

## THE WELFARE OF WOMEN AND CHILDREN DURING THE GLOBAL ECONOMIC CRISIS

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### ABSTRACT

This paper explores the multiple dimensions of labour and gender inequalities in employment, occupation, earnings, and poverty in the global economic crisis. The gendered patterns of labour recruitment, occupational segregation, and the gender gap in pay affecting the life of women and children will be overviewed. It will also try to discuss and expand the dominant effects of the current economic crisis on the wellbeing of women and children, and today's state responsibilities.

The Global Employment Trends report states that the gender impact of the economic crisis in terms of unemployment rates is expected to be more detrimental for females than for males in most regions of the world. The economic crisis is expected to increase the number of unemployed women by up to 22 million in 2009 (ILO Report, 2009).

Since welfare provisions are the first budgetary cuts made by governments forced with increasing debt burdens, women and their children are the most threatened by the inroads on the subsistence economy.

According to Overseas Development Institute's (ODI, March 2009) Background Note new estimates from the World Bank (World Bank, 2009) suggest that slower economic growth owing to the current economic crisis will trap 46 million more people than expected on less than US\$1.25 a day; an extra 53 million will be pushed into \$2 day poverty.

Millions will plunge into poverty. The Most vulnerable ones, women and children will experience the negative consequences more rapidly and with more severity. Vulnerabilities depend on both gender and age, and are multidimensional. Women are the first to lose jobs, having to work harder to seek additional income, spending less time on nurture and care.

**Key Words:** *Gender inequalities, Labour recruitment, Occupational segregation, Global economic crisis.*

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## KÜRESEL EKONOMİK KRİZLER DÖNEMİNDE KADIN VE ÇOCUKLARIN ESENLİĞİ

### ÖZET

Bu çalışma, istihdamda toplumsal cinsiyet eşitsizliğini, meslek, kazanç ve küresel ekonomik krizin yarattığı yoksulluğu çok boyutlu olarak incelemektedir. İstihdamda gözlenen cinseyete bağlı ayrımcılık, mesleki ayrımcılık ve de cinsiyete bağlı ücret farklılığının kadın ve çocukların yaşamlarına olan etkilerini gözden geçirecektir. Aynı zamanda, içinde bulunduğumuz ekonomik krizin kadın ve çocukların refahı üzerine olan belirgin etkilerini ve günümüz devletlerinin sosyal sorumluluklarını da tartışmaktadır.

Küresel istihdam eğilimleri raporu, dünyanın bir çok bölgesinde ekonomik krizin işsizlik oranı açısından kadınları erkeklerden daha olumsuz etkiliyeceği yönündedir. International Labour Organization (ILO) raporu, ekonomik kriz sonucu, 2009 yılında işsiz kadın sayısının 22 milyon artacağını göstermektedir.

Artmakta olan borç yükünden dolayı, hükümetler ilk bütçe kesintilerini sosyal yardıma ayrılan kaynaklardan yapmaktadırlar, dolayısı ile kadın ve çocuklar sosyal destek/yardıma bağlı ekonomilerde daha çok tehdit altındadırlar.

Overseas Development Institute'ün (ODI) 2009 daki notunda, Dünya Bankasının (Dünya Bankası, 2009) tahminlerine göre, şu andaki krizden dolayı, yavaşlayan ekonomik büyüme hızı, beklenilenden 46 milyon daha fazla insani günlük USD1.25 kazanç sınırının altına düşürecek; ayrıca 53 milyon kişide günlük USD 2 ile yaşamlarını sürdürmek zorunda kalacaklardır.

Milyonlarca insan aşırı yoksulluğa sürüklenecektir. En fazla savunmasız olanlar, yani kadınlar ve çocuklar, olumsuz sonuçları çok daha hızlı ve zorlu olarak yaşayacaklardır. Bu savunmasızlık yaşa ve toplumsal cinsiyete bağımlı ve çok boyutlu bir olgudur. İşlerini ilk kaybedenler kadınlardır, dolayısı ile kaybolan ek geliri yerine koyabilmek için daha fazla çalışmak, ailelerine ve çocuklarına ayırdıkları zamani azaltmak zorundadırlar. Bunun olumsuz sonuçları uzun vadede toplumsal alanda kendini gösterecektir.

**Anahtar Kelimeler:** *Toplumsal cinsiyete bağlı eşitsizlik, İstihdam, Mesleki ayrımcılık, Dünya ekonomik krizi.*

The current global financial crisis is still unfolding and no one knows whether the world economy has yet hit the bottom. Financial and economic crises not only involve monetary costs but also impact human rights and it is still too early to comprehend the full social implications of the crisis. During the Asian crisis, 19 million Indonesians and 1.1 million Thais fell below the poverty line as real earnings slumped and jobs disappeared (World

Bank, 2007). The 2001-2002 financial crisis in Argentine increased the national poverty rate by 15 percentage points (Cruces and Wodon, 2003), and the 1998-1999 crisis in Ecuador increased poverty by 13 percentage points (Hall and Patrinos, 2005). The impact on the real economy and on the lives of people would be even more serious than the impact on the financial market. The current global financial crisis, on top of recent food price increases, will have serious gender specific consequences for women in poor countries and their children. While women (and men) in most developing countries are vulnerable to risk of poverty and hardship, exposure to gender specific negative impacts are particularly high in a subset of countries. These are countries where pre-existing high infant mortality rates and low rates of female schooling, combined with decelerating growth rates, substantially raise the vulnerability of women and girls to the deleterious effects of the crisis. Their situation is even more precarious in the sub-set of countries where limited fiscal resources constrain governments' ability to cushion human impacts.

As the leading Washington think tank president Nancy Birdsall put it "the five billion people living in developing countries are innocent victims of the global economic crisis" (BIRDSALL, 2009: p. 4) The World Bank report in 2009 estimates that with a slowdown in global economic growth, 53 million more people could be left in poverty, and 200.000 to 300.000 more babies could die each year between now and 2015 if the crisis persists. When we speak of the poorest of the poor we are almost always speaking about women. Poor men in the developing world have even poorer wives and children. And there is no doubt that recession, the debt crisis and structural adjustment policies have placed the heaviest burden on poor women, who earn less, own less and control less. As Amartya Sen wrote in the 2003 report of the Commission on Human Security "... a sudden downturn can make the lives of the vulnerable thoroughly and uncommonly deprived. There is much economic evidence that even if people rise together as the process of economic expansion proceeds, when they fall, they tend to fall very divided"(SEN, 2003: p.8). Poorer people are affected more than others because they have fewer buffers, and because the range and effectiveness of their buffers are inadequate. The poor predominantly possess unskilled labour and engage in the informal sector. This restricts their ability to cope by switching jobs, and expose them to unregulated labour markets. They lack assets, such as bank deposits and land, and have only limited and

expensive access to credit. In addition, economic downturns push poor households into a vicious cycle of poverty. They are forced to respond with measures that keep them poor: reducing the number and quality of meals, postponing health related expenditure and withdrawing children from school. These actions lead to lower future income earning potential for current and future generations, resulting in persistent poverty (SHAMIKA, 2009: p.4).

“According to gender and development theory (Sen and Grown, 1987; Rathberger, 1990; Kabeer, 1991; Bakker, 1994; Connelly, Murray, MacDonald, and Papart, 1995; Marchand and Papart, 1995; Marchand, 1996), much of the work that women do, namely, domestic and caring work, is unpaid and unrecognized” (MEYER, 2003: pp.351-383) Women are also excluded from certain kinds of highly skilled work due to their lack of access to education and training and their domestic obligations. In addition, women are segmented into jobs associated with domesticity and servicing, an extension of their household roles. Around the world, hierarchical gender ideologies serve to cheapen the direct costs of labour to capital by defining key segments of the population (notably women and children) as supplementary or devalued workers .At one level, the pictures appear remarkably consistent;” in country after country, industrial employers identify the inherently desirable qualities of their preferred labour force: "nimble-fingered," often youthful, and deferential female workers. Wherever they locate? From Indonesia to Israel , Mexico to Malaysia global factories reproduce similar models of organization wherein women dominate the lowest levels both of pay and authority, whereas men occupy most positions of supervisory and managerial rank . Indeed, it is the hegemonic capacity of patriarchal norms to define women’s labour as not only "cheap" but socially and economically worth less (and therefore less worthy of equitable pay and other treatment) that makes a gendered labour force so crucial to the accumulation strategies of global capital” (MILLIS,2003: pp.41-62)

Women jobs pay lower wages, in partly because women tend to have a higher rate of part-time employment. Since the mid-twentieth century, part-time employment has increased more than full-time employment in most advanced industrialized countries (OECD Employment Outlook, 1990). One reason for the increasing importance of part-time work is that it offers a more flexible working week than most full-time jobs. Part-time jobs, however, usually pay less in total and hourly income, provide less security and advancement opportunity, and give fewer benefits. Thus, part-time

employment may be desirable for the employer and the employee because of its flexibility, but it may be undesirable for the worker for some of the same reasons that make it cheaper for the employer. An obvious reason why women would predominate in part-time employment is that they continue to have family responsibilities beyond their paid work. Especially if they have alternative sources of income and other benefits from a husband's employment and/ or a welfare state, they may choose reduced employment hours as a way of managing their domestic and labour-market work, across a range of advanced industrialized countries, marriage (or cohabitation) and parenthoods have basically the same negative effects on the likelihood of women's holding full-time jobs. In most developing countries part time works are often not covered by social safety nets (ROSENFELT and BIRKELUND, 1995: pp.111-134). In countries without social safety nets, the impact on women is even more severe. Female-headed households are at greatest risk, with few if any savings to weather the crisis, and limited ownership of wealth and other assets, as compared to men.

In developing countries, women still constitute the majority of temporary, casual, seasonal, and contract labourer, and low skilled workers. These workers are the most vulnerable to job loss because they are unlikely to be covered by formal unemployment insurance or social protection schemes. Lacking education and skills, they tend to be less mobile across sectors than better educated workers. As women represent a large proportion of the workers in the informal economy, their poverty deepens when formal sector workers switch to the informal economy during crisis, as it depresses the wages of the informal economy (SEGUINO, 2009: p.4).

ILO, 2009; and UNESCAP, 2007; reports states that men and women may be affected differently because of the gender specific inequalities in the labour markets and prevailing norms about men and women's role in the economy and society. The reasons are:

- Because of the precarious labour market arrangements discussed above, women workers are considered as part of the "flexible" workforce that can be easily discarded during economic downturns. In Asian crisis affected countries, displacement in unskilled jobs, and less educated, less skilled worker categories were much higher than the professional and better educated categories. While labour flexibility makes enterprises and countries more resilient to downturns, social cost to the affected households would be

considerable;

- Due to the mix of education and skill set required, men and women may concentrate in different industries. For example, women constitute the majority of low skilled, labour intensive manufacturing industries, such as textiles and apparels, leather products, and electronics. While men's occupation types are more diverse, they constitute an overwhelming majority in capital intensive industries and construction;
- The notion that men are "breadwinners" of a family lead to unequal treatment of men and women in terms of dismissal, social security entitlements and rehiring." A global survey conducted in 2005 found that almost 40 per cent of those interviewed agreed that when jobs are scarce, men have more right to a job" (<http://www.worldvaluesurvey.org>). Such practices were observed during the Asian crisis;
- During difficult times, family often rely on women for care for the sick, elderly and the extended family, despite women being already engaged in paid work. It would mean longer work hours and heavier work load for women;
- When societies are in danger of collapse, for example, during severe economic turmoil as experienced by some Asian countries in 1997, there is evidence of significant rises in suicide and crime rates; abuse and violence against women; and ethnic tensions. Women bear the brunt of these social fallouts. Also, girls and women may end up being trafficked to cities and neighbouring countries with a promise of a job and pushed into prostitution; and
- The coping strategies of the poor in terms of cutting down on meals, health care spending, and withdrawing children from schools, invariable affect women and girls the most.(ILO, 2009; UNESCAP, 2007)

The effects on women and therefore children will also be transmitted through cuts in public sector budgets, due to falling tax revenues and foreign aid. Aid budgets in Italy, France and Ireland are already being cut and the Global Fund to fight AIDS, Tuberculosis and Malaria is facing US\$5 billion budget shortfall for 2009-2010. With up to 50 per cent of public health spending in some developing countries supported by Official Development Assistance (ODA), any reduction in development aid will have direct

consequences on health services in these countries (Kaiser Network, 2009) When, as a result of the economic crisis and adjustment policies, government and local health and education expenditures are reduced, the first victim is the poor women and children. The long run costs to society of under investment in children in previous crisis are well documented. The following excerpt from UNICEF's report (CORNIA, 1987) gives an idea of the results:

After six consecutive years of decline or stagnation, the capacity of many individuals, households and governments to resist crisis has significantly weakened, while the effects of years of poor nutrition, less accessible health care, and declining educational opportunities has accumulated to the point at permanent damage has already been done to the physical and mental capacity of much of the future labour force.... These effects are of a long term nature and cannot be dismissed as part of the short term belt tightening, necessary for growth restoration. For example:

- Indiscriminate cuts in government health expenditure, often part of an adjustment programme, lead to declines in the health status of the population.... e.g. delays in the implementation of the Expanded Programme of Immunisation in Sao Paulo State (Brazil) that led to an outbreak of deadly communicable diseases among children.... and the sharp deterioration in indicators such as incidence of infectious diseases and disease-specific mortality rates in Ghana followings cuts in primary health care expenditure
- A radical reduction in real food subsidies in Sri Lanka, while diverting resources to Investment activities as part of new adjustment package, led to an increase in third degree malnutrition among the children of poorest. In Chile, in 1983, the cancelation of a budget financed child-feeding programme, part of an overall attempt to reduce the fiscal deficit, led to a statistically significant nation-wide increase in child mortality which resumed its downward decline as soon as the programme was reintroduced.(UNICEF,1987)

To design of policy responses to cope with the current global crisis in developing countries should invest in increasing women's income in poor households as a priority strategy, especially in those countries where women are most vulnerable to the negative gender-specific effects of the crisis and where fiscal space is constrained. This should help women and children and should work to help contain infant malnutrition and additional infant deaths.

The loss of women's income has long term negative implications for

the welfare of poor households (that may be greater than a similar loss in men's income) because of both the contributions women make to current household income and their 'preference' to invest scarce resources on child well-being and, therefore on future development." In Bangladesh, Brazil, Kenya and South Africa, among other countries, rigorous studies unequivocally show that children's welfare (nutritional status, schooling attendance) in households improves more when income is in women's hands rather than in men's." (BUVINIC, 2009: p.5)

As economic crises spread, what should be the policy responses? Good policymaking requires an understanding of the precipitating factors that led to crisis. A second key is to ensure an effective response to obtain clarity on what the critical immediate targets of policy should be. Addressing the economic crisis requires a direct focus on women's well-being. Women are likely to be targeted first for jobs layoffs, but have the fewest reserves with which to shield themselves and their children from the drop in income. Targeting public sector spending in activities that employ women benefits not only them but also their children. It is also an investment in long run growth. We must learn the lessons of the experience of the Asian crisis and structural adjustment responses that favoured orthodox stabilization policies with massive human costs. As Stephanie Seguino points out, the essential consideration is "to keep the eye on the ball: employment, sustainability and gender" (SEGUINO, 2009: p.6).

To protect the poor and vulnerable, especially women, we need to pay particular attention to:

- maintaining development aid budgets;
- providing finance for stimulus packages for developing countries;
- maintaining commitment to global priorities such as combating the global warming
- crisis or the food crisis or the energy crisis
- expanding economic opportunities for poor women, therefore, should be a core theme of public works and other employment schemes, safety nets, and financial sector operations. In particular, micro-finance institutions should be capitalized so that they continue to offer credit and other financial services to poor borrowers, the majority of whom are women;
- maintain support to social priorities so as not to compromise on long term development and to offset the unequal burden on women.



Priorities should not only be on infrastructure projects which create jobs for men but social investments in care services which reduce the pressure on unpaid work. Already, global voices such as that of the United Nations Committee on the Elimination of Discrimination against Women are warning of the likely impacts of the financial crisis on the pursuit of gender equality and are urging Governments to respond to these gender specific effects and include women in the process of devising responses to the crisis. (UN News Centre, 2009)

There is no better way to end this presentation by saying that, all stakeholders must play their role in addressing the gender implications and impact of the financial and economic crisis on women. Less we risk losing even the little gains we had began to realise economic empowerment of women and above all in working towards realising the human rights of women.

- Ending global poverty begins with women
- When you teach a woman to fish, everybody eats.
- When women thrive, families and communities thrive
- Governments needs to regulate the market processes- We cannot continue to have the private sector to decide what is possible because their interest is on profits, not human rights

Women in poverty are not asking for new rhetoric or promises. They want action that will bring them economic empowerment, respect for their rights and their role in development. And above all, women have to be part of decisions that affects their lives.

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