

EXPERT GROUP MEETING REPORT

MACROECONOMIC POLICIES FOR THE  
FEMINIST PLAN FOR SUSTAINABILITY AND  
SOCIAL JUSTICE



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THE FEMINIST PLAN ON  
SUSTAINABILITY AND SOCIAL  
JUSTICE



**RESEARCH AND DATA SECTION**

**UN WOMEN**

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# THEMATIC TAKEAWAYS

On Thursday, 19th November 2020, a group of external experts and UN Women participants gathered in a virtual, four-hour ‘Expert Group Meeting’ (EGM) to discuss the topic of “Macroeconomic policies for the Feminist Plan for Sustainability and Social Justice”. The purpose of the meeting was to inform UN Women’s ‘Feminist Plan for Sustainability and Social Justice’, which will lay out a visionary agenda for how the current COVID-19 crisis can spur action towards a more equitable future. The EGM was structured around three sessions, each of which involved a presentation and two responses from expert contributors. The topics of the sessions were as follows: (1) Framing the issues: what is different about the COVID-19 crisis from a macro-economic perspective, and what are the key elements of a new macroeconomic paradigm to ensure a long-term gender-equitable response? (2) Macro-economic responses to the current crisis: what are the current macro-economic responses to the COVID-19 crisis, and what prospects are there for the political and economic reforms needed to achieve progressive goals? (3) Global macro-economic governance: what should our key demands for reform of economic governance be, and what is the role of different actors in this effort?

This thematic report drafted by UN Women highlights some of the main takeaways from the meeting, based on the contributions made by expert participants.

## **I. The COVID crisis – is this time different?**

While women make up roughly half of the world’s A key framing of the EGM and a theme which came up throughout the discussion was about the nature of the current crisis, and how it compares to previous crises. These differences (and similarities) have important implications for the policy response.

After the 2008 global financial crisis, critics of neoclassical economics and neoliberal policies were quick to point out the failings of markets and to call for a more interventionist approach to economic governance. These policy changes never materialized, but the lessons of COVID-19 extend beyond the issue of market failures. As noted in the framing paper, the COVID crisis highlights, as never before, how some of the biggest contradictions of our capitalist system are not contained within the market itself, but instead are within the non-market spheres of our economies: the care economy, and ecosystems services and the environment. Markets are deeply implicated in these crises, which has implications for thinking about how we stabilize our economies at the macro level,

beyond massive liquidity injections and fiscal stimulus which are primarily aimed at propping up the market economy. Feminist economists have long recognised that non-market institutions (e.g. households) are automatic shock absorbers and stabilisers. But the costs of stabilization are not even – women bear the disproportionate burden within the household. So, when we think about approaches to stabilization, we need to think about the state, the non-market sector and the women who do the bulk of unpaid work in households.

Other important distinctions included how the current situation brings together a crisis of economy, ecology and politics, with each element intersecting and exacerbating one another. It is different from 2008 in the sense that it is an existential crisis that concerns the conditions of existence, of health inequality and social reproduction. And it is an organic crisis in the sense of being deep, structural and ecological.

At the same time, the current crisis is not entirely separate or unrelated to the previous crises. There was a recognition that the failure to properly address the

underlying causes of the 2008/9 global financial crisis have created vulnerabilities and weaknesses which have exacerbated the impact of the current macroeconomic crisis. One of the lessons to be learned therefore, is to ensure that recovery policies reduce rather than increase inequalities, and address the structural problems facing the global economy, or else risk another lost decade and compounded problems for the future.

As noted, policy responses need to take into account the role of households (and women's unpaid care work within them) as stabilizers, which is true of all economic crises, but given the extent to which the crisis triggered by the COVID-19 pandemic is one of social reproduction, new spaces may be opening up to advocate for social infrastructure (notably care services) as a moral economy question. This is important because, by going beyond arguments centred around returns to investment, which have primarily focused on children, a moral economy argument can also encompass a concern with care for older people too.

## II. Rethinking key concepts

In light of the distinctiveness of the current crisis, there is an imperative to rethink and reframe some key concepts, which in turn have an important bearing on policy responses.

One of these concepts is the distinction between spending to support consumption vs to support investment. Fiscal discipline rules often place limits on countries' public debt relative to their GDP, and while spending on physical infrastructure is recognized as an investment which supports higher economic productivity in the medium term, much less attention has been paid to the ability of social infrastructure spending to do the same.<sup>1</sup> Studies on the cost of scaling up childcare services in countries including Turkey, South Africa, Uruguay and the UK, for example, have found that the initial investments required are significantly offset by the increased tax receipts generated by the creation of new jobs in the care sector, and higher levels of women's employment.<sup>2</sup>

There is an opportunity, therefore, for governments to

reframe their approach to fiscal sustainability by recognizing the investment character of such public expenditures. This includes the costs not only of building the physical infrastructure of childcare centres, but also the costs of paying the wages of staff on an ongoing basis, which is typically categorized as consumption, rather than investment. Crucially, periods of lower interest rates that often follow crises may be opportunities for making these necessary investments.

The second related concept that needs to be interrogated and reframed is the idea of productivity. Productivity is understood in terms of value added per hour of labour input, but this ignores the very nature of whole segments of labour, including in the care sector. If greater productivity is pursued (e.g. through increasing the number of people that each caregiver must care for), it is very likely that this will come at the expense of workers' wellbeing and of the quality of the services. It is also important to interrogate the link between wages and productivity, and the notion that high wages are an expression of high productivity, whereas low-wages are an expression of low productivity. This crisis shows us those in low-wage, low-productivity jobs are the "essential workers" who we have all depended on to get us through this crisis.

The third more forward-looking set of concepts that need to be rethought from a gender perspective are related to green recovery or green new deals. Firstly, there is a lot of variation in how these terms are used and what they mean. Some approaches to green growth include neoliberal market fundamentalist principles. Green Keynesianism aims to direct fiscal stimulus in ways that are designed to address climate change through retrofitting and infrastructure building, while also raising economic efficiency and generating employment. However, other approaches emphasize more how markets fail to price natural assets or ecosystem services, and call for the introduction of carbon taxes.

In any green transition, it is important to consider the risk of women's marginalization. For example, the lower value-added rungs of green jobs that already exist, such as waste collection and recycling are likely to be informal.

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<sup>1</sup> Elson, Diane and Anuradha Seth. 2019. Gender equality and inclusive growth: Economic policies to achieve sustainable development. New York: UN Women.

<sup>2</sup> de Hanau, Jerome and others. 2019. "Investing in free universal childcare in South Africa, Turkey and Uruguay:

A comparative analysis of costs, short-term employment effects and fiscal revenue." UN Women Discussion Paper, No. 28.

So how can we more specifically engender green new deals in a way that makes the targeting of investments in decarbonization complementary to improving gender equality? What do innovation or industrial policies that include the care sector actually look like? And to what extent can the expansion of paid care work drive development and productivity growth?

There is also politics and meaning around the naming of green new deals: the original new deal was a highly masculinized and racialized programme. Given the need to address rather than reinforce historical harms in order to move forward, the idea of creating new social contracts may be a preferable framing. It could also move away from the association of new deals with Keynesian approaches to crises, which do not typically recognize non-market aspects of the economy, such as care and ecoservices.

### III. The need to overhaul the multilateral system

The structure of the multilateral system simply is not fit for purpose when it comes to addressing the shock and engineering a sustainable recovery.

The response of the Bretton Woods institutions to the crisis has been deeply disappointing. Emergency financing for immediate relief is overdue, and increased Special Drawing Rights (SDRs) now have the support of the US Government, which if implemented would expand the IMF's lending power. The Bretton Woods institutions need to be better resourced, and to regain legitimacy and be modernized. They have to be reformed in ways that reflect the voices, the needs and the rights of their full membership and drawn a full range of views in decision making an analysis.

A new multilateral approach is also urgently needed to achieve debt cancellation, without which we consign developing countries to another decade of austerity. A new approach would need to be independent from the creditors, and where debt restructuring is negotiated in a transparent and democratic way with borrowers and lenders on the table, and the binding involvement in the debt relief and restructuring of all bilateral lenders, private creditors and multilateral institutions.

Reconstituting credit rating agencies so they function like public utilities would go some distance in reducing their monopoly power and their ability to constrain policy

space, especially in times of crisis. New social and environmental criteria will be needed to assess their effectiveness. We need to expand policy space for capital controls as part of a broader agenda of reining in the financial sector, and expanding space for experimentation, especially for expansionary macroeconomic policies. Capital controls can also to a degree rebalance political voice.

Overall, what can replace the hegemony of neoliberal globalization in the multilateral space? A pragmatic approach was proposed in the form of 'permissive multilateralism' which would promote genuine policy autonomy at the national and sub national levels, thereby maximizing policy space for experimentation, making space for strategies that could uplift and amplify the conditions of life for women, promote economic and social wellbeing, and sustainability in recovery from the economic and public health costs of the COVID crisis. The time might be right for a thin notion of globalization with a basic set of rules of the road but space for policy experimentation at the national and subnational level that is responsive to the lived experiences of diverse groups. One important challenge is how to overcome the deeply entrenched economic orthodoxy within the treasuries of many developing countries which means that, even with unconditional aid and policy space, finance is not used for development goals.

### IV. The politics of change

The politics of change was a recurring thread throughout the discussion, including the question of how we could create a broad and inclusive audience for the Feminist Plan. How does it bring in young Black women, for example? How can we avoid reproducing paternalism, as experts of this field?

In addition, while the diagnoses of the problems and identification of potential solutions was strong, there was less sense of how this positive change could be brought about. What are the pressure points for change? The past decades have presented a paradox of necessity, in which neoliberal globalization simultaneously maximises the need for social intervention while minimizing the political spaces and strategic instruments to achieve this public good.

Here there were more questions than answers, but some of the questions included: how to package the need for investment in social infrastructure as a policy ask that could get traction, going beyond arguments about

investments in human capital (focused mostly on children, to the potential exclusion of older people). How do we get progressive multilateral institutions that governments in the Global North will actually fund? As soon as you make a financial institution genuinely democratic, international institutions and governments will not fund it. How can we capture the political imagination around the possibilities within this time? What experiments (e.g. the Hawaiian feminist economic recovery plan) can blossom in this crisis? What are some of the real tangible

experiments that we can advance in this moment?

For Southern Governments, the concern is about the extent to which they can focus on anything other than health, with fears that it could be 4-5 years before significant numbers of the population have access to a vaccine, which will result in a dramatic worsening between the vaccine-haves and the have-nots, with a lot of spillover effects into economies, and economic policies.

# PARTICIPANTS

## I. Expert contributors

- **James Heintz**, Andrew Glyn Professor of Economics, University of Massachusetts, Amhurst (Feminist Plan advisory group)
- **Diane Elson**, Emeritus Professor, University of Essex, UK (Feminist Plan advisory group)
- **Jayati Ghosh**, Chairperson of the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi, India
- **Richard Kozul-Wright**, Director of the Globalisation and Development Strategies Division in United Nations Conference on Trade and Development (UNCTAD)
- **Elissa Braunstein**, Professor and Chair of Economics at Colorado State University, USA
- **Busi Sibeko**, Researcher and Economist, Institute for Economic Justice, Johannesburg, South Africa
- **Ilene Grabel**, Distinguished University Professor, University of Denver, Josef Korbel School of International Studies
- **Isabella Bakker**, Distinguished Research Professor and York Research Chair, York University, Toronto, Canada
- **Iolanda Fresnillo**, Senior Policy and Advocacy Officer, EURODAD
- **Juliana Martinez-Franzoni**, Associate Professor, Researcher, University of Costa Rica (Feminist Plan advisory group)
- **Resina Katafono**, Economic Affairs Officer (FSDO), UN DESA
- **Zohra Khan**, Governance Policy Advisor, UN Women
- **Bhumika Muchhala**, independent expert/activist
- **Abena Oduro**, Director of the Merian Institute for Advanced Studies in Africa (MIASA) and Associate Professor in the Department of Economics at the University of Ghana, Legon (Feminist Plan advisory group)
- **Seemin Qayum**, Chief of Economic Empowerment (a.i), UN Women
- **Gita Sen**, Director & Distinguished Professor, Ramalingaswami Centre on Equity and Social Determinants of Health (RCESDH), Public Health Foundation of India, Bangalore (Feminist Plan advisory group).
- **Anuradha Seth**, Policy Advisor, UN Women
- **Gul Unal**, Senior Economist, UNCTAD
- **Sally-Anne Way**, Human Rights Officer, OHCHR
- **Jessica Woodroffe**, Director, Gender and Development Network, UK

## II. Additional Expert Participants

- **Elena Ruiz Abril**, Women's Economic Empowerment Advisor, UN Women West and Central Africa Regional Office
- **Felogene Anumo**, Manager, Building Feminist Economies, AWID
- **Bobo Diallo**, Macroeconomics Policy Specialist, UN Women

## III. UN Women research and data team

- **Papa Seck**, Chief of Research and Data
- **Laura Turquet**, Policy Advisor
- **Silke Staab**, Research Specialist
- **Constanza Tabbush**, Research Specialist
- **Anduriña Espinoza-Wasil**, Coordinator
- **Loui Williams**, Research Assistant
- **Jennifer Sands**, ICT Support



# AGENDA

Time	Session	Key questions
9.00 – 9.15	<p><b>Introduction – Laura Turquet</b></p> <p>Brief overview of Feminist Plan and introductions by participants</p>	<ul style="list-style-type: none"> <li>- Overall framing of the Plan – rethinking the economy to enable the flourishing of people and planet.</li> <li>- How do issues of macroeconomics fit into the overall Plan?</li> <li>- What we want to get out of this meeting</li> </ul>
9.15 – 10.15	<p><b>1. Framing the issues</b></p> <p>Presentation of framing paper by James Heintz (15 mins)</p> <p>Response by Diane Elson and Jayati Ghosh (15 mins)</p> <p>Discussion (30 mins)</p> <p>Chair: Constanza Tabbush</p>	<ul style="list-style-type: none"> <li>- What is different about this crisis, from a macroeconomic perspective?</li> <li>- How do non-market domains (unpaid care and ecoservices) factor into the current moment?</li> <li>- How can we link response to the immediate crisis to longer term, gender equitable solutions?</li> <li>- What are the key elements and practical/policy implications of a new macroeconomic paradigm that takes non-market domains seriously?</li> </ul>
10.15 – 10.45	30-minute break	
10.45 – 11.45	<p><b>2. Macroeconomic responses to the current crisis</b></p> <p>Presentation by Richard Kozul-Wright (15 mins)</p> <p>Response by Elissa Braunstein and Busi Sibeko (15 mins)</p> <p>Discussion (30 mins)</p>	<ul style="list-style-type: none"> <li>- What is UNCTAD calling for in response to the current crisis?</li> <li>- How has the COVID-19 crisis changed UNCTAD’s view of the policies needed?</li> <li>- How can macro policies be better aligned with progressive social, economic and environmental outcomes?</li> <li>- What prospects do you see for the kinds of economic and political reforms needed to achieve these goals?</li> </ul>

	Chair: Silke Staab	- What does this look like from a gender perspective, at global and national level.
11.45 – 11.55	10 minute Break	
11.55 – 12.55	<p><b>3. Global macroeconomic governance</b></p> <p>Presentation by Ilene Grabel (15 mins)</p> <p>Response by Isabella Bakker and Iolanda Fresnillo (15 mins)</p> <p>Discussion (30 mins)</p> <p>Chair: Laura Turquet</p>	<ul style="list-style-type: none"> <li>- What should be our key demands for reform of economic governance?</li> <li>- How feasible are they in this current moment?</li> <li>- What are the key levers for getting the reforms that are needed and what is the role of different actors in this effort? (UN, civil society, governments etc)</li> </ul>
12.55 – 13.05	Final comments and wrap up	<p>James: Brief reflection on main threads of the discussion</p> <p>Laura: Next steps</p>

# INTRODUCTION TO THE FEMINIST PLAN

## FOR SUSTAINABILITY AND SOCIAL

### JUSTICE

#### Introduction by Laura Turquet

Laura highlighted three key policy areas for the Feminist Plan for Sustainability and Social Justice:

1. Putting care for people at the center of a sustainable and just economy. This means re-valuing the care economy, which has been recognized as central during this pandemic, and acknowledging deep interactions between market and non-market aspects of economies.
2. Sustaining livelihoods and an adequate standard of living. We know that the costs of the economic shock triggered by COVID-19 are not distributed equally and the inequalities in the world of work can be made more apparent than ever. Many countries have taken you know huge steps in terms of social protection measures to address the economic fallout, yet many fail to adequately address gender inequality, and it is unclear how long they will be sustained. What is needed to ensure we don't return to the status quo from some of the positive steps taken by states during this time?
3. Enabling gender just transitions to sustainable production and consumption. COVID has brought economies to their knees, and has focused attention on the looming environmental crisis, with their gendered impacts. We are seeing emergence of degrowth frameworks, Green New Deals and alternative policy frameworks, but they typically do not attend to the gendered dimensions.

Laura also identified three key enablers for moving towards these outcomes:

1. Harmonizing macroeconomic policies and governance with social policies and objectives.

2. Creating the conditions for implementing feminist policies in a time of crisis -- the ways in which feminists in different spaces are able to effectively organize to make coalitions with other actors to influence policy and hold decision makers to account.

3. Redefining state-market and state-society relations. Wealth and privilege can protect people from the pandemic up to a point, but health is only as strong as your neighbour's. We need a more egalitarian approach to health. And we also want to look at the ways in which the relationship between states and markets also need to be rethought, especially in the context of bailouts to ensure that companies become more responsive to stakeholders, rather than shareholders.

Laura contextualised the EGM as one of a series of in-depth consultations, to bring together conceptual and empirical insights from a range of disciplines, and reflect on emerging evidence from the crisis. These discussions will form the main building blocks of the Feminist Plan, which will be written by our team in the coming months.

Laura laid out four overarching questions:

1. What short-term emergency policies are needed to address debt and ensure countries have resources?
2. What kinds of macroeconomic policies and structural changes are needed in the long-run? For example, what kinds of universal gender responsive social protection systems, national care systems and other social policies that are needed to recover from the crisis and to be prepared for the next ones?
3. What reforms to global economic architecture and governance are needed to enable investment in public services and fend off austerity?
4. What new macroeconomic paradigm do we need that takes non-market domains as central, such as unpaid care and eco-services?

# SESSION 1: FRAMING THE ISSUES

## I. Presentation of framing paper by James Heintz

James Heintz identified four emerging issues from the COVID-19 crisis that have implications for how we think about macroeconomic policy. The four thematic issues were as follows:

First, expanding our macro-economic theories of crises, and relatedly, the policy implications of macroeconomic stabilization.

- Some of the biggest contradictions of our capitalist system are not contained within the market itself, i.e. they are within the non-market spheres of our economy: the care economy, and ecosystems services and the environment. This contradiction is so evident with COVID.
- The market itself produces this crisis. This has implications for thinking about how we stabilise our economies at the macro level, beyond massive liquidity injections and fiscal stimulus.
- Feminist economists have long recognised that non-market institutions are automatic shock absorbers and stabilisers, e.g. households. But the costs of stabilization are not even – women bear the disproportionate burden within the household.
- So when we think about approaches to stabilization, we need to think about the state and also the non-market sector.

Second, how to think about macroeconomics in the long-run.

- Feminists have long made the argument that labour and not simply capital is a factor of production, and when we are thinking about long-term macroeconomic dynamics, we have to take that into account. Labour or human beings are produced factors of production, going beyond standard neoclassical concepts of human capital.
- A subset of social policies, particularly those which produce people/human capital, are

essential to long-term human performance. This investment in humans need to be recognised as just that: investments, not simply as consumption spending or some form of utility derived from labelling them as consumption.

- In macroeconomic models, children are assumed to be just another variable in a consumption function. We need to change that way of thinking. Once we do that, it will change how we think about austerity.
- There are important non-produced factors of production, such as ecosystems services, which enable our capitalist economies to function.

Third, distribution, as linked to demographics.

- A feminist plan needs to address distributive dynamics at the macro-level, e.g. distribution between different gender identities, but also distribution between different generations.
- We are at a point of demographic change in a large number of countries, and many countries have rapid population ageing, half of the world's population lives in countries that have below replacement level fertility.
- Older generations are going to stake a claim on the outputs produced by the working-age population, with implications for macroeconomic stability.
- Conflict between production and consumption has to also be considered in terms of generations who don't even exist yet.
- Most macroeconomic models ignore these distributive dynamics, e.g. between capital and labour, and the gendered distribution.

Fourth, how do we pay for this plan?

- How do we make sure we *expand* macro policies in ways that are also sustainable?
- Different strategies are used to enlarge fiscal space – the capacity of governments to mobilise domestic revenues, e.g. through tax collection, royalty payments on use of natural resources,

and so on.

- The huge issue we face is the global inequalities in access to resources and inability to expand fiscal space. This has to be confronted head on in terms of global cooperation, and redistributive policies at a global level are needed.

## II. Response by Diane Elson

Diane highlighted that in the UK, the Women's Budget Group set up a commission on creating a gender-equal economy. In the context of COVID-19, this has become ever more urgent. The commission uses the framing of 'creating a caring economy' to maximise support along a wide range of constituencies.

Diane argued for re-envisioning what we mean by the economy to fully take into consideration the non-market sphere:

- Some feminists have argued that we should expand the concept of GDP to take into account unpaid household production and environmental services. However, in the case of economies that have created a satellite account alongside GDP, this hasn't led to policy change.
- Instead, we need to rethink concepts of productivity and efficiency, and look at the hidden costs of these – for the unpaid care economy and for care services. GDP must be down-graded as a measure.
- Productivity is understood in terms of value added per hour of labour input, but ignores care services and the depletion of labour services if greater productivity is increased at the expense of workers and of the quality of the services. We cannot assume a perfectly elastic supply of unpaid labour to stabilise the economy.

Second, we must invest in social and physical infrastructure, and re-conceptualise investment.

- We have had a certain amount of success in the UK as talking about health and care services as 'social infrastructure'. This integrates well with Green New Deal policies. But there has been less consideration of the importance of investing in social infrastructure, than physical infrastructure. E.g. paying the wages of all the staff in these services is categorized as consumption,

but it is also a kind of investment.

- Similar to 'green bonds', we could have 'care bonds'.
- We don't want maximization of GDP growth as the end goal. This is flawed in many ways and does not measure wellbeing.
- Suggestion of a dashboard of employment indicators, that also look at unpaid work, and monitor how far it is being redistributed.
- This also means reconsidering what is meant by the 'working-age population'. Older people and older women often do an enormous amount of unpaid work, caring for grandchildren and volunteering in the community.

## III. Response by Jayati Ghosh

Jayati built on prior commentary around GDP, expressing frustration towards this measure, which is counterproductive in many ways. However, Jayati pointed out that we have been unable to come up with an alternative that everyone will grasp. So, one major project has to be to come up with something relatively simple, that captures most of what we want, to use as a tool for advocacy.

Jayati laid out a developing country perspective, and highlighted accentuated issues in these contexts:

1. External constraints: Foreign exchange constraints, external debt concerns, volatile capital flows driven by the monetary policy of advanced economies.
2. Migration and the gender aspects of migration and remittances. The global value chain of the care economy has significant implications for the structure of developing countries, and much of this has been disrupted by the pandemic. In countries where women predominate in migration flows, there will be very different remittance flows.
3. The implications of the changes in supply chains that we are seeing. Manufacturing supply chains have been disrupted, so has the global food supply chain. Distribution in the producing countries is disrupted, with strong gender effects. Both of these types of chains will need to be recreated very differently, as their previous forms were neither sustainable nor desirable from the point of view of women.
4. Informality and women's work. 70 percent of all

workers in the developing world are informal, without legal and social protections in the pandemic.

#### IV. Question and answer session

**Jessica Woodroffe:** Investment in social infrastructure feels like something we need to package as a policy ask in order to get political traction?

**James Heintz:** In terms of investment in social infrastructure, we can start with education, which is already recognised to generate long-run return. From there, it is not difficult to draw parallels with Early Childhood Development investment in childcare and health care.

We need to think about what kinds of global cooperation and global institutions do we need to regulate capital flows and ensure they expand policy space instead of contracting them, and also stop illicit outflows from developing countries, including under the radar capital flight from Sub-Saharan Africa.

**Diane Elson:** COVID-19 has opened up new space for approaching social infrastructure as a moral economy question, and not just as a returns to investment question. COVID-19 is opening space to discuss investing in well-being, in a decent society, in people's rights to care. This can move the conversation in a helpful direction because it is difficult to use the human capital approach if you want to be talking about investing in social care for older people.

It also matters how these services are delivered, and they need to be delivered as public services by public sector employees who are paid decent wages and conditions, and with good quality standards. Problems come from outsourcing these care services to corporations with incentive to cut costs if they can get away with it.

**Gul Unal:** When framing this macro feminist approach, think of the informal economy also as one of the stabilisers, especially the rural sector, this is what takes the shock in developing countries.

**Gita Sen:** How do we link up what we want *less of* to our

feminist agenda, rather than just talking about what we want more of, which is more support for care etc.

**Diane Elson:** Building on this point, if we are moving towards a clean energy economy, what does that mean in terms of affordability for low-income people, in terms of daily life, how are the costs and benefits of transition going to be distributed?

**Gita Sen:** This puts the question at the level of distributive effects of decarbonization. Can we think of it more boldly as the latest round of the industrial revolution, that completely alters the ways we do everything, from production to consumption and distribution. Is here a way to think about the engendering of the economy in ways that go beyond distribution?

**Jayati Ghosh:** We talk in broad brush strokes terms, but when you are advocating for specific changes in policy they come up against these kinds of contradictions and many of these have not been thought through properly.

**Isabella Bakker:** The past several decades have presented a paradox of necessity, in which neoliberal globalism simultaneously maximises the need for social intervention while minimizing the political spaces and strategic instruments to achieve this public good. To what extent is this paradox challenged by COVID responses? For example, in Canada through the vigorous fiscal stimulus and emergency care packages including recognition of those caring for older people and children? What kind of forces have to be rallied to fight against potential austerity responses as we saw in 2008?

**James Heintz:** In 2008 we thought there would be a big paradigm shift and then it didn't materialize. But is there space for a paradigm shift with the role of the state right now? The answer is 'maybe'. Shift might go toward larger role of the state, though this may not be a good thing (i.e. a right-wing response to a globalized economy, and how will the different political forces battle it out?)

# SESSION 2: MACROECONOMIC

## RESPONSES TO THE CURRENT CRISIS

### I. Introduction by Silke Staab

The origins of this crisis are not only contained within the market sphere itself, but emerged from interaction with non-market spheres, particularly the care economy and the ecosystem. This recognition has clear implications for how we think about immediate macroeconomic responses to the crisis, as well as the structural transformations that are needed in the longer term.

We have heard how social infrastructure must be recognised as an investment, we have heard ideas around care bonds, similar to green bonds, and the need for measures other than GDP or full employment that get at issues of social sustainability. We have also heard how we need to rethink concepts like efficiency and productivity that currently ignore the cost of shifting responsibilities for social provision and ecosystem maintenance.

### II. Presentation by Richard Kozul-Wright

- In terms of fiscal and monetary capacity, the ability of developed countries to respond to COVID-19 has been far greater than most developing economies, although some developing economies have been innovative in terms of being able to find the appropriate instruments to at least mitigate some of the downside effects.
- While the health crisis was on everyone's minds, in many ways the immediate impact of COVID-19 on many developing countries was on the economic front, before the health crisis hit – in terms of exchange rates collapse, export earnings collapse, falling remittances, tourist revenues being hit – a vicious circle.
- The recovery itself will likely be highly unequal and highly unequalising. The unequalising nature of quantitative easing was the case in the 2009 crisis, and has been the case so far in the response to COVID. The fortunes of American billionaires have increased during this time. Those who have access to capital during this time have been able to benefit from this crisis.
- So far there have not been financial shocks, but there are financial fragilities looming on the horizon. We need to be circumspect about the kind of projections we are making here.
- A lot of the language we are hearing in response to COVID-19 e.g. building back better, everyone needs to be in the boat, the need for redistribution measures – this is the same language used after the 2009 crisis. However, this was not honoured in terms of an agenda, and petered out very quickly, because of the turn to austerity, and the tend to focus on 'competing our way out' of crisis as code for flexible labour markets and cutting wage costs.
- We are all familiar with reasons why recovery from 2009 failed, and why as a consequence the world economy and its constituent parts were in a particularly weak place in 2019 and 2020. A series of underlying conditions were left unaddressed from 2009, and we did not learn the lessons from the 2009 crisis. We expected a recession this year from fragilities and fractures in the global economy. However, we did not predict COVID-19. If underlying issues are not addressed when coming out of COVID-19, this will lead to a weak economy over the next decade.
- We do not like the narrative that UN people love, which is that the problem of inequality is people being "left behind". This is not appropriate. People are being thrown under the bus, and this is different from being left behind as the bus pulls out of the station. There are underlying structural and institutional problems that are responsible for inequality.
- We need appropriate macro policies beefed up with labour market and income policies to deliver strong and sustained public spending, including in the care economy, decarbonization, different ways of delivering public goods like

public transport, progressive taxation, including controlling corporate rent seeking, and the need to diversify economies and provide financial support to public banks.

- Can developing countries participate, given the constraints on policy and fiscal space? Given the scale of external constraints, many are simply unable to pursue expansionary policies that they need to be able to recover from the global financial crisis. The external debt problem is a problem for all developing countries, that requires external support. Both short-term and longer-term measures will be needed.
- There is a need for an ambitious reform of the gender equality agenda if we are going to live up to the rhetoric of recovering better. The structure of the multilateral system simply is not fit for purpose when it comes to addressing the shock and recovering in a way that is sustainable. Without ambitious measures, the UN's agenda is undeliverable.
- "The tranquil drug of gradualism is inadequate" – MLK.

### III. Response by Elissa Braunstein

As the process of industrialization proceeds, this involves changing structures of production and distribution, and the reallocation of labour and resources from lower to higher productivity production. In the current era of hyper-globalisation, we have seen stalled industrialization, premature deindustrialization and the growth of informal, low-productivity service sector employment. There are costs of exclusion in terms of class inequality and gender inequality. Women's relative access to "good" jobs, i.e. access to higher wage jobs with benefits, and those associated with growth in the traditional sector, are also an important determinant of the labour share of income.

How do policies aimed at structural transformation and productivity growth take this into consideration? And how do we bridge discussions on structural transformation and gender equality, and bring them together?

On the question of Green New Deals, it's important to look specifically at what these narratives include, and what they do not include. Some approaches to green growth include more neoliberal market fundamentalist principles than others.

We can also think in terms of Green Keynesianism where we have a fiscal stimulus that is designed to address climate change through retrofitting and infrastructure building, while also raising economic efficiency and generating employment. However, other approaches emphasise more how markets fail to price natural assets or ecosystem services, and call for the introduction of carbon taxes or improved property rights to improve market functioning.

In all of the above, we need to consider the risk of women's marginalization and be very specific about what we're talking about. For example, the lower value-added rungs of green jobs that already exist, are more likely to be informal, for example waste collection or recycling. So how can we more specifically engender green new deals in a way that makes the targeting of investments in decarbonization complementary to improving gender equality?

What do innovation or industrial policies that include the care sector actually look like? And to what extent can the expansion of paid care work drive development and productivity growth?

### IV. Response by Busi Sibeko

I am from South Africa, where inequality is deeply systematic because of the historical accumulation of wealth by 10 percent of the population who hold 90 percent of the wealth. So, one of my first considerations is, is a feminist economics decolonized enough? Are we being intersectional enough in our thinking about the future? Are a young Black woman's perceptions of the future included in understandings of sustainability?

There is a difference between asking 'how do we move from here?' versus, 'how do we start from the past and correct the past to ensure that justice is met, and then move forward?'

Right now, how do we ensure that women will be protected in this crisis of social reproduction? What is our sequencing, what are the immediate things that need to be done? What are the long-term and medium-term goals?

When I think about sustainability, there is macro-economic sustainability, but there is also household sustainability. In South Africa, 60 percent of those who lost their jobs were women, particularly Black women, who are already systematically more unemployed than any other race or gender. On top of that, most of these jobs were lost in the household work industry, the



commercialization of care work and so on. Job security has historical dimensions of why care work is racialised and patriarchal in the ways it is.

How does our feminist plan bring in young Black women? How do we not reproduce paternalism, as experts of this field? How do we ensure that the feminist plan is not exclusive?

We talk about economic power and household power, but we need to be talking more about how to challenge state power, and the instruments around this.

## V. Question and answer session

**Diane Elson:** The question of an intersectional approach to talk about the Green New Deal is essential, because otherwise it's about creating new jobs for the white male working class. It has to be accompanied with targeted measures to ensure those who have been excluded in the past have more access, and specific policies to address occupational segregation.

In response to Richard's point on full employment – we have to be careful about what we mean by this. Unless we are careful, this becomes a male breadwinner model. People having to do 3-4 jobs to make ends meet. We need to open up the link between wages and productivity, and the notion that you can only have a job and a wage if you're in a high productivity situation. Whereas this crisis shows us that it is actually the “essential workers” who are often in low-wage, low-productivity jobs.

**Ilene Grabel:** Sometimes I feel uncomfortable about the uncritical Green New Deal language by so many of the Left these days, because when we think about the New Deal, we might recall that it was racialised and masculinized, privileged large firms and the Global North. So, I feel more comfortable with the idea of a new social compact or similar.

**Gita Sen:** There is a lot of concern at this point about the extent to which governments and countries in the South are actually going to be able to do anything except focus on health. I am involved in the vaccine discussions in India, and nobody who knows the system is expecting that this vaccine is going to reach significant numbers of the population for anywhere between 4-5 years. If that is the case, then we will see a dramatic worsening between the vaccine-haves and the have-nots, with a lot of spillover

effects into economies, and economic policies. The Green New Deal looks like pie in the sky from this perspective.

**Bhumika Mucchala:** We have migrant care worker chains that are very much embedded in global value chains, and the way we look at structural transformation needs to consider this. For most Global South countries, we see this reproduction and expansion of the debt to austerity trap that we are seeing with emergency financing set to introduce austerity conditions by Spring 2021.

I support the idea of a decolonizing economics methodology and looking at the foundation of economics in colonial hierarchies, racialized and gendered hierarchies, and the hegemony of a particular neoliberal neoclassical orthodoxy, which has curtailed the pluralism of different economic theories and ideas.

**Felogene Anumo:** For feminist organisers, we advance that meeting people's material needs is also political work. Capturing the political imagination around the possibilities within this time, we have seen a lot of experiments coming up, e.g. the Hawaii feminist economic recovery plan, Northern Ireland and Canada. What experiments can blossom in this crisis? How can we continue to put pressure that pushes the pervasiveness of broken capitalism? What are some of the real tangible experiments that we can advance in this moment?

**James Heintz:** There has been a lot of renewed space for engaging with the idea of a basic income and basic income grants, and how this plays out with austerity. How to de-link income from productivity in the labour market? There is potential there with the cash transfers being made right now.

**Busi Sibeko:** To me it is critical that we tackle excess wealth head on, and we need to think about real instruments to prevent excess wealth.

It's not fair to say that feminist demands must wait until later. I hate the word 'tradeoffs', but we should ask the question of sequencing, because contextually some things are more immediate than others, but it is not fair to say that feminist views must come after everything else.

Some of the positive changes made in the emergency must be leveraged and made permanent. E.g. in South Africa a caregiver grant was introduced. How do we make this an entry point?

**Silke Staab:** This point about sequencing is really important, and how to connect the immediate response to this longer term.

**Richard Kozul-Wright:** The way in which the World Bank and the IMF are capitalizing through finance, risk management, converting everything into an asset type discourse, and narratives around the shift from the Washington Consensus to the Wall St consensus—these are the narratives that we in the UN really need to contest.

The feminization of industrial policy is a conversation we should be having. For example, expanding critique of

industrial policies into other sectors of the economy, including the service economy and the tertiary sector. Industrial policy is central to the Green New Deal narrative.

With regards to the target of ‘full employment’: this is often narrowly defined as a fixed quantitative target. For me, it’s not about that simple notion of targeting, and we should not reduce this to a crude, quantitative measure. It’s more about what kind of monetary and fiscal policies are needed to generate the kind of employment that is consistent with a more inclusive and sustainable future.

# SESSION 3: GLOBAL MACROECONOMIC GOVERNANCE

## I. Presentation by Ilene Grabel

My primary objective is to speak to the pursuit of ‘harmonised governance’ by progressives who seek to replace global neoliberalism. Instead, I argue for what I term in much of my work “permissive multilateralisms” as an alternative to what seems to be a kind of nostalgia for harmonised global governance:

- Permissive multilateralisms will maximise policy space for experimentation with strategies that uplift and amplify the conditions of life for women, that promote economic and social well-being, and sustainability in recovery from the economic and public health costs of the COVID crisis.
- Multilateralisms 3.0 will be different from the unipolar multilateralism of the post-war world order: this will mean experiments, not top-down policy blueprints.
- By ‘permissive’, I mean simply regimes that promote genuine policy autonomy at the national and sub national levels.

Beyond my broad support for global governance architectures that support permissive multilateralism, I outline several specific directions for macroeconomic governance reform that enable these aims. Chief on the sovereign debt agenda is a restructuring mechanism, to avoid another lost decade. Without debt cancellation, we consign poor countries to austerity, and nothing could be more harmful to a feminist agenda. Without debt relief, policy autonomy remains out of reach. Many actors such as UNCTAD and civil society groups have advocated for a debt restructuring mechanism, and implementing this is a matter of political will.

Reconstituting credit rating agencies so they function like public utilities would go some distance in reducing their

monopoly power and their ability to constrain policy space, especially in times of crisis.

We need to expand policy space for capital controls as part of a broader agenda of reining in the financial sector, and expanding space for experimentation, especially for expansionary macroeconomic policies. Capital controls can also to a degree rebalance political voice.

Regarding the Bretton Woods institutions, their response to the COVID crisis has been deeply disappointing. Emergency financing for immediate relief is overdue, and expansion of the IMF's lending power (through increased SDR allocations) has been vetoed by the US.<sup>3</sup> The Bretton woods institutions need to be better resourced, and to regain legitimacy and be modernized. They have to be reformed in ways that reflect the voices, the needs and the lived experience of their full membership and drawn a full range of views in decision making an analysis.

We need to enhance the resources of development finance and liquidity support for institutions in the Global South and East. Following 2008, the financial landscape of the South and East has become more diversely and densely populated. A messy financial infrastructure like this is more likely to be tolerant of a range of economies, rather than a single idealized model. That kind of permissiveness is really absent under an architectural monoculture that exerts a gravitational pull toward a single idealized model.

Addressing tax evasion by the super-wealthy is crucial, including progressive taxation of income and closing channels for tax evasion.

Finally, there is enduring importance of access to public finance and official development assistance. ODA is essential to the success of any feminist plan for sustainability and social justice.

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<sup>3</sup> Following the change in Government in the USA, the US Treasury has now thrown its weight behind the idea of expanding SDRs. See:

<https://www.aljazeera.com/economy/2021/2/25/yellen-new-allocation-of-imfs-sdr-currency-can-aid-poor-nations>

Feminist, green and anti-racist recovery plans call for vast investments into public health, universal social protections and universal basic incomes, education and digital access among other objectives.

## II. Response by Isabella Bakker

- ‘Permissive multilateralisms’ is a captivating concept, and the idea of policy autonomy and policy space.
- The crisis for capitalism is the crisis of a period of no-growth, because capitalism is premised on an expansive system. We need to counter this not only through measures of wellbeing, but through different conceptions of growth that take into account the framing we are interested in.
- From a feminist perspective, everyone's identified a crisis of care and social reproduction. Yet deepening this perspective, we must situate this as a crisis of economy, ecology, politics, and how these intersect and exacerbate one another. This organic crisis can generate political alternatives, but they can be reactionary as well as progressive.
- In terms of credit ranking agencies, the idea of recasting them as public utilities is a great idea, and alongside that we will need new social and environmental criteria to assess their effectiveness.
- The role of central bankers, and the dominance of the US federal reserve, and the dollar's maligned role as a reserve currency – must all be challenged.

## III. Response by Iolanda Fresnillo

The pandemic has revealed the debt crisis that already existed before COVID 19, but which has been enhanced at this time. Public debt is crippling the capacity of governments across the world to protect the lives and human rights of their citizens. As debt payments increase, investment and spending in public services is slashed, undermining women's and girls' rights and gender equality policies. The debt crisis is a key and unavoidable issue that

must be dealt with. Without cancelling debt, it is not possible to facilitate a feminist recovery.

- Debt relief offered through the G20 Debt Service Suspension Initiative (DSSI) is so far providing only limited fiscal space, and mostly involves postponing debt payments and risking a bigger crisis down the road. Temporary debt moratoriums and restructuring do not involve cancellation oftentimes, and this means debt relief is very limited.
- New IMF emergency lending is being offered to developing countries apparently without conditionalities, but with austerity and fiscal consolidation proposals already in the IMF documents, such that in 2021 many developing countries will be expected to start implementing cuts to public workers hiring and wages and regulatory structural reforms. I.e., this risks to be the initial steps of a new wave of austerity, menacing women's rights and gender equality policies, especially in the Global South.
- Multilateral development banks like the World Bank have not been involved in the debt moratorium, and neither have private creditors. We do not expect them to engage unless there is a binding scheme to make them approve this debt relief.
- One of the main black holes of the international financial architecture is that resolution processes only respond to the creditors needs and interests, and have usually been decided in non-democratic and non-transparent processes that exclude borrowing countries.
- We don't only need a more ambitious position regarding debt cancellation, we need the establishment of a new multilateral system for debt cancellation, which is independent from the creditors, and where debt restructuring is negotiated in a transparent and democratic way with borrowers and lenders on the table, and the binding involvement in the debt relief and restructuring of all bilateral lenders, private creditors and multilateral institutions.

- One of the key advances that could be made in the feminist plan is to explore what debt sustainability would look like from a feminist perspective.

#### IV. Question and answer session

**Busi Sibeko:** One of the things I have advocated for is global fiscal solidarity: now more than ever, some sort of solidarity and permissiveness framework. I worry because our research on African countries shows that even when countries had macroeconomic space, they chose not to utilize it for development, partly because of deeply entrenched orthodoxy. So I worry that even if you have a permissive framework, countries may choose the orthodoxy, because that is what they anticipate being acceptable.

For example, in South Africa, in the case of supposedly non-conditional aid through rapid financing instruments, we have a national treasury deeply committed to neoliberal policies so it may be that not much changes. Hence, we need new people in these national treasuries, because the old people are going to be deep in this orthodoxy which begins at high school. We are lectured neoliberal economics since birth.

**James Heintz:** A question for Ilene: the idea of permissive multilateralisms seems to be walking a middle road between the tensions between sovereignty and global governance. How did you get to this idea of permissive multilateralisms, and is this what is most feasible right now? What is the role of global governance where you have to give up some of that sovereignty?

**Jessica Woodroffe:** How do we get progressive multilateral institutions that governments in the Global North will actually fund? As soon as you make a financial institution genuinely democratic, international institutions and governments will not fund it.

**Richard Kozul-Wright:** A question to UN Women: there is a neoliberal gender-sensitive interpretation of finance, which includes microfinance, small and medium enterprises and entrepreneurship, risk management development strategies, PPP's. This is a narrow and in some respects anti-feminist agenda but is sold as being gender friendly. However, I don't hear from UN Women a critique of that.

**Bhumika Muchhala:** A question on the idea of how to incentivize private sector participation, which has been front and centre of many discussions. There is a lot of critique of the ideas of green recovery bonds and debt for nature bonds, particularly the policy autonomy that is curtailed and infringed for developing country states to be able to decide what to finance and how to finance.

Is this the best we can do? How do we evolve past this problematic way to involve the private sector? What is the horizon of possibilities to involve the private sector, counter the green recovery bonds etc. What alternatives are there?

**Diane Elson:** We have had a great diagnosis of problems and good suggestions. What are the points at which the system is going to crack? When will the pressure points come that might change the configurations of power, or that might make it more likely that any of the great ideas we've had would find some traction?

**Iolanda Fresnillo:** We have to work collaboratively between the gender budgeting processes and this idea of debt sustainability. If we want to get street mobilization against the austerity measures to come, we have to get organized now. Some things are already happening in Ecuador and Argentina – people are taking to the streets against this.

**Isabella Bakker:** This crisis is different from 2008 because it is an existential crisis that concerns the conditions of existence, of health inequality and social reproduction. And it is an organic crisis in the sense of being deep, structural and ecological.

**Ilene Grabel:** This is a true crisis that involves several layers of reproduction in a very biological sense – we're dealing with a global pandemic that has truly global reach and that is expanding exponentially. The burdens are being borne by women across the whole world, making this a truly existential crisis. The fact that a variety of social and economic systems have been unable to respond to these multiple crises, and because we are on the brink in so many respects, this creates some opportunities to push for alternative strategies.

The public has grown tired of elite-led grand overarching narratives, and the ideas that dominated discourse in the post-WW2 era are not really on the table. But there is a lack of clarity of where to go next, which opens space for

discussion and creative problem solving around a set of ad hoc permissible policies that may be tailored to sub national, national or regional contexts. This may be a strategic moment to press on the public being tired of financial support and bailouts for large actors, the backlash against big tech firms that have benefited from the global crisis, and to push a narrative of quid pro quo.

We want to push for a thin notion of globalization, with a basic set of rules of the road but space for policy experimentation at the national and subnational level that is responsive to the lived experiences of diverse groups.

The final point I would make is about the need to link up social change agendas across social movements at this critical juncture.

# FINAL COMMENTS AND WRAP-UP

## Summary of key takeaways by James Heintz

- Our current framing of macroeconomic issues is often missing some of the non-market dynamics and their interactions with market dynamics.
- When talking about creating a caring economy, there was discussion on creating good quality livelihoods, and development trajectories that feature structural transformations. As part of structural transformations, there was discussion on green new deals.
- We are talking in broad brush strokes and it hangs together at that level, but the devil

might be in the details, and there might be contradictions in the details. Maybe we need to be more transformative than what we have been talking about.

- How do we create the policy space we are talking about? Particularly for developing countries and where policy space in the context of macroeconomic policy has been severely curtailed.
- We always end up with the same question: the political one. How are we going to struggle going forward? Some of the discussion today has been very pessimistic in where we are heading in the next two to five years, and this is going to be a serious struggle without clear answers as to how to achieve what we want.

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