

Impact of Global Financial Crisis and Economic Crisis on Women and Gender Equality

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Introduction

Impact of Financial Crisis on Women and Families

The financial crisis will have gender-specific impacts, the effects on women and children, if ignored, will both increase current poverty and imperil future development. Effective policies responses should build on women's roles as economic agents. We have very little current evidence and little empirical evidence on the present crisis but we do have historical evidence and particularly from recent crisis.. Knowing how certain crises have behaved, we are predicting and hypothesizing that drop in aggregate demand for exports, tightened credit markets and drop in remittances, on top of the food price shocks that continue to affect the poor. These drops will have three major impacts: we will have a loss of employment, a fall in lending resources particularly of micro finance and that will all result in a drop in household income, increased risk and poverty. And, then, vulnerable households will have to develop coping strategies. .

Gender Specific Impact

In export industries women workers will not so surprisingly lose their jobs and this is simply because in a number of country women are the main workers in export industries. For instance in export manufacturing in Malaysia 78% of the workers are

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women, in Bangladesh 85%, in the Philippines in electronics more than 50%. In high value export agriculture the same is the case. Women cut flower in Uganda, Colombia, Ecuador and Thailand. A majority of the workers tied to the global economy are women. As a consequence many of them will lose their jobs. Tightening credit markets will squeeze loans to women producers particularly in the micro finance sector. Credits tightening will clearly affect everybody. In the formal financing sector, the majority of clients are men so they will be hit first by the impact of the crisis; but micro finance typically lend to women. In 2006, 3 000 micro finance institutions reached 133 million clients and 93 million of these clients were among the poorest when they got their first loan and 85% of the poorest were women. Now what you may not know is that, while a lot of micro finance institutions used to get their money from grants, more and more of them are getting their money from the commercial sector. This is particularly true in Eastern Europe and in Latin America where more than 50% of the resources that micro finance have come from formal sector lending. As a result women will be significantly affected. A drop in the remittances will clearly lower the income available to households, especially poor households, and already we are seeing significant drops in remittances. And to all of this, you will just have to add the former impact of the food crisis.

Household Coping

Perhaps one of the most important coping strategies of households is that they tend to send women to work. This is not a universal phenomenon but it has happened quite a bit in the past. It started in the Great depression when in the US women went to work to earn and added income. In the crisis of the mid 90s in Argentina, Brazil and Mexico women went into the work force and men retreated. In the East Asian Crisis in the late 1990s in Indonesia both men and women went in the work force but men a bit more. In the Republic of Korea however this pattern did not happen and there both men and women retreated from the work force. In the Philippines women went into the work force men did not. early crisis in the 70s in Chile, women from the upper income quarter retreated from the work force, poor women from the lowest income went in the work force, which makes economic sense.

Households pull girls and boys out of school particularly in low income countries. In Madagascar with a fall in agriculture incomes girls were more likely to drop out of schools. Middle income countries may have some kind of social security mechanisms safety nets to cope with the impact of the shock which is not the case in low income countries. Next coping strategy of households is to cut back on health investments. This affects girls disproportionately. Previous interventions have already showed that the crisis will bring about increased child deaths. Estimates done at the world bank, indicate that there is going to be an additional 400 000 deaths per year and that over the period of the Millennium Development Goals (MDGs) may end up

adding to 1.8 to 2.4 million more infant deaths. When countries are growing infant mortality rates improve they lessen for both girls and boys. When countries are contracting there are many more girls than boys who die. According to the available data, the crisis will have a disproportionate impact on girls, so of those 400 000 deaths per year. Given the data one can predict that the majority of those infants death will be of girls.

Policy Implications

A priority investment is to put income in women's hands in poor households because, first, the loss of employment for women in export industries, the contraction in micro finance that will likely affect women and the fall in remittances will all result in a drop in female earnings in poor households. And the loss of women's earnings in poor households can have long-term welfare impacts that are greater than the loss of similar male earnings. This is because a drop in female earnings will not only have a direct effect on current poverty reduction and economic growth, but it will also have an indirect effect on future poverty reduction and economic growth through the impact that women have on the well-being of children. And this is because income transfers to women and women's income has a larger effect on children's nutritional status than similar transfers to men. This is a consistent pattern that is found in developing countries. The Effects of income transfers to women on children's nutritional status The when women gain income, i.e., in the hands of mothers significantly the nutritional status of children improves. When additional income in men's hands is given– it has almost no impact on child nutritional status. The development evidence is very consistent – that mothers prefer to invest meager earnings on child well-being. So in poor households when women are given moneyie, income it really makes a difference.

Effects of Female Borrowing on Household Welfare

Effects of female borrowing on household welfare” shows the effect of female borrowing on household welfare, which is larger than the effect of male borrowing. This is evidence from Grameen Bank in Bangladesh. In Bangladesh with a 10% increase in borrowing from Grameen Bank the per capita household expenditures increases much more when women are borrowing than when it is men. The height for age of children increases dramatically, where as the borrowing is done by women. Investing in women's income is thus especially important and especially in more than about 33 to 50 countries where women are most vulnerable to the effects of the crisis.

Findings

- **Permanent Deterioration in Gender Equality**

A regression in attitudes and practices at all levels of society, in families, communities, governments and multilateral organizations.

- **The Loss of Jobs is Very Demoralizing to Men**

We lose the vision that we have come to construct gender equality as one in which men and women share equally in the work of getting a living and raising families and making decisions in families, communities, businesses, legislation. Instead these progresses are being replaced by the return to an ideology in which men are seen as the breadwinners and women are seen as the homemakers and the wives who do not need the same access to education and to employment as men. Certainly in the past, it is women and girls who have been caught upon in particular to provide ultimate social safety net.

Suggestion

One of the things that women do in response to an economic crisis is through an extension of their unpaid work, which they do perhaps in growing vegetables at home, in making-do and mend, in preparing food at home instead of buying ready-made food, in taking longer in collecting water and collecting fuel, because their families can no longer afford to pay charges for these items. Unfortunately the invisible efforts still remain largely invisible because we do not have the statistical systems in place to monitor changes in unpaid work in a rapid and timely manner. These invisible efforts impose costs on women and girls in terms of health, education, equal participation in decision making in their communities. There are, of course, negative impacts on men and boys as well. To men's jobs and boys' needs for education and training, while women and girls continue to maintain this invisible social safety net and play little role in decision making, national and international level, about how to respond to the crisis. Women much more than men will find they are offered pre-carrier, low income employment with low prospects. Women would, first, have equal decisions on budgets, equal access to decent jobs, second, efforts should be made to monitor the impact of the crisis on unpaid services and to build an inclusive social solidarity with men sharing those responsibilities.

Framed that the Crisis was an Opportunity

Along with changes in the culture of our economic institutions, social changes should be promoted so that women get a social protection from wrong norms and patriarchal traditions. Gender oriented education for women, girls, men and boys remained central to fight HIV/aids, to lift social taboos and inform populations about the rights of women.

Conclusion

The generation of girls who have lost out on education will be ill-prepared for new, more sustainable and more remunerative jobs, which, for instance, would require using the new technologies, developing the new technologies. In those circumstances investing in women's rights to education, to health, to work, to an adequate standard of living will be the last priority to get attention. Women and girls are joined by men

and boys in constructing informal social safety nets based on inclusive solidarity. All contribute equally their unpaid work to this effort. Men and boys learn like women and girls to derive self-esteem and social identity from caring for others as well as for earning an income.

To produce equal opportunities and changes in gender roles, we needed counter-cyclical gender oriented measures, increased gender consciousness in international institutions, and a better representation of women in decision-making. NGOs and other civil society organizations would take the lead role in encouraging these kind of social solidarity between women and men. women's rights would be considered as human rights' obligations and that women have a human right to equal treatment. The fiscal space for developing countries would be expanded not only by ensuring that there is more and more rapid disbursement of aid, but also by policies to address the issue of the toxic debts of many poor developing countries. We have had a lot of emphasis on efforts to relieve banks of their toxic debts and to recapitalize them.

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