and push patriarchal, racist or nationalist ideologies, which can reinforce harmful stereotypes and even trigger gender-based violence.²⁸ Women who are members of disadvantaged groups and subject to intersectional discrimination based on their sexuality, ethnicity, nationality, migrant status, disability, religion, or class can be affected particularly hard. Without the participation of women's rights advocates and feminist economists in macroeconomic policy decision-making, economic policies will continue to undermine gender equality and women's rights.

²⁶ Buenaventura, M., 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: The compendium of feminist macroeconomic critique' at <http://www.brettonwoodsproject.org/wp-content/uploads/2017/10/The-IMF-and-Gender-Equality-A-Compendium-of-Feminist-Macroeconomic-Critiques.pdf>

²⁷ UN Women, 2015, *Transforming Economies, Realizing Rights: Progress of the World's Women 2015-6*, Chapter 4, at: http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf

²⁸ Ibid and, for example, feminists have noted increases in the Islamicisation, economic regression and defeminising of Egypt created and sustained by government drives for privatisation. See, Griffin, P., 2015, *Crisis, austerity and gendered governance: a feminist perspective*, in *Feminist Review* 109 (1).

2. In the United Nations

The work described above has translated into a body of international human rights law set out by UN institutions, treaties and bodies that lays-out laws, norms and principles that protect women's rights during times of fiscal consolidation.²⁹ The International Covenant on Economic, Social and Cultural Rights (ICESCR), adopted in 1966, and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979, as well as their respective committees, are particularly relevant to the achievement of women's economic and social rights and provide a clear framework for progressive implementation of macroeconomic policies, using maximum available resources, including in times of financial crisis. The following include some of the most relevant human rights-based principles and decisions in this regard.

At minimum, as set-out by the Committee on Economic, Social and Cultural Rights (CESCR), to avoid contravening human rights obligations, fiscal consolidation measures should follow these principles:

1. Be justified by the **compelling State interest**, in the sense that States are obliged to show that decreases in available resources were caused by the factors beyond their control and that arguments for 'fiscal discipline' out of principle are not sufficient;
2. Be **temporary**, covering only the period of crisis, **necessary** and **proportionate**, i.e. the adoption of any other policy, or a failure to act, would be more detrimental to the realisation of the totality of human rights;
3. Be based on an **exhaustion of alternative and less restrictive measures**, with the weight of proof lying within the State for this to be the case, including for having considered alternative policies, such as adjustments in tax policy;
4. Ensure the **prohibition of discrimination**, both in intent and effect, and comprise all possible measures to protect rights of all marginalised and disadvantaged groups by mitigating inequalities that arise or are exacerbated in times of crisis;
5. Identify and ensure the realisation of **minimum core content** of economic and social rights, or a **social protection floor** as developed by the International Labour Organization (ILO); and
6. Involve **genuine participation** of affected groups in decision-making processes.

This framework is further complemented in particular by the ICESCR prohibition of discrimination based on sex, and the recognition of the right to work, just and favourable conditions of work, social security, an adequate standard of living, education and the right to form trade unions. It is further supported by key ILO gender equality conventions, such as Convention No. 100 on equal remuneration, 111 on discrimination in employment and occupation, 156 on workers with family responsibilities, 183 on maternity protection, and 189 on rights of domestic workers.³⁰

Based on these norms, UN bodies have for a long time called on governments to rethink fiscal consolidation measures to consider their human rights impacts, from the notable 1987 UNICEF report "Adjustment with a Human Face" to the 2012 open letter of the CESCR in response to the 2008 financial crisis, urging all States to use maximum available resources to fulfil economic, social and cultural rights, and calling for international cooperation to ensure the progressive application of rights to promote development and overcome the global financial crisis.³¹ Most recently, in 2018, the UN Independent Expert of foreign debt called for the development of human rights principles to assess austerity measures in his report to the Human Rights Council.

²⁹ For a comprehensive overview see: Office of the High Commissioner for Human Rights (OHCHR), 2013 *Report on austerity measures and economic, social and cultural rights*, at http://www.ohchr.org/Documents/Issues/Development/RightsCrisis/E-2013-82_en.pdf and <http://www2.ohchr.org/english/bodies/cescr/docs/LetterCESCRtoSP16.05.12.pdf>

³⁰ See ILO and gender equality at: <http://www.ilo.org/gender/Aboutus/ILOandGenderEquality/lang--en/index.htm>

³¹ Committee on Economic, Social and Cultural Rights (CESCR), 2012 *Letter to State parties on the issue of human rights obligations in the context of austerity*, at <http://www2.ohchr.org/english/bodies/cescr/docs/LetterCESCRtoSP16.05.12.pdf>.

Importantly, immediate and enforceable obligations for States exist in human rights law to ensure that women specifically can exercise their economic and social rights, including in times of distress. CEDAW Articles 2 and 3 establish comprehensive obligations of States to eliminate discrimination against women in all its forms. Article 4 encourages the use of temporary special measures to accelerate the achievement of substantive equality for women, while other provisions explicitly guarantee various aspects of women's economic and social rights, including the right to education (Article 10), employment (Article 11), health services, including reproductive and maternity care (Article 12), equality in economic and social benefits (Article 13), and rights of rural women (14).³²

Starting in 1998, the CEDAW Committee has repeatedly stated in numerous General Recommendations that sufficient public resources are essential for realising women's rights and eliminating discrimination.³³ As recently as 2017, CEDAW General Recommendation No. 35 on gender-based violence against women identified that, "significant reductions in public spending, often as part of so-called 'austerity measures' following economic and financial crises [to] further weaken States responses [to address gender-based violence against women]".

This work developed into the CEDAW Committee directly issuing a number of Concluding Observations to States to ensure that any response to financial crises incorporates a gender perspective, while taking all the necessary measures to prevent women from bearing its heaviest burdens.³⁴ For instance, the latest CEDAW Concluding Observations to the UK in 2013 included the Committee "urging [the UK] to mitigate the impact of austerity measures on women and the services provided to women, especially women with disabilities and older women. It should also ensure that spending reviews continuously focus on measuring and balancing the impact of austerity measures on women's rights. It should further review the policy of commissioning services wherever this may undermine the provision of specialized services for women."

In 1995, the Beijing Declaration established at the Fourth World Conference on Women identified inequality in economic structures and policies as one of its 'critical areas of concern' and called upon the States to "analyse, from a gender perspective, policies and programmes - including those related to macroeconomic stability, structural adjustment, external debt problems, taxation, investments, employment, markets and all relevant sectors of the economy - with respect to their impact on poverty, on inequality and particularly on women".³⁵ Its Platform for Action further urged governments to "use gender-impact analyses in the development of macro ... policies in order to monitor such impact and restructure policies in cases where harmful impact occurs".

More recently, the Commission on the Status of Women's called for states to implement "gender-responsive macroeconomic ... policies" in 2017,³⁶ while UN Women has produced extensive work since 2015 on macroeconomic policy and women's economic empowerment as well.³⁷

³² <http://www.un.org/womenwatch/daw/cedaw/text/econvention.htm#article13>

³³ See, for example, Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1988 *General Recommendation No. 6: Effective national machinery and publicity*, 1, U.N. Doc. A/43/38.; Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 1999 *General Recommendation No. 24: Article 12 (Women and health)*, 17, U.N. Doc. A/54/38/Rev.1.; Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 2000 *Report of the Committee on the Elimination of Discrimination against Women for the Twenty-Second and Twenty-Third Sessions*, 64,111,131,149,226,234,250,340,382,393, U.N. Doc. A/55/38.; Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 2006 (a) *Concluding comments: China*, 16, 36, U.N. Doc. CEDAW/C/CHN/CO/6 25.; Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 2006 (b) *Concluding comments: Jamaica*, 38, U.N. Doc. CEDAW/C/JAM/CO/5. 25; Committee on the Elimination of All Forms of Discrimination Against Women (CEDAW), 2009; *Concluding observations: Portugal*, 19, 26, 27, U.N. Doc. CEDAW/C/PRT/CO/7.

³⁴ See for example CEDAW Concluding Observation on Spain, CEDAW/C/ESP/CO/6, paras. 23 – 24 (7 August 2009) or Argentina, CEDAW/C/A/57/38 (23 August 2002).

³⁵ Beijing Platform for Action, Strategic Objective A.1, Action 58 b at: <http://www.un.org/womenwatch/daw/beijing/platform/poverty.htm>

³⁶ Commission on the Status of Women, Agreed Conclusion, 'recommendation o', 2017.

³⁷ See for example, UN Women *Progress of the World's Women 2015-2016*, and *Macroeconomic Policy and Women's Economic Empowerment*, 2017.

3. In policymaking

Given the gendered impacts of fiscal consolidation measures are so widely documented in academic literature and have then been translated into policy-specific guidance and rules within the UN human rights system, this raises the obvious question, 'to what degree has any of this work been developed into actual policy-making by national governments?' A cursory glance at some of the policy responses to the 2008 financial crisis and a closer look at just one country, where feminist economists have produced invaluable research, may provide a preliminary impression.

3.1 Austerity as the 'new normal'

A review of policy responses to the 2008 financial crisis between 2010 and 2020 by the ILO reveal that austerity is expected to impact more than two-thirds of all countries and nearly 80 per cent of the global population by 2020.³⁸ Developing countries are expected to be most severely affected with 81 developing countries, on average, projected to cut public spending versus 45 high-income countries. In terms of fiscal consolidation measures, the review indicates that governments are overwhelmingly implementing the following policies, providing a déjà-vu experience of structural adjustment programmes applied in the Global South in response to the economic crises of the 1980s and 90s: elimination or reduction of subsidies, including on fuel, agriculture and food products (in 132 countries); cutting and/or freezing public sector wages including in education and health (in 130 countries); rationalising and further targeting of safety nets (in 107 countries); pension reforms (in 105 countries); labour market reforms (in 89 countries); and healthcare reforms (in 56 countries). Many governments also consider introducing or broadening consumption taxes, such as value added taxes (VATs) (in 138 countries), as well as privatising state assets and services (in 55 countries).³⁹

The ILO projects that overall, expected spending cuts will not stabilise the global economy, but generate unemployment and weaken economic performance by 2020. Compared to a scenario without the implementation of fiscal adjustment, an additional global loss of 7 per cent of global GDP and 12 million jobs over the 2015-20 period has been projected, with East Asia and Sub-Saharan Africa hit hardest. These measures have raised serious concerns with regards to non-retrogression and progressive realisation of rights, as well as non-discrimination and minimum core obligations.

In the UK alone, the cumulative impact of tax and benefit changes between 2010-2015 were found to be far more dramatic for women at every decile, amounting to losses of 50 per cent more than men in cash terms, and twice as much as a proportion of income.⁴⁰ A later found that black and Asian households with the lowest fifth of incomes will experience the biggest average drop in living standards of 19.2 and 20.1 per cent respectively, while lone mothers, who represent 92 per cent of lone parents, will experience a drop of 18 per cent in living standards.⁴¹ Local authorities across England have also been found to cut their spending on domestic violence refuges by nearly a quarter since 2010.⁴² While there is little evidence to suggest that austerity policies in the UK are restoring growth, growing evidence points to their damaging impact in creating a second wave of recession, increasing unemployment, and undermining progress towards gender equality.⁴³

³⁸ International Labour Organization, 2015 *The Decade of Adjustment: A Review of Austerity Trends 2010-2020 in 187 Countries*, SS Working Paper No. 53, Ortiz, I., Cummins, M., Capaldo, J., Karunanethy, K.

³⁹ International Labour Organization et al, *The Decade of Adjustment*.

⁴⁰ Women's Budget Group, 2016 *A cumulative gender impact assessment of ten years of austerity policies*, at https://wbg.org.uk/wp-content/uploads/2016/03/De_HenauReed_WBG_GIAtaxben_briefing_2016_03_06.pdf.

⁴¹ Women's Budget Group, 2017 *Intersecting Inequalities: the impact of austerity on BME women in the UK*, at <https://wbg.org.uk/main-feature/intersecting-inequalities-impact-austerity-bme-women-uk/>.

⁴² <https://www.thebureauinvestigates.com/stories/2017-10-16/a-system-at-breaking-point>.

⁴³ See, for example, Elson, D., Pearson, R.E., 2015, *Transcending the impact of the financial crisis in the United Kingdom: Towards plan F-a feminist economic strategy*, in *Feminist Review* 109 (1).

3.2 Signs of hope; alternative approaches

As the above-mentioned ILO report points out, fiscal consolidation does not have to be the 'new normal'. The alternatives long offered by feminist economists, civil society, as well as the UN, call on the governments to address the root causes of economic crises, strengthen institutional resilience, and adopt alternative, equitable and rights- based policies for socio-economic recovery through, among other things: making fiscal policy more countercyclical and supportive of public services, social and are infrastructure and job creation; mobilising maximum available resources by reforming tax policies and closing loopholes; accelerating regulatory reforms in national and international financial systems; and supporting actual realisation of gender equality and the Sustainable Development Goals.⁴⁴

Encouragingly, there are signs of hope. Outlined below is a snapshot of policy alternatives. Though developed by different actors and at different levels – theoretical projects, analytical tools, as well as political responses - they each represent a progressive approach to macroeconomic policy with a focus on redistributive policies to stimulate the economy and realise human rights and gender equality at the same time.

a) *Theoretical project: Plan F*

Throughout the development of their extensive work, feminist economists have proposed a variety of alternative policies, tools and economic models that enable the creation of a feminist macroeconomic environment. A serious rethinking of fiscal consolidation policies, as they propose, ultimately would mean recalibrating goals to reduce debt and deficit at any cost, and ensure that women's human rights perspective is applied in macroeconomic policy and practice, including in times of distress. One concrete, worked-out example of such a proposal is Plan F.

Developed by civil society organisation, the Women's Budget Group (WBG), Plan F sets out a long-term feminist economic strategy that positions reproductive and care work centre-stage in economic analysis and post crisis recovery. Put forward in response to the austerity measures adopted by the UK since 2010,⁴⁵ and inspired by decades of feminist economist's work, Plan F aims to achieve a prosperous and caring economy focused on investment in social infrastructure such as health, education, childcare, social housing and lifelong care. Though developed in the UK, the policies put forward in Plan F are broadly applicable to many country contexts.

According to WBG analysis, investing public funds in childcare and elderly care is more effective in reducing public deficits than austerity policies. For example, in the UK, investing 2 per cent of GDP in care industries could create 1.5 million jobs, boost women's employment and their financial independence, and provide additional tax revenues for the government.⁴⁶

Plan F's recipe for self-financing is raising the levels of income tax payable by higher earners,⁴⁷ corporations and financial institutions, and re-thinking government's expenditure on the military and other infrastructure costs. For example, the WBG argues that corporation tax cuts cost the UK

⁴⁴ Ibid and , for example, UN Women, 2015 *Transforming Economies, Realizing Rights: Progress of the World's Women 2015-6*, at: http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf

⁴⁵ The UK Coalition government adopted a plan to reduce the budget deficit in which 85% of the contribution came from cutting expenditure, and only 15% from increases in tax revenue. Elson, D., Pearson, R.E., 2015, *Transcending the impact of the financial crisis in the United Kingdom: Towards plan F-a feminist economic strategy*, in *Feminist Review* 109 (1).

⁴⁶ Women's Budget Group, *Investing 2% of GDP in care industries could create 1.5 million jobs*, at: <https://wbg.org.uk/analysis/investing-2-of-gdp-in-care-industries-could-create-1-5-million-jobs/>

⁴⁷ The UK government has reduced it from the comparatively modest 50% for those earning over £150,000 to 45% in 2013/2014; this puts it below most of the G20 countries. Elson, D., Pearson, R.E., 2015, *Transcending the impact of the financial crisis in the United Kingdom: Towards plan F-a feminist economic strategy*, in *Feminist Review* 109 (1).

around £7.9 billion a year, while effective action to tackle tax avoidance and evasion would generate almost £120 billion annually.⁴⁸ These additional resources would enable the government to avoid adopting some of the most damaging austerity measures, which hit women **disproportionately**.

Box 1. Policies proposed in Plan F⁴⁹

Implementation of Plan F, a long-term feminist economic plan to invest in creating a caring and sustainable economy, would mean to:

- Reverse cuts to public services and social security that have had particularly adverse impacts on women
- Invest in social infrastructure- care, health, education and training services, social security and housing- complemented by investment in renewable energy and environmentally friendly public transport
- Ensure that all social security benefits are gender sensitive and respond to structural discrimination
- Improve the terms and conditions of work for the social infrastructure work force
- Strengthen worker’s rights throughout the economy and raise the minimum wage to a level that ensures a decent living
- Ensure access to affordable care
- Improve support for people who provide unpaid care in families and communities and encourage men to contribute more to unpaid care.
- Create a social security system that aims at fairer sharing of caring and the costs of caring
- Increase investment in social housing and in insulating homes
- Mobilise more income tax revenue and save money on social security by generating employment in care services and infrastructure
- Rethink investments in military
- Rise level of income tax payable by higher earners, corporations and financial institution
- Take effective action on tax debt, avoidance and evasion

b) Political response; the case of Iceland

Iceland was one of the first countries hit by the 2008 financial crisis caused by reckless banking and unregulated business practices. Yet, instead of bailing out its financial sector, the government focused on preserving its social welfare system in the face of calls for fiscal consolidation.⁵⁰

In May 2009, after almost 18 years of right-wing party rule, Iceland made a U-turn and elected a new left-wing government, led by prime-minister Jóhanna Sigurdardóttir. The new government pledged to “protect low income earners and those who are most vulnerable and to distribute the burden [of the crisis] fairly, equitably and justly.”⁵¹ Consequently, Iceland repudiated private debt to foreign banks and, in designing fiscal adjustment policies, introduced a more progressive income tax and created fiscal space to preserve social benefits.

For example, between 2008 and 2010, the top 40 per cent of earners in Iceland experienced a rise in tax rates, while they fell for those earning lower incomes.⁵² In 2010, when expenditure compression began, social protection spending continued to rise as a percentage of GDP and the number of

⁴⁸ Women’s Budget Group, ‘Plan F: A Feminist Economic Strategy for a Caring and Sustainable Economy’, at: <https://wbg.org.uk/wp-content/uploads/2015/02/PLAN-F-2015.pdf>

⁴⁹ <https://wbg.org.uk/analysis/plan-f-a-feminist-economic-strategy-for-a-caring-and-sustainable-economy/>

⁵⁰ International Labour Organization, The South Centre, Initiative for Policy Dialogue – Columbia University, 2015 *The Decade of Adjustment: A Review of Austerity Trends 2010-2020 in 187 Countries*, SS Working Paper No. 53, Ortiz, I., Cummins, M., Capaldo, J., Karunanethy, K., at: http://www.ilo.org/secsoc/information-resources/publications-and-tools/Workingpapers/WCMS_431730/lang-en/index.htm.

⁵¹ Thorsodotir, T., K., 2014, *Iceland in Crisis: gender equality and social equity*, in *Women and Austerity*, Routledge, London.

⁵² Ibid

households receiving income support from the public sector increased.⁵³ These policies led to a sharp reduction in inequality⁵⁴ and have likely sheltered women from the drastic effects of the crisis.

In 2012, Iceland ranked first place in the World Economic Forum Global Gender Gap Report, moving up from number 4 in 2008,⁵⁵ and has maintained its global leadership position on gender equality ever since.⁵⁶

Thus perhaps fittingly, the new government indeed ensured a gender perspective was prominent in the response to the crisis. A new arm of the finance department devoted to gender-responsive budgeting has been created and data-gathering on gender equality issues has been strengthened. In 2009, the government also established *Well-Being-Watch*, a cross-sectoral group aimed at monitoring the consequences of the financial crisis on individuals and families.⁵⁷ Moreover, the government has introduced a quota requiring 40 per cent of corporate board seats to be held by women,⁵⁸ prioritised closing the gender pay gap, invested in gender equality education from pre-school to university level, and took measures to end gender-based violence in Iceland.⁵⁹

c) *Analytical tools and approaches; Gender budgeting and impact assessments*

Gender-responsive budgeting is an approach to revenue spending and mobilisation that uses fiscal administration and policy to explicitly promote gender equality and women's rights. After the 1995 Beijing Platform for Action called on governments to ensure that gender perspectives are reflected in budgetary policies and programmes, and a number of other international agreements and declarations reinforced this call,⁶⁰ gender-responsive budgeting is now widespread and applied in more than 80 countries.⁶¹ It takes on many different forms, with some countries focusing on budgetary allocations or the structure of fiscal policies, while others prioritise administrative changes to expenditure tracking and monitoring systems. A plethora of studies and evaluations on the subject confirm that gender-responsive budgeting has led to positive changes in fiscal policies in key areas such as education, health, and infrastructure; has significantly strengthened accountability systems of public spending; and has spurred governments' efforts to reduce gender inequalities in economic, social and political life.⁶²

In Sub-Saharan Africa, for example, Uganda and Rwanda have the most prominent gender budgeting practice. In both countries, the government sought to ensure that gender-oriented goals were identified, and that budgeting addressed these goals in the delivery of public services, including at local level.⁶³ In Uganda, priority gender budgeting sectors included education, health, agriculture, roads and works, water and sanitation, and justice, law, and order. In Rwanda, a new budget law was adopted that included gender budgeting as a fundamental principle. As part of these efforts Rwanda also established a Gender Monitoring Office with the authority to ensure that gender

⁵³ International Labour Organization et al, *The Decade of Adjustment*.

⁵⁴ Iceland's GINI coefficient—which had risen during the boom years—fell in 2010 to levels consistent with its Nordic peers. Ibid

⁵⁵ <http://www.aljazeera.com/indepth/opinion/2013/04/20134274739879996.html>

⁵⁶ <https://www.weforum.org/press/2017/11/ten-years-of-progress-on-global-gender-parity-stalls-in-2017/>

⁵⁷ See: Thorsodotir, T., K., 2014, *Iceland in Crisis* and

https://www.innokyla.fi/documents/475985/0/The+Icelandic+Welfare+Watch_Ingibj%C3%B6rg+Brodad%C3%B3ttir+.pdf/901b05cf-4c3c-4ba9-9bca-f83da2b09234

⁵⁸ <http://www.businessinsider.com/iceland-gender-equality-2018-2?IR=T>

⁵⁹ Thorsodotir, T., K., 2014, *Iceland in Crisis*

⁶⁰ Stotsky, J., 2016 *Gender Budgeting: Fiscal Context and Current Outcomes*, at

<https://www.imf.org/external/pubs/ft/wp/2016/wp16149.pdf>

⁶¹ Ibid

⁶² Ibid and see, for example, UN Women, 2015, *Transforming Economies, Realizing Rights: Progress of the World's Women 2015-6*

⁶³ Ibid

budgetary commitments were being met.⁶⁴ While most gender budgeting efforts in sub-Saharan Africa have focused on gender-responsive spending, there have been some cases of tax reforms motivated by gender concerns as well. In South Africa, for instance, the government undertook comprehensive tax reforms in 1995 to equalise tax rates for all taxpayers, addressing an explicit bias in the income tax carried by married women. It has also decided to reduce the VAT on paraffin, which is a key fuel in poor households, predominantly headed by women.⁶⁵

In 2017, the UN Human Rights Council requested the Independent Expert on Foreign Debt and Human Rights to develop guiding principles for human rights impact assessment for economic reforms.⁶⁶ The aim was not to develop new policies or standards, but provide States, IFIs and other stakeholders with practical guidance and analytical tools to identify and protect their human rights obligations, including for women's rights, in responding to financial distress.

By default, an impact assessment is a structured process, with stakeholders' engagement, for identifying, understanding, assessing and addressing the potential or actual adverse impact of policies, laws or actions on particular issues, or on particular groups. In case of fiscal consolidation, such human rights assessment should look into: concrete policy options for responding to the crises, including alternatives to austerity; gender implications of proposed policy reforms and impacts on the most marginalised groups; assess whether and how policy changes comply with human rights obligations; review and adjust the proposed reforms so that they do not violate women rights; consult with civil society and women's rights groups, and all other groups with protracted characteristics.⁶⁷

While many governments have international and constitutional obligations to protect human rights, very few have specific statutory duties to carry out equality or human rights impact assessments as part of their regular policy making process in the economic sphere.⁶⁸ Even those that do, do not always deliver on these obligations. For example, the UK government is legally obliged to assess equality impacts of its policies by the Public Sector Equality Duty.⁶⁹ However, the government has failed to publish meaningful equality impact assessments of the state budget since harsh austerity measures were introduced in 2010.⁷⁰

If guiding principles for human rights impact assessments for economic reforms could be agreed and implemented amongst governments, it could become a very practical monitoring and advocacy tool for all stakeholders to ensure that fiscal consolidation measures, if and where necessary, do not violate women's human rights and exacerbate gender inequality. By providing normative guidance on women's rights in what are now often merely considered political 'trade-offs' or 'hard choices', as well as strengthening the legitimacy and local ownership of choices made through inclusive and accountable decision-making, human rights impact assessments of macroeconomic reform programmes could be a much needed tool for the progressive realisation of gender equality and women's rights.

⁶⁴ Ibid

⁶⁵ Ibid

⁶⁶ <http://www.ohchr.org/EN/Issues/Development/IEDebt/Pages/DebtAndImpactAssessments.aspx>

⁶⁷ *Development of Guiding Principles for Human Rights Impact Assessments of Economic Reform Programmes / Fiscal Consolidation*, Background Paper – Draft for Discussion - for Expert Meeting at the Office of the High Commissioner for Human Rights Geneva - 9 November 2017.

⁶⁸ Ibid

⁶⁹ Women's Budget Group (2017), *'The Equality impact of tax and benefit changes – why an impact assessment is needed. Briefing in support of FINANCE (NO.2) BILL: SECOND READING - REASONED AMENDMENT1'*, at: <https://wbg.org.uk/wp-content/uploads/2017/12/briefing-for-reasoned-ammendment-to-2nd-stage-budget-bill-dec-2017.pdf>

⁷⁰ Ibid. Moreover, in November 2017, 126 MPs from different opposition parties signed the letter asking government to **publish** details of the impact of their policies broken down by gender, race, age, disability, class and region. See: <https://www.theguardian.com/politics/2017/nov/30/labour-leads-drive-for-equality-impact-assessment-of-tory-policies>

II. Conclusions

Over the past 30 years, feminist economists have provided an enormous amount of empirical evidence on the gendered impacts of fiscal consolidation policies, as well as a conceptual framework for understanding macroeconomic policy as gendered structures with explicit and implicit gender biases.⁷¹ While this work continues to develop and gain complexity, almost since its inception, their sustained work has been amplified by voices of women's rights advocates, as well as the United Nations, where it has been translated into an array of concrete policy guidance, rules and principles.

Yet, as the global policy response to the 2008 financial crisis demonstrated, economic policy makers overwhelmingly still do not consider fiscal consolidation policies from a gender perspective and overwhelmingly still consider austerity a necessary macroeconomic policy tool. Such a 'menu of options' demonstrates that inadequate weight is given to policies, facts, and evidence already known; i.e. that austerity measures exacerbate inequality and disproportionately impact women, especially those subjected to intersectional discrimination, while not driving deficit reductions or even economic growth, and often in contravention of States' human rights obligations.

While a handful of important alternative feminist approaches to macroeconomic policy are beginning to take hold on the ground, they are yet to meaningfully challenge the dominance of the austerity narrative on the international stage. Nowhere is this more clear than at the IMF, which, since 2013, has started exploring the relationship between macroeconomic policy advice and gender equality. Yet, during an event at the IMF's Annual Meetings in October 2017, as an IMF representative explained that "there is an increasing consensus that fiscal policy can play an instrumental role for gender equity ... in both the spending and the tax side", when asked about curtailing IMF policy advice that promotes austere fiscal consolidation policies, the IMF representative responded, "In terms of austerity, ... you cannot defy gravity."⁷²

⁷¹ See, for example, pioneering critique of mainstream economics from the gender perspective by Dine Elson, which has formed the basis of much subsequent writing on the subject: Elson, D., *From Survival Strategies to Transformation Strategies: Women's Needs and Structural Adjustment*, in UNEQUAL BURDEN, supra note 7, at 26, 33-34.

⁷² Bretton Woods Project, *Minutes of Contradicting commitments: Why fiscal space matters for women and work*, 11 October 2017, at <http://www.brettonwoodsproject.org/2017/10/contradicting-commitments-fiscal-space-matters-women-work/>.