Gender Equality and the Triple Crisis: Impact of the Economic, Climate and Food Crises on Women’s Empowerment and Wellbeing

_Paper by Mariama Williams_

**Executive Summary**

This paper addresses the impact of the triple crisis on women’s economic empowerment.

Over two years after the crisis, many Commonwealth countries in Africa, Asia, the Pacific and the Caribbean are embroiled in the throes of serious aftershock with governments having to impose salary freezes on public sector workers (Botswana), spending cuts, including in areas such as health and HIV Aids spending in the face of rising debt services. Many countries in the face of rapid decline in financial flows have been forced to turn to the International Monetary Fund for financial support. (Commonwealth countries that have sought IMF assistance with financing gaps due to externally generated crises include: Ghana, Jamaica, Kenya and Tanzania.)

Ultimately, the effects of the financial crisis have been transmitted through the trade-finance linkage (trade, remittances and financial credit) to the developing countries, with a potentially severe impact for millions of people. Unfortunately, the predictions of falling growth rates are being swamped by the real world effects of unemployment, rising poverty, hunger and deaths of children, women and men.

The financial crisis poses significant negative feedback and pass through effects for the food and fuel crises to the extent that it has worsened global economic and trade situations; it has worsened the livelihood opportunities for the millions of poor and near poor men and women living in the global south through its impact on the prices of commodities and fuel; and through dramatic cuts in social spending as a result of the negative impacts on the revenue of...
governments. Given the heavy constraints of debt services payments, falling growth rates and various policy conditionality regimes imposed by international financial institutions, many poor developing countries find that their ability to undertake the necessary spending on a broad range of projects (so called fiscal/policy space) is greatly limited.

The attention of the global community is also focused on the growing problem that is of utmost interest to all humanity - the state and fate of the planetary ecosystem in the context of climate change. This matter was addressed under the United Nations Framework Convention on Climate Change and a quantifiable binding greenhouse emissions reductions target was set under the Kyoto Protocol in 1997. An elaborate financial architecture was set up to ensure that developed countries had flexibility and lowest cost in efficiently achieving their reductions commitment; as well as to ensure that developing countries had access to the financing and investment flows and technology that would be required for adaptation and mitigation of climate change. Most of the arrangements in place were time-bound for the period 2008-2012.

The challenges posed by climate change point to the need to put in place serious adaptation and mitigation measures to avoid global warming greater than 2°C. The big question, as with the social and economic issues, most especially the MDGs, and overall gender equality and women’s empowerment is: what will be the impact of the current financial and economic crisis on the resources government will now be willing to commit to these ends.

These crises have consequences for both women’s and men’s lives and livelihoods in the global economy. These effects will differ between developed and developing Commonwealth countries as well as within groups of developing countries depending on the underlying conditions prevailing before the crisis and on the ability of governments to react in quick, smooth and efficient manner to protect jobs and ensure basic services etc.

The effects are:

- Economic: recession or decline in economic activities in the real economy (contributing to rising unemployment and rising poverty). The knock-on effect on budgetary resources will result in challenges to protect essential services and jobs.

- Social (MDGs: slower progress or even reversal; and increased poverty).

- Gender and Human development: differentiated impact on individual and household access to social and economic resources, wages and employment (nutrition, life expectancy, educational attainment).
The financial, food and climate crises pose significant obstacles to women’s control over economic and financial resources. Women’s direct access to credit, employment and income are likely to be compromised. Furthermore, if budgetary shortfall (due to declining trade and tax revenues and increased fiscal spending to backstop the financial system) occur, this will directly impact the availability of social services and governmental contributions to climate change activities. Overall, in the face of global and national fiscal stimulus that are not directed at enabling the survival of the poor or that are not specifically gender differentiated, this will place greater pressures on the natural environment and may curtail governmental pledging to finance climate change at the multilateral level.

Both in the case of the fiscal stimulus, and in the specific case of climate change financing, the latter occurring through already established institutional processes, it is not clear just how accessible these funds are for women, or how much has been accessed by them. The big challenge is, of course, to engender these processes so that funds can easily flow to meet women’s needs, priorities and concerns.

A contracting, tightened, or frozen credit market means that women will be the first agents crowded out of the market. Already, the microfinance sector, where women tend to predominate in many countries, is facing difficulty with refinancing. If the crisis is short lived, then there will only be temporary short-term impacts on women’s access to credit. However, if the crisis deepens, then it will be increasingly difficult for women to access credit for housing, or commercial activities, unless governments create compensating financing funds that focus on lending to women and women’ micro and small businesses.

At the same time, climate change raises the ante for women’s and men’s health, well being and their overall economic and survival strategies. Climate change is associated with the intensification of food shortages, higher rates of malnutrition and increased respiratory diseases (Brody et al 2008). Complicating the situation for many women is the fact that climate change also introduces new elements such as heat stress and exhaustion (from traveling further and further distance for water) and increase in water borne diseases (Brody et al., 2008). These complicating factors further compromise women’s capability and functioning. Due to gender gaps in income and social and economic resources, women, may not be able to secure the income and economic resources needed for climate proofing their residences and making their businesses and farming activities climate resilient. This will require increased access to income, savings, loans, grants and other forms of finance. These financial resources must come from women’s livelihood and labor market activities, or other forms of household income, or governmental transfers and, or earnings from assets in the financial markets.
Undeniably, women, as a group, are attached to different sectors of the economy from men. Most of these (such as subsistence farming and the informal economy) are the sectors which are the most vulnerable to climate change weather-induced events as well as to cuts in governmental financial support. Women are also likely to be more dependent than men on governmental expenditures on social and essential services. Hence, the nature, magnitude and direction of the financing of adaptation, mitigation and technological transfers, to the extent that they positively or negatively impact on governments budgets and ODA flows, (which in the case of many sub Saharan African countries are a large part of governmental spending on health and education) are critical to women’s survival. This is doubly so with governments’ attempt to deal with budgetary shortfalls due to declining trade revenues, tax shortfall and rising debt services generated by the financial and economic crises.

It is important that in each Commonwealth country a coordinated effort is made to identify the specific and differentiated pathways through which climate change, and its financing, as well as the financial-cum-economic crisis and its policy remedies impact women and men. It is also necessary to clearly ascertain how financing policies (both climate change and public policy responses to the economic crisis) are implemented and their potential impact on the status of women and women’s overall economic empowerment.