TRAINING MANUAL

THE UN WOMEN GENDER AND ECONOMICS TRAINING MANUAL

SECOND EDITION · 2026

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Economic Empowerment Section
UN Women
New York

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This second edition of *The UN Women Gender and Economics Training Manual* is dedicated to the memory of Nilüfer Çağatay, whose intellectual leadership and commitment to feminist macroeconomics helped shape the foundations of this training programme. As Senior Economic Policy Advisor at the UN Women Regional Office for Europe and Central Asia in Istanbul, she initiated and led the first edition of the training manual in 2016. Her vision continues to inspire efforts to advance gender-aware economic policymaking worldwide.

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INTRODUCTION

This training manual on Gender and Economics is designed to provide basic- to intermediate-level training for development practitioners, including government representatives, as well as policy and programme staff in international, regional and national organizations working on economic policy. The overall objective is to strengthen participants' capacity to critically assess economic policies from a gender-aware perspective, and to design and implement gender-responsive economic policies.

More specifically, the manual aims to:

1. Introduce participants to economic thinking and gender-aware approaches across a range of issues, including the care economy, labour markets, social protection, macroeconomics and international economics, income inequality and poverty, and the ecological crisis and green transformation.
2. Expose participants to critical analyses of global, regional and national economic trends.
3. Build the capacity of participants to design, implement and advocate for gender-responsive economic policies and programmes.
4. Strengthen participants' capacity to engage and network with other development practitioners, scholars and policymakers.

The manual adopts a primarily macroeconomic perspective, focusing on frameworks for analysing core economic structures, processes and outcomes at the aggregate level, while highlighting their linkages to gender and intersectional inequalities. Beyond examining inequalities, it emphasizes the two-way relationships between macroeconomic structures and (in)equality, underscoring that gender-aware economic policy is essential not only for advancing gender equality, but also for shaping the future of work and promoting inclusive, sustainable and resilient economies.

Across all themes, the manual introduces key debates between mainstream (orthodox) economics and alternative (heterodox) economics approaches and situates gender-aware and feminist critiques and approaches within these discussions.

The first edition of this manual was released in 2016 under the leadership of Nilüfer Çağatay, a pioneer in feminist macroeconomics. Since then, the training has since been implemented in diverse international, regional and national contexts, with participants from government and intergovernmental agencies, non-governmental organizations, labour and employer organizations, academic institutions and policy think tanks. Building on the first edition and training content developed in various phases of training implementation, this second edition updates developments in economics research, data and policy debates, and expands thematic coverage to include open macroeconomics and international economics, the ecological crisis and green transformation, as well as technological change, artificial intelligence and digitalization. It also incorporates interactive discussions and exercises for participants.

The seven modules are designed to be delivered over a five-day training course, either in-person or online, by facilitators with a strong background in feminist economics and macroeconomics, along with demonstrated experience in training and teaching. Given the breadth of content, facilitators are encouraged to adapt the selection of topics to the local context, participants' profiles and learning needs; optional sessions and exercises are also available. Each module can also be delivered as a stand-alone, full-day session if required.

Ipek Ilkkaracan
Editor

ACRONYMS

AfCFTA	African Continental Free Trade Area
AFS	Agrifood Systems
AI	Artificial Intelligence
ALMP	Active Labour Market Policy
BLI	Better Life Index
BoP	Balance of Payments
CB	Central Bank
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
COP	Conference of the Parties
CPI	Consumer Price Index
CSO	Civil Society Organization
CSW	Commission on the Status of Women
ECB	European Central Bank
ECCE	Early Childhood Care and Education
EPZ	Export Processing Zone
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
GDI	Gender Development Index
GDP	Gross Domestic Product
GEI	Gender Equality Index
GHG	Greenhouse Gas
GII	Gender Inequality Index
GNI	Gross National Income
GPI	Genuine Progress Indicator
GRB	Gender-Responsive Budgeting
GSNI	Gender Social Norms Index
GVC	Global Value Chain
GWG	Gender Wage Gap
HDI	Human Development Index
HLEG	High-Level Expert Group
HLFS	Household Labour Force Survey
HDI	Human Development Index
HPI	Human Poverty Index
IAFFE	International Association for Feminist Economics
ICLS	International Conference of Labour Statisticians
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IGSI	Industrial Gender Segregation Index
IHDI	Inequality-adjusted Human Development Index
ILO	International Labour Organization
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
IT	Information Technology
ITC	International Trade Centre
LDC	Least Developed Country
LF	Labour Force
LFP	Labour Force Participation
LFPR	Labour Force Participation Rate
LIMTCP	Levy Institute Measure of Time and Consumption Poverty

LIMTIP	Levy Economics Institute Measure of Time and Income Poverty
MGEI	Multidimensional Gender Equality Index
MOE	Ministry of Economy
MOF	Ministry of Finance
MFN	Most Favoured Nation
MPI	Multidimensional Poverty Index
MSME	Micro, Small and Medium Enterprise
NAFTA	North American Free Trade Agreement
NAP	National Adaptation Plan
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
OGSI	Occupational Gender Segregation Index
OPHI	Oxford Poverty and Human Development Initiative
PHDI	Planetary pressures-adjusted Human Development Index
PPP	Purchasing Power Parity
PWS	Public Works Scheme
QoL	Quality of Life
RCEP	Regional Comprehensive Economic Partnership
RSW	Relative Status of Women
SAP	Structural Adjustment Programme
SDG	Sustainable Development Goal
SDI	Sustainable Development Index
SEZ	Special Economic Zone
SIGI	Social Institutions of Gender Inequality
SME	Small and Medium-sized Enterprise
SNA	System of National Accounts
SPF	Social Protection Floor
STEM	Science, Technology, Engineering and Mathematics
TUS	Time-Use Survey
U	Unemployed
USMCA	US–Mexico–Canada Agreement
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UNRISD	United Nations Research Institute for Social Development
UNU	United Nations University
VAT	Value-Added Tax
WEF	World Economic Forum
WEI	Women's Empowerment Index
WEPs	Women's Empowerment Principles
WTO	World Trade Organization

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MODULE 1

INTRODUCTION TO GENDER-AWARE AND FEMINIST ECONOMICS

Author: Radhika Balakrishnan
(Building on 1st edition Modules 1 and 2 by Ozge Izdes)

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will:

- **Understand the difference between mainstream versus non-mainstream economics approaches to economic analysis and policy.**
- **Be informed about the diversity of non-mainstream economics approaches, including feminist economics.**
- **Understand the different approaches to integrating gender into economic analysis and policy.**
- **Be able to identify the differences between gender-blind, gender-aware and feminist economics.**
- **Be able to apply this understanding to assess economic programme and policy interventions from a gender equality perspective.**

KEY CONCEPTS AND DEFINITIONS

Patriarchy/patriarchal institutions:

A system of social, political and economic relations and institutions structured around male dominance and gender inequality, where men hold primary power and authority over women in most spheres of society.

Intersectional feminist economics:

An approach to economics that examines how different social identities—such as gender, race, class and sexuality—intersect to shape economic inequalities, focusing on how traditional economic theories and policies impact marginalized groups differently.

Gender division of labour:

The allocation of different kinds of work or responsibilities to individuals based on their gender, often leading to men and women performing distinct roles in the household and workforce, historically resulting in women doing more unpaid care work.

Bargaining power:

The relative ability of individuals, groups or members within a household or institution to influence decisions and outcomes, often shaped by social, economic and gendered power dynamics.

Empowerment:

The process of increasing individuals' or groups' ability to make choices and transform those choices into desired actions and outcomes, often focusing on enhancing women's or marginalized groups' control over resources, decision-making and autonomy.

Social reproduction:

The processes and activities—including child-rearing, education and caregiving—that maintain and reproduce the labour force and social systems across generations, frequently performed by women and often undervalued in mainstream economics.

Reproductive work:

Refers to the labour required to sustain the current workforce and nurture the future one.

Care economy:

The sector of the economy that encompasses paid and unpaid work related to caregiving and domestic tasks—such as childcare, eldercare, healthcare and household maintenance—often performed predominantly by women (also see Module 2: The Care Economy and Transformative Care Systems).

Intergenerational transfers/distribution:

The movement or allocation of resources—such as wealth, knowledge or care—between different generations within families or societies, affecting social mobility, economic stability, and the well-being of children and elders.

Household dynamics:

The patterns of relationships, decision-making, roles, and resource distribution within households, shaped by factors such as gender, age, income and cultural norms.

Mainstream (conventional, neoclassical or orthodox) economics:

The dominant approach to economic theory and policy, typically focusing on markets, efficiency and individual choice, and often using models that assume rational, self-interested behaviour, with less attention to issues like gender and unpaid labour. It promotes free competitive markets with minimal state intervention.

Non-mainstream (alternative or heterodox) economics:

Economic theories and approaches that challenge the assumptions and models of mainstream economics, including Keynesian, post-Keynesian, Marxian, institutionalist, feminist and ecological economics. Despite differences in their central emphasis and analytical frameworks, these approaches often emphasize power, inequality and social factors; point to shortcomings and undesirable outcomes of free unregulated markets; and promote well-planned and executed policy interventions by the state.

Gender-blind versus gender-aware economics:

- *Gender-blind economics* ignores or assumes no important differences exist between men and women in economic analysis and policy.
- *Gender-aware economics* recognizes and incorporates gender differences, inequalities and power relations into analysis and policy.

Gender-responsive economic policy:

Refers to the design, implementation and evaluation of economic policies in ways that recognize and address the different economic roles, constraints and opportunities of women, men and gender-diverse people. It aims to reduce gender inequalities by integrating a gender perspective into areas such as budgeting, taxation, labour markets, social protection and financial systems.

Feminist economics:

An academic and policy approach that is a critical study of economics and economies. It critiques conventional economics from a feminist perspective, emphasizing the importance of gender, the value of unpaid and paid care work, and the need for more inclusive economic models that address inequalities and social justice.

MODULE 1 OVERVIEW

This training module introduces feminist economics as a distinct, critical approach that reshapes how we understand economies, value work and design policy. It contrasts mainstream, gender-blind economics with gender-aware and feminist perspectives, and shows how these differences matter for real-world outcomes. The module demonstrates that economic systems are not gender neutral. Women perform a disproportionate share of unpaid care work globally, shaping labour market participation, income distribution and macroeconomic outcomes. Feminist economics analyses these dynamics across micro (household), meso (institutions and labour markets) and macro (fiscal and monetary policy) levels.

Participants are introduced to distinctions between gender-blind, gender-aware and feminist economic approaches. While gender-aware analysis identifies differential impacts of policies on women and men, feminist economics goes further by challenging structural assumptions and prioritizing well-being, equity and sustainability over growth alone.

The module also explores feminist contributions to policy innovation, including gender-responsive budgeting, care economy frameworks, well-being–based macroeconomic indicators, intra-household bargaining models, and time poverty measurement. It situates these developments within broader historical shifts including neoliberal reforms, financialization, rising inequality, and the global backlash against gender equality. By the end of this module, participants will be equipped with a framework to understand differences between mainstream, non-mainstream and feminist economics approaches to policy design and evaluation in national and global contexts. The rest of the modules will build upon this framework to explore diverse themes in gender and economics.

CORE SESSIONS

1.1 WHY GENDER IN ECONOMIC ANALYSIS AND POLICY?

This session provides a short introduction to the question of 'Why gender in economics?' before engaging participants through an interactive warm-up exercise.

It was estimated that in 2025, women earned an average 20 per cent less than men globally; projections suggest it will take more than a century to close the gender pay gap.[1] Women also perform approximately three-quarters of all unpaid care work worldwide, a contribution that is essential to the functioning of households and economies but largely invisible in conventional economic measures (ILO 2018). These persistent inequalities illustrate how economic processes are deeply gendered and cannot be fully understood without attention to the ways in which norms, power relations and institutional arrangements structure economic outcomes.

Integrating gender into economic analysis fills an important gap by challenging the assumption that markets and policies affect all individuals in the same way. Traditional economic models tend to ignore differences in social roles and unpaid labour, thereby obscuring the mechanisms that reproduce inequality. A gender-aware approach makes visible the value of unpaid care work, explains patterns of occupational segregation, and highlights how macroeconomic policies—such as austerity, taxation or monetary tightening—have differentiated impacts for women and men. In this way, incorporating gender not only enriches economic understanding but also provides the foundation for policies that advance equity and human well-being alongside growth.

Feminist economics explains the economy through linked micro, meso and macro levels to show how gender inequality is built into economic systems (Elson 2025). At the micro level, households are sites of unequal power where women do a disproportionate share of unpaid care work, at the expense of limited access to employment and earnings, and absorb economic shocks through their longer working hours (paid or unpaid) and reduced well-being. The meso level—including labour markets, public services, and institutions—transmits macroeconomic changes and policies to households and often reinforces gender segmentation and insecurity. At the macro level, policies such as austerity and fiscal restraint are wrongly treated as gender-neutral, even though cuts to public spending shift care responsibilities back onto households. The emphasis is that these levels are 'meshed' together: for example, macroeconomic growth depends on invisible unpaid labour at the micro level, and ignoring this interdependence leads to deeper gender inequality and unsustainable economic outcomes.

DISCUSSION

Ask the group to break up into pairs and discuss the following:

- Introduce yourself to your partner.
- Why/in what ways is gender in economics relevant to your work?
- How is it relevant to your personal life? (For example, at the level of the household, labour markets or the macroeconomy.)

Participants come back to the plenary. Each pair introduces the other person to the group and then report the main points that emerged from their discussion as a pair.

KEY TAKEAWAYS FROM SESSION 1.1:

- Feminist economics expands the scope of economics to include reproduction (in addition to production), unpaid labour (in addition to paid labour) and non-market economic processes (in addition to market exchange).
- In order to integrate these processes into economic analysis, feminist economists see the household as a core economic institution, yet emphasize the interlinkages and gendered patterns that operate across the micro, meso and macro levels.

1.2 DEFINING THE BOUNDARIES OF THE ECONOMY AND ECONOMICS

This session aims to introduce participants to defi-nitions of what an economy is, how it is structured, and what economics as a discipline is about in its multiple forms. The discussion highlights the differences in mainstream versus non-mainstream economics and feminist economics approaches to these basic definitions, which is where the disagreements between them start. For example, the mainstream approach has an exclusive focus on the market economy and monetary exchanges. However, the economy and its social relationships are embedded within a wider physical and ecological context, meaning that economic activity depends on natural resources and environmental limits that lie outside the market system. Feminist economics introduces the non-market reproductive sphere (household and community production and consumption activities) as an integral part of what we call the economy, hence as a subject of economics. Ecological economics, in a similar vein, introduces provisioning by nature as the fundamental basis of all economic activity.

1.2.1 WHAT IS AN ECONOMY?

In the mainstream (neoclassical) approach, the economy is usually equated with the market system where goods and services are produced and exchanged. The focus is on formal, monetized activities measured through GDP and other national accounts. This approach treats households, firms and the state as separate entities interacting through markets, and often does not consider unpaid labour, informal economies and ecological constraints.

The circular flow diagram (Figure 1.1) shows a simplified model of the economy in mainstream, conventional economics. There are two groups of economic agents: households and businesses. Households consist of individuals who own and supply factors of production (land, labour, entrepreneurial ability and capital) in the factors market to earn money income from businesses (rents, wages, profits and interest). Households then spend this income on goods and services produced by firms, creating a flow of consumption spending back to firms.

The outer (clockwise) flow of arrows shows the monetary elements of the exchanges, whereas the inner stream (in the opposite direction) illustrates the flow of goods and services and factors of production. The conventional circular flow diagram represents a model in which there are only two kinds of economic actors.

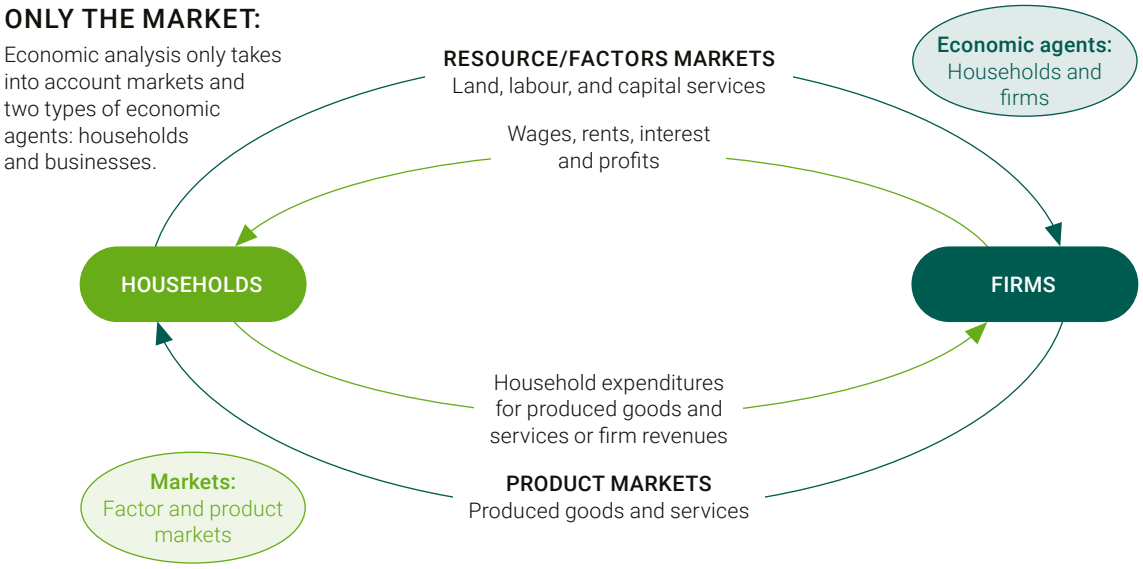
Figures 1.2 and 1.3 represent two alternative (non-mainstream) models depicting what an economy entails, including non-market spheres of economic activity, the connections between gendered division of labour, and the relationship between natural resources and the economy.

The visual representation of the economy in Figure 1.2 takes into account interactions between the economy and its contexts, showing how the economy is dependent on these contexts, and how these environmental and social spheres are in turn affected by the economy. Here, economic activity takes place in three spheres, of which markets is only one (Goodwin et al. 2023):

- **Core sphere:** What conventional economics calls the household, but it also includes community institutions through which we organize resources and which are a critical location for bearing and raising children.
- **Public purpose sphere:** Governments and their agencies, non-profit organizations and international institutions. It is more formally structured than the core sphere and more monetized.
- **Business sphere:** Firms that produce goods and services for profitable sale, whose interests may or may not coincide with the overall well-being of people.

FIGURE 1.1

The circular flow diagram



Source: Goodwin et al. 2023.

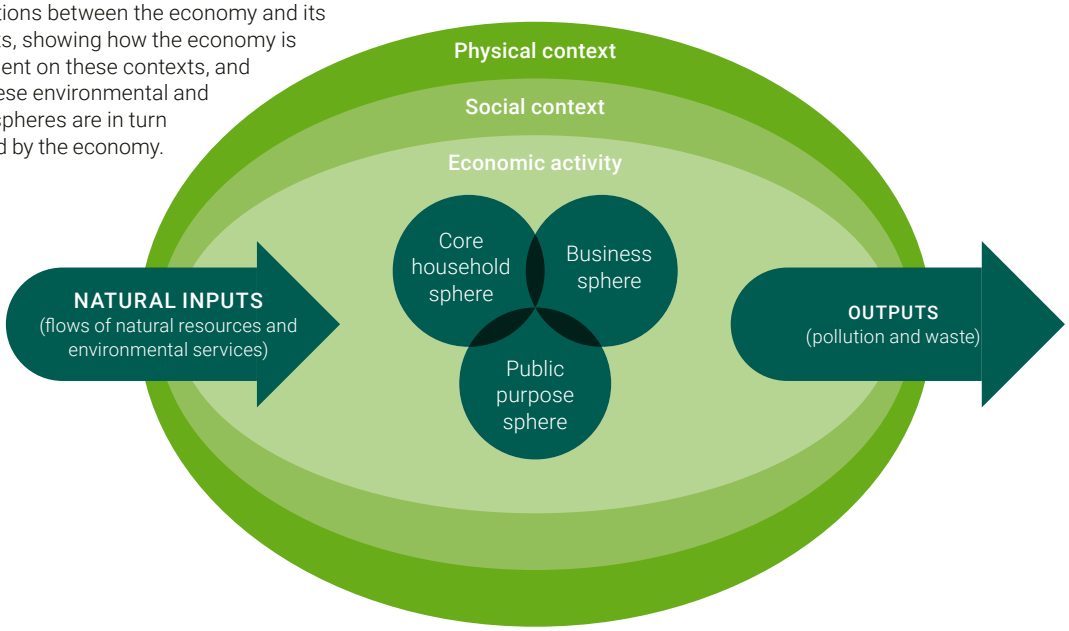
Unlike the diagram of the mainstream approach, Figure 1.2 demonstrates that the economy does not operate in a vacuum. Three spheres of economic activity are placed in a social context: economics is embedded in the larger social context of institutions, cultures, nations, politics and religion. The diagram moreover shows how economics is embedded in nature. Thus human economic activity has clear implications for the natural environment.

FIGURE 1.2

Beyond markets: A non-mainstream model of the economy

CONTEXTUAL ECONOMICS:

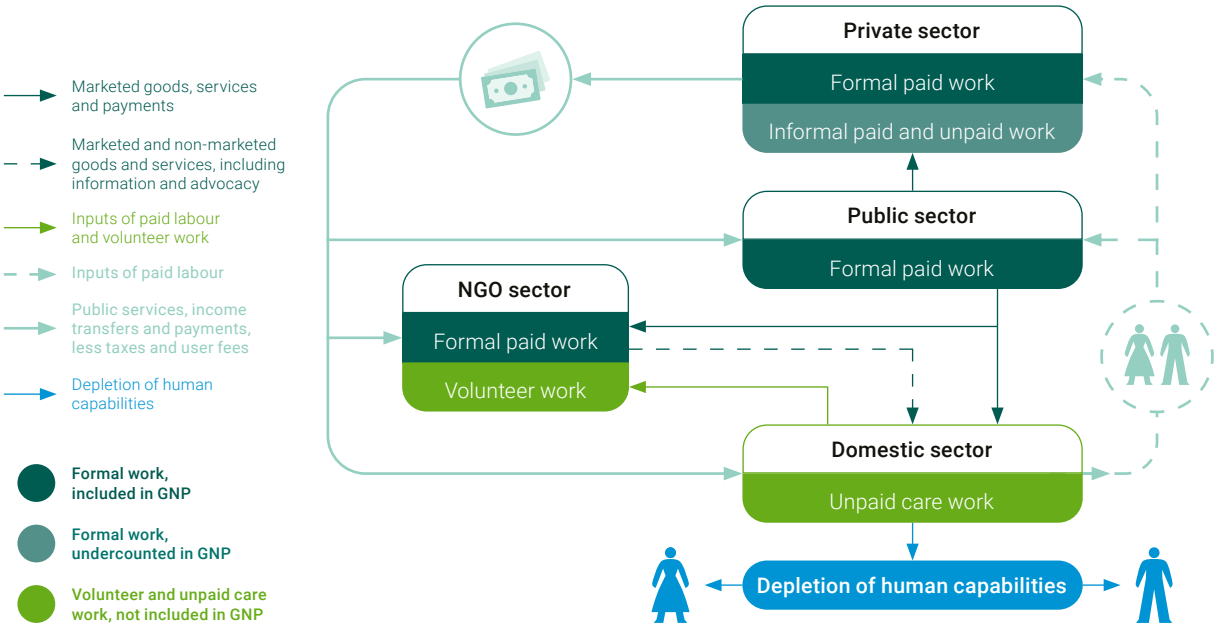
Economic analysis which takes into account the interactions between the economy and its contexts, showing how the economy is dependent on these contexts, and how these environmental and social spheres are in turn affected by the economy.



Source: Goodwin et al. 2023.

FIGURE 1.3

A gender-aware model of the economy



Source: Keklik and Elson 2000: 26.

Figure 1.3 shows the economy with an explicit focus on the interactions of unpaid work with the rest of the economy. Economic activity takes place in four sectors through different forms of labour: the private sector with formal and informal paid and informal unpaid work; the public sector with formal paid work; the domestic sector with unpaid work; and the NGO sector with formal paid work and volunteer (unpaid) work. These four sectors of the economy are linked with each other. The private sector sells goods to all thre other sectors, the domestic sector provides people to all sectors, the public sector collects taxes, makes income transfers and provides public services, while NGOs provide paid or unpaid services.

As Keklik and Elson (2000: 27) state: "These channels are cultural as well as financial, carrying messages and values as well as goods, money and people. Commercial values flow from the private sector, emphasizing the importance of making money and creating a kind of equality but only for those with sufficient money. Regulatory values flow from the public sector, emphasizing the importance of citizenship, rules and laws, but often failing to ensure the rules and laws are democratic rather than autocratic and bureaucratic. Provisioning values flow from the domestic sector, emphasizing the importance of meeting people's needs, but often meaning that adult able-bodied women meet everyone else's needs while remaining needy themselves. Values of mutuality and cooperation flow from the NGO sector but often in ways that remain hierarchal and exclusionary."

The gender division of labour in these four sectors explains the relative weakness of women in social, political and economic life. Unpaid care work, volunteer work, informal and unpaid work are female-intensive areas, whereas paid employment opportunities in the private sector and NGOs are male-intensive. Women prefer to work—and are less subject to discrimination—in the public sector. Public sector employment, however, has been shrinking along with the size of the public sector in economies, due to cuts in public expenditure resulting from neoliberal reforms applied since the 1980s. Total work (paid and unpaid) by women (52 per cent) exceeds total work by men (48 per cent) and yet, as Keklik and Elson (2000) observe, women's actual work is not counted as part of gender-blind economics.

DISCUSSION

Ask participants to look at the three diagrams and discuss:

- What are the differences and similarities between the three visual representations of the economy?
- Can you identify any economic actors or processes that are missing from the mainstream model of the economy?
- How does the treatment of the household and its economic role vary across the three different depictions of the economy?
- How are nature and ecological processes represented or treated?
- What is the role of the social and political context?

Note to the Facilitator: In guiding the discussion, note that the standard circular flow diagram (Figure 1.1) leaves out several important economic actors and processes:

- Unpaid care and domestic work within households is excluded, even though it is essential for reproducing labour and sustaining the economy. The household is perceived simply as a supplier of factors of production (labour, capital and land) to the market economy, but the economic activity inside the household is hidden.
- Power relations and inequality (such as gender, class and race) are ignored, making households and firms appear neutral and harmonious (this is also implicit in Figure 1.2).
- The state's social provisioning role beyond taxes and transfers—such as care services and regulation—is underrepresented.
- The economy is shown to operate in a vacuum with the social context and the environment missing; natural resources are represented as inputs to market production, with no recognition of resource depletion or ecological limits.
- Financial institutions and debt dynamics are simplified or absent, despite their major influence on economic outcomes.
- As a result, the diagram presents an incomplete picture by focusing only on market-based exchanges and overlooking the social and ecological foundations of the economy.

Goodwin et al.'s non-mainstream model (Figure 1.2) departs from neoclassical economics, emphasizing class relations, income distribution and cyclical dynamics between wages and profits, but remains largely gender-blind and focused on the formal market economy. Labour is treated as a homogeneous input, and households appear mainly as suppliers of labour power. By contrast, Keklik and Elson's gender-aware model (Figure 1.3) explicitly shows gendered power relations; it distinguishes between paid market work and unpaid care and reproductive labour. Their framework places social reproduction at the centre of the economic system, showing that market production depends on work performed outside the market, largely by women. While Goodwin et al. expand the analysis beyond mainstream assumptions, Keklik and Elson go further by embedding the economy within a wider social and physical context, highlighting sustainability, well-being, and the limits of ignoring care work. As a result, Keklik and Elson's model offers clearer guidance for gender-responsive economic policies, whereas Goodwin et al.'s model is more limited in addressing gender inequality.

Goodwin et al.'s non-mainstream model suggests the need for policies aimed at managing the wage–profit relationship to stabilize growth and employment, such as strengthening collective bargaining, maintaining high employment levels, and using macroeconomic tools to avoid crises driven by distributional conflict. The focus is on regulating capitalism to improve income distribution and reduce instability, but policy recommendations remain largely within the formal market economy and do not directly address gender inequality or unpaid labour. By contrast, Keklik and Elson's model calls for gender-responsive economic policies that recognize and support unpaid care and reproductive work, including public investment in care services, paid parental leave and shorter working hours. It recognizes the depletion of human capabilities due to the unpaid care work that has to be done. It also supports gender-responsive budgeting, labour market reforms to reduce gender pay gaps and precarity, and policies that embed economic decision-making within social and ecological sustainability goals, prioritizing well-being over growth alone.

1.2.2 WHAT IS ECONOMICS?

Given the differences between mainstream and non-mainstream definitions of an economy, it follows that there are distinct responses to the question of what the discipline of economics is about. The mainstream (orthodox/neoclassical) approach defines economics as the study of how individuals and societies allocate scarce resources in the most efficient manner to satisfy endless needs (to maximize utility for consumers and profits for firms). Its central focus is efficiency and markets, based on assumptions of rational choice and market equilibrium. This approach is centred on methodological individualism and assumes outcomes result from rational decisions by self-interested agents. Economics is often treated as a 'value-free' science, relying heavily on mathematical modelling.

The non-mainstream (heterodox) approach has many variants. Generally, heterodox economic approaches reject the claim of being value-free and instead explicitly integrate ethics, power and justice into analysis. For example, Marxian economics and post-Keynesian economics highlight class dynamics and inequalities in income distribution as a structural determinant of how an economy operates and take this as a central focus of their analytical framework. Feminist economics defines economics more broadly as the study of provisioning for human well-being, including unpaid care and social reproduction. Ecological economics stresses the economy is embedded in the environment and that economic analysis must account for biophysical limits.

1.2.3 HETERODOX CRITIQUES OF MAINSTREAM (NEOCLASSICAL) ECONOMICS

Beyond divergences in the definition of the boundaries of the economy and economics, different approaches in economics carry different implications for analysis and policy. The mainstream approach is grounded in neo-classical economics. There are several non-mainstream, also known as heterodox, approaches including Keynesian and post-Keynesian, Marxian, structuralist and institutionalist economics. Feminist economics is a non-mainstream approach critical of the neoclassical approach, as well as of other non-mainstream approaches for having blind spots in gender analysis. Ecological economics is critical of both neoclassical and other non-mainstream approaches for overlooking ecological processes as central to the functioning of the economy. This discussion highlights examples of the differences in these approaches to economics, and why they are important to understand.

Neoclassical, post-Keynesian, Marxian and institutionalist economics are distinct schools of thought with different views on markets, economic roles and societal outcomes.

Neoclassical economics focuses on individual choice, utility maximization and market equilibrium. It is grounded in mathematical modelling, assumes rational actors and efficient markets, and emphasizes supply and demand to allocate resources optimally. This approach generally supports free markets and limited government intervention, seeing economic behaviour primarily as a function of individual preferences and scarcity.

Post-Keynesian economics builds upon Keynes's critique of neoclassical theory, focusing on macroeconomic structures, uncertainty, and the role of effective demand in driving economic activity. Post-Keynesians advocate for a mixed economy, where government intervention corrects market failures and stabilizes growth. Unlike neoclassical models, they emphasize the importance of institutions, historical context, and power relations within capitalism, often supporting reforms to address social issues without fully rejecting capitalism.

Marxian economics provides a critical analysis of capitalism from a structural and historical perspective, focusing on class relations, exploitation, and the inherent contradictions of capitalist production. It centres on the labour theory of value and surplus value as the source of capitalist profit, and predicts capitalism's eventual crisis and transformation.

Marxian economics is ethically oriented—as it is concerned with justice, power imbalances and the potential for a post-capitalist society where workers control production.

Institutionalist economics, also called institutionalism, analyses how 'the rules of the game'—including laws, regulations and social norms—shape economic behaviour. This perspective argues that market forces do not operate in a vacuum; instead, economic outcomes are fundamentally directed by the formal and informal institutional frameworks of a society.

One of the key areas of the debate between mainstream and non-mainstream approaches pertains to the role of free markets in organizing the economy, and the role of the state as the regulating body and a central planner in the economy. Mainstream economics argues for free competitive markets as the best way to organize the economy, allowing for maximum growth potential. In this framework, state intervention is generally perceived as a source of inefficiencies, interfering in the operation of free markets and distorting competitively determined prices. Non-mainstream economic frameworks point to numerous shortcomings of free markets and argue that state interventions through market regulation, labour market and sectoral policies, taxation, public spending and public provisioning are necessary to prevent the undesirable outcomes of free markets.

The neoclassical framework allows limited room for state intervention and policy, which is seen as primarily protecting private property and free enterprise, and ensuring markets operate freely in a competitive manner. State policy interventions on the basis of so-called 'market failures' are justified in the following scenarios:

- Imperfect competition: when various features of markets impede competition among market actors, leading to inefficient outcomes. This can be due to different sources, such as:
  - Monopolistic and oligopolistic firms. State intervention is seen as desirable here, to prevent a single or a few firms from engaging in monopoly price setting (e.g. anti-trust legislation).
  - Asymmetric information occurs when one party in a transaction has more or better information than the other (e.g. sellers knowing more about product quality than buyers), which can lead to adverse selection and inefficient market outcomes.
  - The moral hazard problem arises when individuals or firms take greater risks because they do not bear the full consequences of their actions (e.g. insured individuals behaving more recklessly).
  - Transaction costs—e.g. for searching for information, negotiating contracts and enforcing agreements—can also prevent markets from reaching efficient outcomes.
  - Government intervention through regulation, disclosure requirements, monitoring or legal enforcement can help reduce these inefficiencies and improve market performance.
- Externalities are costs or benefits from economic activity that are not reflected in market prices and are a major justification for state intervention. A negative externality occurs when a third party bears a cost (e.g. pollution from a factory causing health problems), leading to overproduction since firms do not account for the full social cost. A positive externality occurs when third parties receive benefits (e.g. education, vaccination, research and development), leading to underproduction because private actors cannot capture the full social benefit. In both cases, markets fail to achieve 'allocative efficiency' because private marginal cost or benefit differs from social marginal cost or benefit. When an economy is allocatively efficient, resources are distributed in a way that maximizes the total utility (satisfaction) of society.
- Public (and merit) goods justify state intervention because markets tend to underprovide them due to their two key characteristics: non-rivalry (one person's consumption does not reduce availability for others) and non-excludability (it is difficult or impossible to prevent non-payers from benefiting).

- Examples include national defence, street lighting and clean air. Because individuals can benefit without paying (the free-rider problem), private firms lack incentive to produce these goods at efficient levels. As a result, the market fails to achieve allocative efficiency. The state intervenes by financing public goods through taxation and providing them collectively, ensuring provision at or closer to the socially optimal level. Feminist economics points out that even within the neoclassical framework, care can be treated as a public good.
- This means that care work (such as childcare, eldercare and healthcare) has characteristics similar to public goods—particularly because its benefits extend beyond the individual to society as a whole—and therefore may justify state support or public provision even using standard neoclassical economic reasoning.

Non-mainstream economics, by contrast, argues that the shortcomings and undesirable outcomes of free markets cannot be treated as sporadic 'failures' as the mainstream approach suggests. Instead, they are organic (endogenous) to the logic of the market economy, i.e. systemically generated by the unregulated market dynamics. This is the basis of calls for an alternative approach, namely well-planned and executed government and policy interventions towards the objectives of sustainable, equitable, resilient and caring economies. The debates between mainstream versus non-mainstream approaches on the role of the state and the types of policy interventions required is a central focus of the rest of the modules, with a particular emphasis on contributions by feminist economics.

Beyond policy, the economics approaches differ in their conceptual and analytical frameworks. Since the knowledge we create makes a difference, what kind of difference it should make is a moral question that we all need to answer. Heterodox economics refutes the claim that neoclassical economics is objective and states that there is no value-free science, especially not in the social sciences. Non-mainstream economics approaches unmask the ideological stance inherent in the field of neoclassical economics, questioning its assumptions, values and policies.

For example, it critiques the neoclassical framework's reduction of economics to a theory of disconnected individuals making choices at the micro level and its subsequent construction of macro analysis on these micro foundations. Several heterodox economics approaches find the micro/macro distinction meaningless. Orthodox economics sees the individual as the micro unit of analysis; however, heterodox or institutionalist economists take institutions as the unit of analysis that operates through and on individuals. Marxian economics takes class as the unit of analysis, thereby rendering the micro/macro division irrelevant.

Neoclassical economics bases its analysis of individuals making economic choices on the concept of 'Homo economicus': a figure defined as autonomous, self-interested and all knowing, one who can weigh the consequences of actions and choose between the options in a disconnected manner. Neoclassical economics argues that when all individuals act out of self-interest to maximize their 'utility' (satisfaction from economic activity), total well-being at the macro level will be also maximized, since it assumes that macroeconomic outcomes are simply aggregations of microeconomic decisions.

Heterodox economics, by contrast, considers this disconnected, unsympathetic and self-oriented behaviour neither socially acceptable nor psychologically healthy in real life. It argues that macroeconomic phenomena cannot be reduced to an aggregation of micro decisions. Self-interested behaviour results in challenges to sustainable economic and social systems. Ecological economics, for example, points to how the unregulated profit motive of firms and self-interested behaviour of consumers have resulted in the ecological crisis. Feminist economics, emphasizes that promotion of behavioural norms centred on self-interest is the basis upon which caring norms erode, leading to 'a care crisis' (see Module 2: The Care Economy and Transformative Care Systems, for a discussion).

People's choices and behaviours are determined by their individual circumstances and reflect their mutual exchange with others. Each individual is a socially embedded being interconnected with, and influenced by, other people. Neoclassical economics, believing in an unrealistic vision of human behaviour, distorts the models built upon it and results in conclusions that fail to reflect real economic phenomena.

Institutionalist economics sees the economy as a set of interdependent institutions (markets, states, families and communities).

Marxian economics defines the economy in terms of production relations —who controls resources, and how surplus is generated and distributed.

TABLE 1.1

Summary comparison and feminist critique of economics models

Approach	Key contributions and overlaps	Feminist critique
Neoclassical economics	Emphasis on individual choice, incentives, market efficiency and formal modelling; analysis of labour supply, household decision-making, human capabilities, and market failures (externalities, public goods, asymmetric information); uses tools such as cost–benefit analysis and econometrics that can be applied to gender issues.	Assumes rational, self-interested individuals and often treats households as unified units, ignoring power relations and intra-household inequality; undervalues or excludes unpaid care work; relies heavily on market-based measures of value; assumes markets are neutral despite embedded gender norms; tends to prioritize efficiency over equity and social justice.
Post-Keynesian economics	Focuses on power relations, effective demand and institutions; rejects equilibrium models; highlights the role of uncertainty in economic outcomes.	Power is often conceptualized primarily in terms of class or finance; insufficient attention to how gender shapes bargaining power in labour markets, households and fiscal policy.
Marxian economics	Analyses exploitation, accumulation and systemic inequalities in capitalism; highlights class struggle and structural oppression.	Tends to treat labour narrowly as waged labour; unpaid care and reproductive work—which are disproportionately performed by women—are marginalized in theories of value and exploitation.
Institutional economics	Emphasizes the role of social norms, institutions, laws and power structures in shaping economic behaviour; recognizes that markets are embedded in social and political systems; highlights path dependency, bargaining power, and the importance of formal and informal rules—areas that overlap strongly with feminist concerns about gender norms and structural inequality.	Some strands remain gender-blind by not explicitly analysing how institutions are gendered; may acknowledge power but fail to centre patriarchy or unpaid care work; insufficient attention in some cases to intersectionality (race, class, colonial history) within institutional structures.
Ecological economics	Challenges growth-centred models; emphasizes sustainability, interdependence and the economy's embeddedness within ecological systems; values care, reproduction and social provisioning; critiques the narrow focus on GDP, aligning with feminist critiques of market-centred valuation; recognizes limits to growth and the importance of long-term well-being.	While more holistic, it has not always systematically integrated gender analysis; may under-theorize gendered divisions of labour in environmental management and care work; and risks treating 'community' or 'households' as neutral categories without examining internal gender power dynamics.
Feminist economics	Shares heterodox rejection of neoclassical abstraction and focus on efficiency; foregrounds inequality, institutions and social reproduction. Critiques both mainstream and heterodox traditions for being gender-blind; reconstructs economics by integrating care, power and well-being into core analysis.	

Ecological economics conceptualizes the economy as a subsystem of the finite biosphere, bound by environmental and energy constraints.

Human rights and human development approaches emphasize that the purpose of an economy is to fulfil human rights, dignity and capabilities—not merely to grow output.

Finally, feminist economics analyses how economic systems are shaped by gender relations, power and social norms, and challenges the assumption that economies are gender neutral (see next session for further discussion).

Table 1.1 presents a summary comparison of these different approaches to economics.

DISCUSSION

Ask participants to identify what they think the policy implications would be of using these different approaches to economics in their work. What would be the differences in each approach to designing policy and programme interventions and the role of the state?

Here are a few examples of policies that can be used to compare these different approaches: a women's economic empowerment programme that focuses exclusively on women's entrepreneurship and access to credit would be a neoclassical approach; a post-Keynesian and/or Marxian (and feminist) approach would argue for labour market regulations for decent work; while a more radical Marxian approach may propose socialization of all production.

Another example would be a women's economic empowerment programme (let's say, proposed by labour unions) that focuses exclusively on women's access to jobs, decent labour market employment and wages, and as such undermines work that women tend to do in the care economy. A feminist economics approach argues that care policies are central to the economy. As further discussed in Modules 2 and 3, care policies aren't 'side issues'—they are economic infrastructure. Feminist economics shows that without a robust system to support reproductive work, the formal economy loses its most valuable asset: a functioning workforce.

Note to the Facilitator: Guide the discussion to cover the following points:

- In heterodox economics, the state plays a central and active role in shaping economic outcomes rather than acting as a minimal or neutral actor.
- The state is seen as responsible for regulating markets, correcting power imbalances between workers and employers, and reducing inequality related to class, gender and other social divisions.
- The state provides public goods and social provisioning such as healthcare, education, childcare and social protection, which support well-being and economic sustainability and reduce unpaid care work.
- Heterodox economics also emphasizes the state's role in macroeconomic management, industrial policy and environmental regulation, viewing public intervention as essential for stable, equitable and inclusive economic development.

KEY TAKEAWAYS FROM SESSION 1.2:

- In orthodox views of the economy, the household's role is defined as twofold with respect to its interactions with the market economy and participation in monetary exchanges: as consumers of market-produced products, and as suppliers of factors (including labour, capital and natural resources). What happens within the household is not part of the story.
- Orthodox economics differs from heterodox economics mainly in its assumptions, methods and scope. It emphasizes rational, self-interested individuals, efficient and self-regulating markets, equilibrium analysis and mathematical modelling, while paying limited attention to inequality, power relations and unpaid work.
- Heterodox economics challenges these assumptions by viewing economic behaviour as socially embedded and shaped by institutions, history, gender and class. It places greater emphasis on inequality, instability, the role of the state, unpaid care work and environmental limits.
- A Keynesian macroeconomic approach to intervening in an economic crisis may propose stimulus spending, with a focus on the magnitude of the spending but not on where it will be spent. A feminist economics approach would call for stimulus spending to be directed to care services sectors, leading to improved gender and class equality as well as having substantial macro 'multiplier effects' in creating wider social and economic benefits (discussed in Module 4: Macro-economics and Public Finance).
- A feminist economics approach integrates the multiple roles women play and emphasizes the importance of care in developing policy alternatives.

1.3 GENDER-AWARE VERSUS GENDER-BLIND VERSUS FEMINIST ECONOMICS

This session explores the policy implications of the different approaches in economics regarding gender —differentiating between gender-blind and gender-aware economics and highlighting feminist economics as distinct from gender-aware economics.

Gender-blind economics treats economic agents and issues as if gender does not matter, often ignoring or making assumptions about the distinct roles, responsibilities and constraints faced by men and women in the economy. It typically uses aggregated data without gender differentiation, which can mean it overlooks inequalities in labour markets, unpaid work and access to resources. Feminists have critiqued these approaches for simply adding women into existing economic models or policies without changing the underlying assumptions—a 'just add women and stir' approach.

Gender-aware economics explicitly incorporates gender as a critical category of analysis. It recognizes differences in economic behaviour, opportunities and constraints faced by women, men, girls and boys. Gender-aware approaches disaggregate data by gender and analyse how economic policies, labour divisions and social norms impact men and women differently. This approach aims to reveal hidden inequities and guide more effective and equitable policies. It also lays the basis for exploring the ways in which gendered economic patterns affect economic outcomes (such as the impact of the gender employment or earnings gap on GDP growth).

Feminist economics goes further by critically examining the underlying social, political and institutional structures that create and perpetuate gender inequalities. It challenges mainstream (as well as non-mainstream) economic assumptions, such as the focus purely on market transactions, by valuing unpaid care work and social reproduction. This framework enables identification of the two-way interactions (causality) between gendered patterns and economic variables. For example, a fiscal austerity policy has been shown to widen gender economic gaps in unpaid and paid work and access to employment and earnings. In turn, these gender economic gaps are likely to decrease consumption spending on children and household well-being, with detrimental impacts on productivity and growth over the long-run. Feminist economics seeks to transform economic theory and policy to promote social justice, gender equity and inclusive well-being.

TABLE 1.2
From gender-blind to feminist economics

Approach	Key contributions andd overlaps	Limitations or contributions
Gender-blind economics (mainstream)	Treats individuals as neutral, universal 'economic agents'; assumes policies and markets affect everyone equally. Focus is limited to market exchange.	Ignores structural inequalities and unpaid care work; masks differentiated impacts on women and men.
Gender-blind economics (non-mainstream)	Acknowledges structural inequalities but focuses on class as the central variable. Inequalities in the labour market (paid work) is a central focus.	Ignores gender as a cross-cutting intersectional dimension of structural inequalities; overlooks the importance of gender imbalances in unpaid work, and the crucial contributions of the care economy to economic processes.
Gender-aware economics	Recognizes that economic outcomes are shaped by gender; analyses how policies, labour markets and institutions affect women and men differently.	Makes inequalities visible; shows differentiated effects of fiscal, trade and labour policies, but often works within mainstream frameworks.
Feminist economics	Challenges the core assumptions of mainstream economics; emphasizes power, unpaid care, equity and well-being as central to economic analysis.	Reconstructs economics to include the full range of economic contributions; advances alternative policy goals beyond growth and efficiency.

GROUP EXERCISE

ANALYSING ECONOMIC POLICY FROM DIFFERENT PERSPECTIVES

Participants analyse a real-life economic policy document from a gender-blind, gender-aware and a feminist perspective; the example used is an International Monetary Fund (IMF) policy brief on Pakistan:

- International Monetary Fund (IMF) (2024). "IMF Executive Board Concludes 2024 Article IV Consultation for Pakistan and Approves 37-Month Extended Arrangement." Press Release No. 24/343, 27 September 2024.

Divide participants into small groups. Ask them to assess the impact the policy is likely to have on women, and to consider the elements of the brief from different perspectives. What would be the differences in a gender-blind, gender-aware and a feminist analysis?

Use the following questions to guide group work.

Gender-blind perspective (focuses on macroeconomic objectives, ignoring differential effects on different population groups, particularly women and men):

- Will the programme reduce inflation and stabilize public finances?
- Are fiscal targets, debt sustainability and growth projections being met?
- How quickly will subsidy reforms restore macroeconomic balance?
- Does the programme improve investor confidence and market efficiency?

Gender-aware perspective (recognizes different impacts on women and men):

- How do subsidy cuts and price increases affect women and men differently?
- Are women more exposed than men to job losses or income insecurity under the programme?
- How will reductions in public spending affect women's access to health, education and social protection?
- Are there compensatory measures targeted at women or female-headed households?

Feminist perspective (challenges structures, power and assumptions; incorporates unpaid work and gendered patterns in the assessment):

- How does the programme rely on unpaid care work to absorb social costs?
- Does austerity shift responsibility from the state to households, particularly to women?
- Whose labour and well-being are being prioritized to achieve macroeconomic stability?
- How does the programme reinforce or challenge existing gender, class and power inequalities?

A gender-blind analysis of the IMF Pakistan programme focuses on whether fiscal consolidation stabilizes the economy, reduces inflation and restores growth, assuming policies affect everyone equally. A gender-aware perspective asks how subsidy cuts, price increases and reduced public spending affect women and men differently, particularly in terms of employment, access to services, and income security. A feminist perspective goes further by questioning the structural assumptions of the programme, highlighting how austerity shifts care responsibilities from the state to households, relies on women's unpaid labour to absorb social costs, and prioritizes macroeconomic targets over social provisioning and gender equality.

KEY TAKEAWAYS FROM SESSION 1.3:

- Gender-blind economics assumes policies affect everyone equally and focuses on aggregate outcomes such as growth and efficiency, often ignoring inequality and unpaid care work.
- Gender-aware economics recognizes that women and men are affected differently by economic policies and seeks to identify and reduce gender gaps within existing frameworks.
- Feminist economics goes further by challenging the underlying assumptions of economic systems, emphasizing power relations, unpaid care and social reproduction, and questioning who bears the hidden costs of economic policies, with the goal of achieving structural change towards equity and well-being.

OPTIONAL SESSIONS

These two optional sessions lay the basis for the rest of the training; they can be skipped if there is insufficient time, or provided by way of background reading. They are particularly useful for participants who are only attending this introductory module.

1.4 EXAMPLES OF A FEMINIST ECONOMICS APPROACH TO ECONOMIC ANALYSIS AND POLICY

The thematic modules of this training programme focus on how feminist economics approaches make a difference in economic analysis and policy. This optional session introduces some of these issues and highlights the ways feminist economics has shifted economic analysis at many levels. As such, it lays the basis for the rest of the training.

1.4.1 SOCIAL REPRODUCTION AND CARE AS CENTRAL ECONOMIC CONCEPTS

The concepts of social reproduction and care have become central to feminist economics and critical social theory as because they expose the hidden foundations of economic life. Whereas mainstream economics largely restricts its domain to production, markets and monetary transactions, social reproduction theory emphasizes the often-invisible labour, institutions and social relations required to sustain life and ensure the daily and generational reproduction of workers, households and communities. Care is a major component of feminist economics, different to both mainstream and other non-mainstream approaches to economics. For example, Keynesian economics argues that fiscal stimulus spending is a fundamental policy tool against an economic recession but does not specify where stimulus spending should be allocated (e.g. roads can be destroyed and fiscal stimulus directed towards their rebuild). By contrast, feminist economics questions the gendered outcomes of different lines of spending. Recent feminist economics research highlights the substantially higher multiplier effects of fiscal spending on care services sectors, including jobs generation, poverty alleviation and the narrowing of gender economic gaps.

At its broadest understanding, social reproduction encompasses biological reproduction, the rearing and education of children, the care and maintenance of households, and provision of the emotional and physical support necessary for well-being. As Lise Vogel (1983) argued in her Marxist-feminist framework, the reproduction of labour power is as essential to capitalism as the production of commodities, yet it is systematically devalued and externalized. Later scholars, including Nancy Fraser, developed this insight by showing how crises of care are intertwined with the contradictions of capitalist accumulation (Fraser 2016).

Care work is the most visible expression of social reproduction. As Nancy Folbre (1994) and Joan Tronto (1993) highlighted, care consists of the activities and attitudes directed towards meeting the needs of others, from child-rearing to eldercare, as well as indirect forms of sustaining life such as cooking, cleaning and household management. Care work can be unpaid, performed within households and communities, or paid, as in domestic work, nursing and early childhood education. Across both domains, care tends to be undervalued, poorly remunerated and disproportionately borne by women, reflecting entrenched gender norms and inequalities.

These dynamics have global dimensions. The outsourcing of domestic and care responsibilities through global care chains—where women from the Global South migrate to provide paid care in wealthier countries, leaving their own families' needs to be met by others—illustrates how social reproduction is shaped by class, race and international inequalities. Feminist scholars stress that these arrangements highlight the redistribution of care work across borders, often reproducing new hierarchies of dependency and exploitation.

Recognizing the centrality of social reproduction and care fundamentally challenges the boundaries between the 'economic' and the 'social'. It raises normative questions, for example: Who bears responsibility for sustaining life? How should care be shared among households, states, markets and communities? What institutional arrangements—such as universal childcare, paid family leave, labour protections for care workers, or the recognition of unpaid labour in national accounts—are required to support care equitably and sustainably?

By bringing these questions to the fore, feminist economics reframes the economy not merely as a system of production and exchange, but as one dependent on the ongoing and often unacknowledged work of care and social reproduction. In doing so, it widens the scope of economic inquiry, linking questions of growth and productivity to those of human well-being, social justice and sustainability.

These concepts are explored in Module 2: The Care Economy and Transformative Care Systems.

1.4.2 MEASURING WELL-BEING AS AN ALTERNATIVE TO GDP

Increases in Gross Domestic Product (GDP) can be a useful measurement, but GDP alone does not provide all the necessary information to help assess how well an economy is doing. Increases in GDP alone do not necessarily mean better outcomes in terms of poverty, health or jobs. For example, GDP can grow in the midst of conflict, depending on where and how the conflict is conducted, or at a time of environmental crisis. One of the problems with using GDP as the prime indicator of the health of an economy is that it does not count unpaid care work. More than 16 billion hours are devoted to unpaid domestic and care work around the world. The International Labour Organization (ILO) estimates the value of unpaid care and domestic work to be as much as 9 per cent of global GDP (US$11 trillion), with women's contribution at around 6.6 per cent of GDP, compared to men's at 2.4 per cent of GDP (ILO 2018).

Amartya Sen, a Nobel Laureate in Economic Sciences, provided a powerful critique of GDP as a measure of development because it only captures the level of economic output and ignores how resources are distributed and how people actually live. He argued that high GDP does not necessarily mean people are healthy, educated, free or secure, and that growth can coexist with poverty, inequality and deprivation. Sen developed the 'capabilities be able to approach', which defines "development as the expansion of people's real freedoms"—their capabilities to achieve valued ways of being and doing, such as being well-nourished, educated, healthy, and able to participate

in social and political life (Sen 1999). The approach shifted the focus from income and output to human well-being, agency and freedom, influencing measures like the Human Development Index (HDI) and providing a broader, more ethical framework for evaluating economic progress. It also laid the groundwork for feminist economic analysis, as well as the human rights approach and the well-being approach to economics policy.

Many countries are now using well-being as an alternative indicator to GDP. The Human Development Index (HDI) was an early attempt to shift away from seeing GDP as the only way to judge an economy. GDP excludes positive factors that contribute to well-being—health status and life expectancy, education, a clean, sustainable environment, the value of leisure time, unpaid care work—and therefore cannot be an accurate measure of the well-being of an economy.

FIGURE 1.4

Key dimensions of the OECD Better Life Index

CURRENT WELL-BEING

Key dimensions		How we measure them	
• Income and wealth • Work and job quality • Housing • Health • Knowledge and skills • Environment quality	• Subjective well-being • Safety • Work–life balance • Social connections • Civil engagement	**Averages**	**Inequalities between groups**
		Inequalities between top and bottom performers	**Deprivations**

RESOURCES FOR FUTURE WELL-BEING

Key dimensions	How we measure them	
• Natural capital • Economic capital • Human capital • Social capital	**Stocks**	**Flows**
	Risk factors	**Resilience**

How do we measure people's well-being?

With over 80 indicators, we look at:

- 11 dimensions of well-being outcomes (material conditions, quality of life and relational aspects)
- Well-being inequities
- The resources and risk factors that shape future well-being

Source: OECD (2020). *How's Life? 2020: Measuring Well-Being*. Paris: OECD Publishing.

Feminist economists have made major contributions to 'beyond GDP' debates by challenging the idea that economic progress can be measured solely through market output and income, and by emphasizing well-being, care and inequality. Feminist critiques promote well-being frameworks to account for time use, unpaid labour, access to public services, bodily autonomy, and power relations within households. As a result, alternative indicators such as the HDI, Gender Development Index (GDI), Gender Inequality Index (GII – see also Module 6), Household Satellite Accounts (see also Module 2) and Genuine Progress Indicator (GPI) include household production as a positive contribution. Such multidimensional well-being measures are more gender-aware, incorporating dimensions such as health, education, reproductive rights, labour force participation and intra-household inequality. These shifts reflect the core insight of feminist economics that well-being depends not only on income, but on the distribution of resources, time and power; and that to be meaningful, development measures must capture women's lived realities. Feminist economists are now part of the UN high-level expert group on Beyond GDP.[2]

The OECD has developed a series of indicators using a composite index of life expectancy, education, per capita income and work–life balance to rank countries (OECD Better Life Index). Different countries are using different indicators to evaluate the health of their economy and provide useful examples of alternative methods. The key dimensions assessed by the Better Life Index are shown in Figure 1.4 below.

This concept is explored in Module 4: Macroeconomics and Public Finance.

1.4.3 BEYOND GROWTH: A CARING ECONOMY

A caring economy emphasizes the state's obligation to centre care work as fundamental for substantive equality and human rights; it means acting together to improve well-being rather than main to maximize economic growth. A caring economy ensures that everyone has time to care, as well as time free from care. It respects people's multiple roles as caretakers, community members, partners, parents and so on, alongside their roles as paid workers. A caring economy takes a fuller understanding of the different parts of the human experience into account. Good-quality care services, such as adult social care, healthcare and childcare are critical for a healthy economy. A caring economy extends beyond care services: it involves caring about the pay and conditions of workers, acting together to end discrimination, deprivation and poverty, to eliminate violence and abuse, and to care about the planet we share.[4] This provides a new conception of economic and social progress, and a deeper understanding of the relationship between growth, human well-being, a reduction in inequalities and environmental sustainability, which can inform economic policymaking and politics.

Decisions made in macroeconomic policies have distinct distributive consequences for women and men. The unpaid and non-market work that women perform are unrecognized and uncounted in the macroeconomic variables used to formulate policy. There is a need to go beyond merely recognizing the importance of care in the existing economic model, and to start building and implementing frameworks for a caring economy.

(This is explored in Module 2: The Care Economy and Transformative Care Systems. See also UK Women's Budget Group 2020 on caring economy; Ilkkaracan 2013 and 2025 on purple economy; and UN ECLAC 2023 on care society).

1.4.4 BEYOND CLASS: INTRAHOUSEHOLD GENDER INEQUALITIES AS A DIMENSION OF INCOME DISTRIBUTION AND POVERTY

The shift from the unitary model of household production to intra-household allocation models marks a major evolution in microeconomic thinking, with direct relevance for gender analysis and the care economy. Traditional unitary models, which were dominant in early microeconomics theories, conceptualized the household as a single decision-making unit with a shared utility function and pooled resources. Under this framework, the household behaved as if it had one set of preferences, one budget constraint and one welfare objective. While analytically convenient, this model obscured power relations, bargaining dynamics and gendered inequalities in the distribution of resources, labour and well-being within families.

In response to this model, feminist economists and behavioural theorists advanced intra-household allocation models—including cooperative and non-cooperative bargaining models—that recognize households as collections of individuals with distinct preferences, unequal bargaining power and differentiated control over income, assets and time. These models illuminate how gender norms, access to resources, earnings capacity, social protection and care responsibilities shape each individual's bargaining position and therefore influence decisions on labour supply, consumption, savings and allocation of unpaid care. Moving from a unitary to an intra-household framework enables a more realistic understanding of how gender inequalities are reproduced—or can be transformed—through policies that affect income distribution, care provisioning and women's economic empowerment.

Time poverty as a dimension of gendered poverty measures

Time poverty is a lack of sufficient discretionary time to rest, care for oneself or engage in leisure and community activities, after accounting for time spent on paid and unpaid work. It captures a dimension of deprivation that is not reflected in monetary measures of poverty, emphasizing how the unequal distribution of work and responsibilities constrain people's well-being and opportunities.

The concept emerged in development economics and feminist scholarship to make visible the 'hidden' costs of unpaid care work. Women in particular often experience time poverty due to the 'double burden' of market work and unpaid domestic and care responsibilities. In low-income contexts, time poverty is exacerbated by the hours spent on subsistence activities such as water collection, fuel gathering or food preparation—tasks that are highly gendered.

Unlike income poverty, time poverty has both quantitative and qualitative dimensions. Quantitatively, it refers to excessive hours of work relative to what is needed for rest and well-being. Qualitatively, it highlights the stress, lack of autonomy and intergenerational effects of having little control over one's time. Unpaid care work creates a form of structural inequality that reinforces women's marginalization in the labour market and public life.

Measuring time poverty often relies on time-use surveys, which capture how individuals allocate hours across activities. These have shown consistent gender gaps across regions: women tend to spend more time on unpaid household and care work, while men spend more time in paid labour and leisure. International organizations such as the ILO and United Nations Development Programme (UNDP) have integrated time-use data into multi-dimensional poverty measures, recognizing time poverty as a barrier to human development and gender equality.

Addressing time poverty requires policy interventions that redistribute, reduce and recognize unpaid care work. Examples include investments in public infra-structure (such as childcare, healthcare, water and energy services), labour market regulations (such as paid parental leave and shorter working weeks), and social protection policies that alleviate excessive care work. By confronting time poverty, policymakers can tackle one of the most persistent barriers to women's full participation in economic, political and social life.

An example operationalizing of this conceptual framework into a concrete measure is the LIMTIP by the Levy Economics Institute: a measure of poverty that integrates access to income and access to time for care.

This concept is explored in Module 6: Income Inequality and Poverty.

KEY TAKEAWAYS FROM SESSION 1.4:

Feminist economics has contributed to economic analysis and policy in multiple ways, including:

- Development of the care economy as a central concept, and analysis of its interactions with market processes.
- Integration of gender into the capabilities framework and development of gender-aware well-being indicators.
- Intra-household bargaining models as an analytical framework to understand intersectional inequalities.
- Poverty measures that integrate time-use and unpaid care work.

These are some of the central themes in gender and economics that will be addressed in the remaining modules of this training programme.

1.5 THE IMPACT OF FEMINIST ECONOMICS ON NATIONAL AND GLOBAL POLICY

Feminist economics has been working on national as well as international economic policy issues and connecting how global economic outcomes are shaped by the intersections of gender, race, class, ethnicity, migration status and nationality. There are many examples of feminist economic analysis of global policy and the impacts of economic policy on gender. This session aims to provide examples of the impact that feminist economics has had on global and national policies, in a historical context.

1.5.1 FEMINIST ECONOMICS IN A HISTORICAL CONTEXT

More than 40 years of neoliberal economics has seen a surge in free market economic policies such as trade and financial liberalization, deregulation (or biased regulation in the interest of capital), roll-backs of social protections, reduced government spending, lower corporate and high income tax rates, elimination of trade taxes, private sector bias and a reduced public sector. Reactionary policies are on the rise, as exemplified by the populist tariffs policy of the United States in the name of 'bringing jobs back'. Reactionary policies are also seen in response to the changing nature of patriarchal dynamics and its impact on reproductive rights, sexual orientation and gender identity to name a few; these policies seem to coincide with authoritarian regimes around the world. There is a growing level of inequality between countries, within countries, and between groups within countries on the basis of gender, race, class and more.

The financial sector has grown dramatically relative to the productive sector of the economy, and financial markets, instruments and institutions have gained increasing dominance over the entire economy. Many governments have provided increased protections for finance instead of people, for example, bailouts to the financial sector during economic crises, as seen in the United States in 2008, and financial interests have increasingly dominated in policy formulation—including monetary policy. The role of finance and oligarchs in running governments is global and needs scrutiny. The recent rise of digitalization and artificial intelligence (AI) has given rise to structural changes in employment, production and other factors that need to be better understood *(this is addressed as a cross-cutting dimension in Modules 2, 3 and 5).*

At the global level, World Inequality Report data show that the share of national income going to the richest 10 per cent has increased in nearly every country. The 10 countries where the richest 10 per cent increased their share of the national economic pie the most between 1980 and 2020 are India, Russia, South Africa, Poland, China, Korea, the United States, Australia, Germany and Japan. In several of these countries, the sharp increase in inequality has coincided with the rollback of various post-World War II policies aimed at narrowing economic divides.[3]

There are serious cracks in the global infrastructure, and the rise of populism and authoritarianism poses a direct challenge to the values underpinning the post-World War II rules-based order, fostering instability and fragmentation.

A backlash against gender in recent times reflects a broader reaction to rapid social change around gender equality, feminism and gender diversity. As traditional roles and assumptions about masculinity, femininity and the family are increasingly questioned, some individuals and political actors perceive these shifts as threats to cultural stability, economic security or personal identity. Gender has become a symbolic battleground in polarized 'culture wars', amplified by social media and the populist rhetoric. There has also been a rollback on research on gender, including the collection of data that can inform gender-aware policymaking.[5] Many societies today are experiencing regressive reactions in response to changing gender roles and a major decline in fertility, a phenomenon that reflects both cultural pushback and deep demographic shifts. Policy debates over how to respond—whether through pronatalist incentives, expanded family support or defending reproductive choice—highlight the tensions between calls to return to traditional family structures and the realities of modern gender dynamics.

1.5.2 THE ADVANCE OF FEMINIST ECONOMICS

Feminist economics was only recognized by the American Economic Association in 2006 and given its own *Journal of Economic Literature* code, which officially makes it a distinct field of study; however, many feminist economists have been doing feminist economic analysis for very long time. The impact of this has been global. Below are examples of the impact of feminist economics on policy around the world.

The International Association for Feminist Economics (IAFFE) is a global organization founded in 1992 to promote gender-aware and inclusive economic research and policy analysis. IAFFE emerged to address the marginalization of feminist scholarship in mainstream economics and build a professional space where gender biases in theory and policy could be critically examined. Over time, it grew from a small network to a membership of around 800 people across more than 90 countries, including academics, activists, policymakers and practitioners, supporting collaboration, mentorship and dialogue on economic issues from feminist viewpoints.

A key achievement of the association was the establishment of the peer-reviewed journal *Feminist Economics* in 1994 (first published in 1995), which has become a leading outlet for feminist economic research. IAFFE also organizes annual conferences and, more recently, online events and teaching initiatives that broaden engagement with feminist economic thought worldwide.

Feminist economics has significantly reshaped how economic goals are understood by challenging the dominance of GDP as the primary measure of progress. As the discussion in Session 1.4 highlighted, feminist economists argue that GDP excludes unpaid labour—especially care work—and fails to capture well-being, social reproduction, human rights and environmental sustainability. In response, they advocate for human-centred macroeconomic frameworks and have contributed to the development

and adoption of alternative indicators such as the Human Development Index (HDI), the Genuine Progress Indicator (GPI) and the OECD's Better Life Index, encouraging policy shifts towards more holistic measures of welfare rather than growth for its own sake.

A central contribution of feminist economics, as emphasized above, is the redefinition of economic value and labour through recognition of the care economy. By broadening the concept of productive work to include unpaid domestic and care labour, which is largely performed by women, feminist economists have influenced the use of time-use surveys in national statistics, supported by UN and World Bank recommendations. This shift has increased awareness of the economic importance of unpaid labour and informed policies such as parental leave, subsidized childcare, universal basic services proposals, and advocacy initiatives such as the UK Women's Budget Group.

Feminist economics has also played a key role in advancing gender-responsive budgeting, which assesses how public budgets affect women and men differently. First pioneered in Australia in the 1980s, gender-responsive budgeting has since been adopted in more than 80 countries, including South Africa, India and some European Union countries. These approaches have led to more targeted public spending on women's health and education, and greater recognition of gender gaps in employment, income and access to social benefits.

In the area of social protection, feminist economists advocate for systems that address women's specific vulnerabilities in labour markets, shaped by care-giving responsibilities and informal work. Influenced by feminist research, programmes such as conditional cash transfers—most notably Brazil's 'Bolsa Família' —often direct benefits to mothers which have demonstrable improvements to household welfare. Feminist perspectives have also informed pension reforms that take into account women's interrupted employment histories resulting from unpaid care work.

At the international level, feminist economics has shaped development policy through its influence on global frameworks such as the UN Sustainable Development Goals (SDGs), particularly SDG 5 on gender equality and Target 5.4 on unpaid care work. International financial institutions like the World Bank and IMF increasingly incorporate gender impact assessments into development lending and policy advice, though scholars debate whether or not these approaches fully reflect feminist principles or remain instrumental in nature.

Feminist economists have been especially critical of austerity measures and debt-driven structural adjustment programmes promoted during fiscal crises, particularly in the Global South. These policies often involve cuts to health, education and social protection, which feminist analysis (supported by human rights frameworks, such as highlighted in UN and Vienna human rights discussions) shows disproportionately burden women. As public services are reduced, women absorb the resulting care deficits through increased unpaid labour.

Building on this critique, feminist economics re-frames sovereign debt through a human rights–based approach, asking whether debt servicing undermines a state's ability to fulfil economic and social rights, especially for women. This perspective

moves beyond narrow indicators like debt-to-GDP ratios and has been adopted by UN Independent Experts on Foreign Debt and Human Rights, who call for systematic gender impact assessments of fiscal and debt policies.

At the household level, feminist scholars also critique microcredit and informal debt systems. While microfinance was initially celebrated as a tool for women's empowerment, feminist research highlights how it can reinforce patriarchal control and can place disproportionate repayment pressures on women, who often borrow to support household consumption or male-dominated enterprises. Finally, feminist economics draws attention to the hidden 'debt of care', and emphasize that when states underfund or privatize essential services and women compensate through unpaid labour, it creates a form of social debt that remains invisible in conventional economic accounting but is fundamental to long-term sustainability addressing the imbalances in the way economies and societies function.

DISCUSSION

Ask participants: What have been the main changes historically in the region or country you work in? Can you identify any impacts that feminist economics has had in the work you are doing, or on policy in the country or region you work in? What are the areas that need more work?

Try to bring the examples back to the issues you presented in Session 1.4.

KEY TAKEAWAY FROM SESSION 1.5:

Though a very recent recognized addition to the discipline of economics, feminist economics has had a significant impact at the policy level, both globally and nationally.

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MODULE 2

THE CARE ECONOMY AND TRANSFORMATIVE CARE SYSTEMS

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will:

- **Understand conceptual and policy thinking on the care economy and its central position as a cross-cutting theme in gender-aware economics.**
- **Be familiar with methodologies of data collection and measurement of the care economy based on data sources such as time-use surveys, household labour force surveys and care surveys.**
- **Be able to assess the linkages between the gender division of labour around care work and gender and intersectional inequalities in the economy, from both a caregiver's and a care receiver's perspective.**
- **Be able to situate care beyond an issue of gender equality and well-being, as a macro-economic issue of fiscal policy, jobs generation, and inclusive and sustainable growth.**
- **Understand the defining features and guiding principles of a feminist approach to a care economy policy framework, towards a 'transformative care' agenda.**
- **Be able to apply gender- and care-responsive tools and frameworks to design, monitor and assess programme and policy interventions for transformative care systems.**

Note to the Facilitator: UN Women also offers a three-day training programme on the Care Economy, developed in 2024. This module provides a condensed version of the full programme (along with Session 3.3.1 on Labour market policies for care-supporting workplaces in Module 3). As a cross-cutting issue, the care economy and related policies are also addressed in each of the other thematic modules. Facilitators can consult the *UN Women Care Economy Training Programme Manual* for a more detailed discussion and additional material.[1]

KEY CONCEPTS AND DEFINITIONS

Work:

Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use (ICLS 2013). The International Conference of Labour Statisticians (ICLS) recognized for the first time in 2013 that work includes not only paid work (employment and market work) and subsistence work, but also unpaid care and domestic work. This recognition is the result of sustained feminist advocacy around unpaid work and the care economy (see also Module 3 on the definition of 'work').

Reproductive work:

Work performed to reproduce 'labour' on a daily and an intergenerational basis. Access to care enables workers to sustain their well-being to reproduce their ability to perform work daily. Access to care (childcare) also enables reproduction of future generations of workers.

Gender division of labour:

The situation where responsibility for unpaid domestic work is delegated to women, and for paid work to men, through conventional gender social norms. This gender division of labour also has spillover effects into the labour market in the form of gender economic gaps in the economy, and whereby women constitute most workers in care services sectors.

Unpaid work:

Unremunerated work in a set of productive activities intended for the final use of household members and family members living in other households. This comprises:

- Own-use provision of services such as unpaid domestic and care work (e.g. household maintenance, cooking and care for household members with different care needs).
- The unpaid production of goods, such as work outside the household in fetching water, collecting firewood, subsistence agriculture and urban family establishments.
- Volunteer work, community care and earth care/environmental care.

The 'unpaid' or 'unremunerated' definition is distinct from work done 'for profit or pay', which is the conventional definition of employment.

In terms of formulating 'unpaid work' as a statistical measure, the defining elements are the final intended destination of the production process and whether monetary exchanges occur among institutional sectors.

Domestic work:

All work performed in or for a household or households to provide services mainly for consumption by household members. Domestic work is performed with payment made to employees of the household, to agencies that provide domestic services to households, and to self-employed domestic service providers. Domestic work is performed unpaid by household members or by persons not residing in the household, such as family members, neighbours and volunteers (ICLS 2018).

To the extent that domestic work is performed on an unpaid basis, it is NOT included in the System of National Accounts (SNA)—the basis for measuring national income—and the Gross Domestic Product (GDP). This is criticized from a feminist economics approach (see Module 4: Macroeconomics and Public Finance).

Care work, caring labour:

Work that produces care services and goods. This can be performed both on a paid or unpaid basis. ICLS (2023) states: "Care work consists of, among others, activities and relations that pursue sustainability and quality of life; nurture human capabilities; foster agency, autonomy and dignity; develop the opportunities and resilience of those who provide and receive care; address the diverse needs of individuals across different life stages; and meet the physical, psychological, cognitive, mental health and developmental needs for care and support of people including children, adolescents, youth, adults, older persons, persons with disabilities and all caregivers."

Like domestic work, to the extent that care work is performed on an unpaid basis, it is NOT included in SNA and GDP. This is criticized from a feminist economics approach (see Module 4: Macroeconomics and Public Finance).

Unpaid care work/unpaid caregivers:

Family/community-provisioned care and family/community carers/volunteers/home-makers (predominantly women) who do not receive compensation for their work.

Paid care work/care workers (care employment/care workforce):

The care workforce comprises all paid workers engaged in care activities across sectors that support human well-being and development and includes both formal and informal care workers. It includes personnel in education, health, long-term care, early childhood care and education, domestic and personal care, and related social support services. These workers deliver care services outside the household or are household-based but in professional contexts. The workforce spans formal employment in institutions and the informal labour market, and encompasses a wide range of roles such as teachers, nurses and midwives, childcare workers, domestic workers providing care, personal care assistants, community support workers and social service personnel. The International Labour Organization (ILO) highlights the centrality of these workers to decent work goals, and the need to improve their working conditions and recognition within labour statistics and policy frameworks.

Paid care work also comes with a set of challenges due to the nature and conditions of the work and the low pay associated with it. Paid care work is often done (formally or informally) by migrant women, which has a strong impact on the both the country in which they settle and the country from which they come. Typically, care workers are highly mobile, highly sought after, and perform physically demanding and poorly paid tasks.

Direct care work:

Provisioning of care directly from the caregiver to the care receiver, for example, reading a bedtime story to a small child, feeding a bedbound ill person, providing emotional support to a distressed friend and breastfeeding.

- By its nature, direct care work is labour-intensive; it is resistant to replacement by technology and resistant to increasing productivity (i.e. performing the same direct care output with less labour time).
- By its nature, direct care work is also resistant to complete commodification (i.e. being converted entirely from unpaid to paid work).

Indirect care work:

Work that creates the underlying necessary conditions for direct care provisioning, for example, cooking, cleaning, shopping, house maintenance, collection of water and firewood, food production and processing for own consumption.

- Unlike direct care work, indirect care work can be made less labour-intensive (i.e. reduced) via technological change and physical infrastructure investments, increasing productivity. It is also less resistant to commodification (transferring from unpaid to paid work) than direct care work.

Care services:

Activities and services that support the physical, mental, emotional and social well-being of individuals across the life course. Care services include direct care, supervision, support and assistance with daily living, education, health and social participation, and may be provided within or outside the family or household, by paid or unpaid caregivers.

Care services sectors include: early childhood care and education (ECCE) services; education services; out-of-school care and support services for children of school age; healthcare services; long-term care and support services for older persons and persons with disabilities or chronic illnesses; social services for people at risk and marginalized groups; and domestic services (ILO 2018).

Care recipients:

People who need and receive care (all people but categorized by type of care needs and level of care dependency, such as children, youth, ill or older persons, persons with disabilities, healthy working-age adults, women at risk of violence), including self-care.

Self-care:

Undertaking care activities to meet one's own care needs (self-hygiene, self-feeding, etc.), i.e. the caregiver and care receiver are the same person. Own labour involved in self-care is not included in the definition of 'work' by ICLS (2013, para. 6(b)): "Work excludes activities that do not involve producing goods or services (e.g. begging and stealing), self-care (e.g. personal grooming and hygiene) and activities that cannot be performed by another person on one's own behalf (e.g. sleeping, learning and activities for own recreation)."

Care diamond:

A visual representation of the institutional framework for care provisioning, where the four corners of the care diamond represent the household, the state, the private sector, and community/non-profit organizations (Razavi 2007).

Care wage penalty:

Lower wages earned by caregivers. With respect to unpaid care work, the 'motherhood wage penalty' denotes lower wages earned by mothers of small children. With respect to the paid care workforce, this is the gap in wages of employees in education, healthcare or domestic work that cannot be explained by differences in educational level, skills, experience and credentials.

Care economy:

The sub-area of economic activities around production and consumption of care services and goods (for own consumption), including both paid and unpaid care work and services.

The ILC (2024), section II, para. 9 states:

- "The care economy comprises care work, both paid and unpaid, and direct and indirect care, its provision within and outside the household, as well as the people who provide and receive care and the employers and institutions that offer care.
- "The care economy, spanning formality and informality, includes, but may not be limited to, the activities of workers in education, early childhood care and education, and the health and social sectors, of domestic workers and of individuals who perform unpaid care work. There is currently no internationally agreed statistical definition of care work, and such a definition should be developed to promote harmonization and consistency of data on care, including in all applicable sub-sectors."

Care economics:

An area of research in economics pertaining to the production and consumption of care services, and the performance of caring labour.

Care crisis:

A systemic challenge whereby care norms are eroding; ability and willingness to provide care and meet care needs are declining relative to demographic needs and shocks such as HIV and AIDS or the global pandemic; important care needs are underserved; and sustainable provisioning of care is under threat.

3R/5R/5R+ strategy:

A care economy policy framework by the United Nations which has evolved over time from 3R to 5R and eventually 5R+. It identifies six policy objectives of care economy interventions for a gender-equal and caring economy: recognition of care work, reduction and redistribution of women's unpaid work; rewarding and representation of care workers; and resourcing for comprehensive care systems.

Care regime:

The economic, social and welfare policies and regulations that define the division of caring responsibilities between women and men, and among the state, the family, the community and the market.

Investing in care:

Public (and private) investments in the expansion of care services and facilities towards improving the accessibility, affordability and quality of care for all citizens. This is also framed as investment in social infrastructure, as it has the output of increasing economy-wide productivity, sustainability and resilience.

Care infrastructure:

The macro-scale formal network of care services, facilities and arrangements through which care provisioning takes place in a coordinated manner in a region or country. It is framed as infrastructure because it reflects a set of coordinated arrangements on a macro scale and because it improves overall productivity.

Environmental care/earth care:

Care work which extends beyond caring for human beings to also caring for non-humans, all living species, land and nature.

Caring economy:

A term proposed by the UK Women's Budget Group (2020) to indicate an economy where the provision of care for people and the environment is placed at the centre of economic policy and decision-making. In a caring economy, activities that sustain life and well-being—such as childcare, education, health and social care, social protection and unpaid care work—are properly valued, resourced and recognized as essential economic infrastructure. This approach emphasizes social reproduction, gender equality, decent work and collective responsibility for care, challenging market-driven models that prioritize economic growth over human well-being. A caring economy seeks to reduce inequalities, support care workers and unpaid carers, and ensure that economic systems enable people to live dignified, secure and flourishing lives.

Care society:

A term proposed by UN ECLAC (2023) to describe a society that centres care for people and the planet from a gender and human rights–based perspective.[2] This is seen as a critical alternative to the current development pattern, which places no value on essential life-sustaining activities; reproduces gender, socioeconomic, ethnic and territorial inequalities; and has a harmful socioenvironmental impact.

Purple economy:

A term proposed by Ilkkaracan (2013) to describe an economy which is caring and gender equal, complementing the 'green economy' vision (see also European Women's Lobby 2020, Women for Women's Human Rights 2016, Ilkkaracan 2023 and 2025).

Comprehensive care system:

A *care system* comprises legal and policy frameworks, services, financing, social and physical infrastructure, programmes, standards and training, governance and administration, and social norms. A *comprehensive care system* involves all these components working in an integrated and deliberate way, with the aim of implementing a social organization of care to assist, support and care for people and the environment, as well

as recognizing, reducing and redistributing, rewarding and representing care work from a gender, intersectional and human rights perspective that fosters co-responsibility between genders and between households, the state, the market, families and community (UN 2024: 25).

Social organization of care:

The way care provisioning, such as caring for children, older adults, persons with disabilities or chronic illness, is structured, distributed and valued within a society. It looks at who provides care, under what conditions, and through which institutions, typically involving a mix of:

- Families and households (often unpaid care, frequently done by women).
- The state (public services, welfare policies, healthcare systems).
- The market (paid care work, private services).
- Community and non-profit organizations.

The social organization of care explains how responsibility for care is shared (or unequally shared) across society, and how this affects gender equality, social inequality, labour markets and well-being.

Transformative care agenda:

A transformative care agenda entails a feminist approach to policy interventions for building care systems that advance gender equality and non-discrimination simultaneously with revaluation of care and universal access to high-quality care (UN 2024; Esquivel 2014 and 2016).

MODULE 2 OVERVIEW

Care work and care provisioning is a crucial focus of feminist economic analysis, distinguishing it from mainstream as well as other non-mainstream approaches to economics. As discussed in Module 1, mainstream neoclassical economics, and to some extent non-mainstream economics, limits the definition of 'the economy' and the scope of 'economic analysis' exclusively to market production and paid work. Non-market production and unpaid work —predominantly female spheres of economic activity— are ignored for the most part in conventional economic analysis and policy. Feminist economics analysis unveils the household and community as a locus of economic activity that is crucial to well-being, highlights its extensions into the market sphere through paid care work, and explores the interactions between the household and market spheres.

The module starts with three background sessions: first introducing the primary concepts of care economics, then moving on to a demand- and supply-side analysis of the care economy, before finally covering data on the care economy. This is followed by three policy sessions on: investing in care services sectors as social infrastructure; labour market policies for decent work for care workers; and investing in time-saving physical infrastructure. Optional sessions focus on the emerging issue of digitalization and artificial intelligence (AI) for human-centred and gender-equal care provisioning, and economic analysis on the market value of unpaid work and household production. The final (also optional) session provides an overview of the issues around the care economy that will be explored in the next modules.

CORE SESSIONS

2.1 CARE ECONOMY: A FEMINIST ECONOMICS CONCEPTUAL FRAMEWORK

This session provides participants with an overview of the historical evolution of conceptual thinking and terminology on care in feminist economics—with concepts evolving from reproductive work to unpaid domestic work to caring labour, then the care economy and caring economy. While these terms are often used interchangeably, each concept has a distinct focus with respect to economics framing, and different policy implications. The discussion of the conceptual evolution will make the linkages from the evolving conceptual thinking on care to the evolving policy landscape (from 3R to 5R to 5R+). The session will provide the background for the rest of the sessions in this module.

GROUP EXERCISE:

AN OVERVIEW OF CONCEPTS IN CARE ECONOMICS

Show participants a table with concepts in one column and economic statements in the other column (Appendix 2A, Table 2A-1). The concepts and statements have been organized in a random manner, and participants have to match the right concept to the appropriate economic statements.

After participants complete the exercise, show them the table (Appendix 2A, Table 2A-2) with the correct answers. Invite participants to evaluate their own answers against the correct answers, and to share if they had difficulties in matching any of the concepts with the relevant statements.

Explain the distinct emphasis and policy implications of each concept in a rough historical order, as follows (refer also to the 'Key concepts and definitions' above, as needed):

- **Reproductive work:** This is a concept emerging from Marxist feminist debates in the late 19th century. Marxian analysis distinguishes 'reproductive work' (unpaid work in reproduction of human beings' capacity to perform labour) from 'productive labour' (paid work employed by profit-making enterprises). It argues that unpaid care work within the reproductive (domestic) sphere serves the needs of the market economy (in Marxian terminology 'the productive sphere') by supplying labour as an input to capitalist production. The emphasis here is on the function of care work at a macro level for serving markets by supplying reproduced labour, hence enabling the reproduction of the market economy (in Marxian terminology the reproduction of capitalism as a system). From a social reproduction perspective, care work at a macro level contributes to reproducing the conditions of well-being and life. This provides an entry point for examining the interactions of the domestic reproductive sphere with the market sphere and exploring the functions of care work from a macroeconomic perspective (see Figure 1.3 in Module 1 – a representation of the economy from a feminist perspective, which shows the interactions between the reproductive and market spheres).
- **Unpaid work:** This is a feminist concept introduced by early debates under the second women's movement from the 1970s onwards.[3] The emphasis is on the lack of compensation (work that is not renumerated), the inherent exploitation of women's labour and the consequent gender inequalities. Given the conventional gender division of labour, the bulk of women's work entails no monetary compensation and limits their ability to participate in paid work and income earning, resulting in gender economic gaps. Against this conceptual background, the UN 3R strategy established a policy framework with three entry points: recognize, reduce and redistribute women's unpaid work. The term 'unpaid work' entered 'agreed language' in the Beijing Platform for Action (1995). The 3R strategy was first suggested by Elson (2008) and adopted as a policy framework at the UN Commission on the Status of Women (CSW) in 2014.
- **Domestic work:** Household maintenance activities such as cooking, cleaning, laundry, shopping and managing the household. Domestic work can be unpaid work (performed by homemakers) or paid (performed by domestic workers). Note that unpaid domestic work is a subset of unpaid work, which also entails volunteer and community work. The emphasis is on the location of this work, confined to the domestic sphere, which restricts women's (and domestic workers') economic activity to the household.

Care work often refers to activities directly related to caring for a person (feeding, bathing, assisting with mobility, accompanying them to services, providing emotional support). Although both (direct) care work and domestic work contribute to meeting household needs, they serve different functions and are classified in separate activity categories in time-use statistics and labour force classifications. Domestic work creates the conditions for care (hence, it is also referred to as indirect care work) but is not always person-specific, while care work directly addresses personal care needs.

- **Household production:** The emphasis shifts to recognizing the household as a sphere of economic activity. This contrasts with the conventional economics approach, which assumes markets as the exclusive domain of productive activity.
- **Care work, caring labour:** 'Care' as an economic concept was introduced in feminist discourse from the mid-1990s onwards (influenced by work of feminist economists such as Folbre 1995; England and Folbre 1999; Himmelweit 1999 and 2000; and Folbre and Nelson 2000). Emphasis shifts from non-renumeration (unpaid) and location (domestic) to the output of this type of work, namely care. This opens the possibility of introducing paid care work as a continuum of the conceptual framework. The policy approach expands from 3R to 5R (to include reward care workers and ensure their representation). It also paves the way to new conceptualizations, explained below, such as direct versus indirect care work, care 'recipients' (consumption of care), care crisis, care economy, care infrastructure, investing in the care economy, care-responsive budgeting and a caring economy.
- **Direct versus indirect care work:** This distinction has the following policy implications:
  - Regarding direct care work, it is resistant to mechanization, hence likely to remain labour-intensive despite technological change elsewhere in the economy and can serve as an important source of job creation through expansion of care services (discussed in Session 2.5 below).
  - Direct care work is also resistant to complete commodification (transferring from unpaid to paid work) without suffering trade-offs with quality. Hence, an important component of direct care work is to remain unpaid, requiring policy interventions beyond access to social care services, namely its redistribution within the household and community, and from women to men (discussed below and in Module 3, under 3.3.1).
  - Regarding indirect care work, unlike direct care work it can be made less labour-intensive (i.e. reduced) via technological change and physical infrastructure investments, increasing productivity (see Sessions 2.7 and 2.9 below). While it is more conducive to commodification than direct care, the conditions of commodification matter, such as the working conditions of domestic workers (discussed in Session 2.6).

- **Care workers:** Care workers are workers involved in care provisioning. In ILO terminology, 'care workers' are the paid care workforce. Those involved in unpaid care provisioning are referred to as 'caregivers'. The UN 5R policy framework establishes both groups as target beneficiaries of care policies.
- **Care recipients:** The emphasis is on the receiving (consumption end). This expands the policy framework to consider not only the needs of caregivers and inequalities associated with caregiving (as is the focus in the 5R framework), but also the needs of care recipients and inequalities associated with care receiving (including self-care). The latter calls for policy measures which aim to expand the space for care (including, where needed, unpaid care) in order to meet the needs of care recipients with care that gives them agency, choice and quality.
- **Care economy:** This concept recognizes the production and consumption of both unpaid and paid care, as a sub-area of economic activities. Hence it allows for the emergence of new concepts such as 'investing in the care economy', recognizing it as a target for public investments with economic and social returns.
- **Care crisis:** This concept recognizes the care economy as vulnerable to a systemic macro-level crisis whereby important care needs are underserved, and sustainable and equitable provisioning of care is under threat. Just as the green economy is a policy response to the ecological crisis, the 'purple economy' is a policy response to the care crisis. Here are some definitions of what is meant by a care crisis:
  - "Decreasing willingness and ability of people to care, erosion of caring norms" (Himmelweit 2007).
  - "Growing imbalances within and across societies in access to care through overwhelming prioritization of the use of resources towards meeting the requirements of market production over those of social reproduction" (Floro 2012).
  - "Emerging care gaps in long-term care in aging societies; the unmet care needs in the face of health shocks and the increasing pressures on care under climate change as indicators of a care crisis" (UNDP 2015).

  Note: The demographic crisis (defined as the state where the birthrate falls under the replacement rate) has been linked to the care crisis.
- **Environmental care/earth care:** This expands the care framework beyond its conventional narrow focus on care for human beings to also care for non-humans, all living species, land, nature and life. It builds the basis for making the linkages from the ecological sustainability policy agenda to the care and gender equality policy agenda. As an example of an expanded definition of care, see Tronto (2013), who describes care as "everything we do to maintain, continue and repair our world so that we can live in it as well as possible. That world includes (not only) our bodies, ourselves (but also) our environment, all of which we seek to interweave in a complex, life-sustaining web." Tronto, a feminist political scientist, has proposed the notion of "a caring democracy".

- **Caring economy, care society, purple economy:** For definitions of and resources on these three feminist visions, see 'Key concepts and definitions' above. Like 'caring democracy', these build on the previous concepts to offer inspiring feminist visions of an economic and social order which place care and gender equality at the core. These concepts will be discussed further in the relevant sessions. The purple economy (in common with the green economy) provides a policy roadmap towards building a caring and gender-equal economy; see also Module 7: Ecological Crisis and the Green Transformation.
- **A comprehensive care system and a transformative care agenda:** A recent development in policy discourse around care is the introduction of the concepts of comprehensive care systems and a transformative care agenda. A comprehensive care system entails thinking about care policies not in fragmented terms (such as isolated policies on workplace crèches for employed mothers or cash transfers to family caregivers for long-term care), but as coordinated actions that address the needs of care providers and recipients in a systemic manner within the framework of a macro-scale care infrastructure. UN (2024: 25) states:

  "A care system entails legal and policy frameworks, services, financing, social and physical infrastructure, programmes, standards and training, governance and administration, and social norms. A comprehensive care system involves all these components working in an integrated and deliberate way, with the aim of implementing a social organization of care to assist, support and care for people and the environment, as well as recognizing, reducing and redistributing, rewarding and representing care work from a gender, intersectional and human rights perspective that fosters co-responsibility between genders and between households, the State, the market, families and community."

  A transformative care agenda adopts a feminist approach to policy interventions for building care systems that advance gender equality and non-discrimination simultaneously with revaluation of care and universal access to high-quality care (UN 2024; Esquivel 2014 and 2016). These new policy approaches led by feminist scholarship and advocacy and the UN system are explored in Session 2.4.

For more details on the discussion on evolving care economy concepts and policy frameworks, see Ilkkaracan (2024 and 2026) and Esquivel (2014).

KEY TAKEAWAYS FROM SESSION 2.1:

- The incorporation of care into economic analysis represents a major contribution of feminist economics, as it reveals how care is interconnected with a wide range of economic phenomena, from labour markets and poverty to macroeconomic policy and growth.
- Conceptual shifts in feminist thinking from reproductive work, unpaid and domestic work to care work, a care economy and caring economy, reflect evolving understandings of care and open different policy entry points.
- Distinctions such as direct versus indirect care and paid versus unpaid care have major implications for technology, commodification, job creation and quality of care.
- The move towards comprehensive and transformative care systems reflects a shift from fragmented policies to integrated, rights-based, macro-level approaches.

2.2 CARE ECONOMY IN MULTIPLE DIMENSIONS: DEMAND FOR AND SUPPLY OF CARE

Building on the conceptual framework developed in Session 2.1, it becomes possible to explore the care economy in a multidimensional manner, both on the demand- and supply-side and along the types of labour processes involved. These dimensions entail consideration of the diverse target groups of care receivers, paid and unpaid caregivers, and areas of policy and programme intervention for care economy policies.

A starting point is to consider care receiving (the demand side) and care giving (the supply side):

- What is the demand for care services in a given context? Who needs what kinds of care services and provisioning? What is the extent and nature of the demand for care services? Are diverse care needs met sufficiently and with quality?
- What is the supply of care services in a given context? Who provides what kinds of care to different target groups among those with care needs? What is the extent and nature of the supply of care services? What are the labour processes involved in care provisioning? Is it on a paid or unpaid basis? What are the prevailing conditions of work for paid care workers and unpaid family/community caregivers?

The answers to these questions will be covered in the following sessions, which focus on policy and programmatic intervention. Before moving to policy discussions, this session aims to facilitate participants' thinking on the multiple demand and supply dimensions of the care economy and how they are related to intersectional inequalities. ILO (2018: 38–39) states:

> *"by deploying an intersectional lens, it becomes possible to identify the socio-demographic, economic and gender disparities that apply to the division of unpaid care work and paid work —two components of the 'care circle'... these disparities are the result of household composition and deeply rooted inequalities, based on sex, class, origin, education and location of work. [through such an intersectional approach it becomes possible] to analyse persisting inequalities in the labour force using as an entry point the domain of non-market work..."*

Impact of demographic transitions on demand for and supply of care

Demographic transitions play a crucial role in shaping the demand for care services. They are structural drivers of how countries evolve from high fertility and high mortality to low fertility and low mortality, moving through demographic stages. In the post–Second World War period, sustained fertility and increasing life expectancy (declining mortality) initially generated rapid population growth. In the past few decades, however, declining fertility rates along with further increases in life expectancy have given rise to the phenomenon of ageing populations and potential population decline. Declining fertility rates reflect families choosing to have fewer children due to factors such as reduction in child mortality, increasing opportunity costs of labour time involved in child-rearing, and decreasing economic functions of having children (such as provisioning of long-term care for parents). Declining mortality rates and increasing life expectancy are driven by better healthcare and improvements in living standards. Demographic dividend theory builds on this by showing how these transitions can accelerate growth when the working-age population becomes proportionally larger, first boosting per-capita income, savings and fiscal space, and later deepening productivity through increased longevity, higher savings, and investments in human capital.

Critically, integrating a care economy lens reveals that demographic change reshapes both the demand for and the supply of care: falling fertility and rising female education increase women's labour market participation and require stronger care systems; an ageing population raises demand for long-term care; smaller families reduce the pool of unpaid caregivers; and migration disrupts traditional care arrangements. Without adequate investment in care systems, countries cannot fully realize the demographic dividend. Demographic transitions therefore have profound gender-economic implications, as unpaid care work continues to limit women's employment, intergenerational care demands shape labour markets, and ageing creates fiscal pressures on pensions, health and long-term care. Understanding these dynamics underscores that demographic change and economic growth cannot be analysed without examining the care economy and the need for comprehensive, transformative care systems.

Care services sectors and supply of care

Within the broader care economy, the care sector refers specifically to the set of industries and occupations engaged in the provision of paid care services, including early childhood education and care, primary/secondary/tertiary education, care and support of children and youth of school age, healthcare services, long-term care services, social services for people in vulnerable situations, and domestic services. Unlike unpaid household production, which falls outside the SNA production boundary but remains essential for well-being, the care services sectors comprise market and non-market service providers whose activities are captured in national accounts and labour statistics. As a component of the care economy, the care sector is central to understanding how societies organize paid care provisioning, generate employment—particularly for women—and deliver essential services across the life course. Its size,

composition and working conditions reflect policy choices around public investment, regulation, social protection and labour standards.

The care sector is grounded in economic theories that recognize care services, such as education, health, childcare and long-term care, as part of a society's social infrastructure. Unlike typical market goods, care services exhibit characteristics of public goods, merit goods and externalities, which justify government involvement and collective financing. Market goods are goods that are produced by private sector actors (firms/producers) for the objective of profit and revenue generation. Care services, unlike most market goods, do not provide the conditions for profit-making due to specific supply- and demand-side factors. Care services production (particularly direct care) is labour-intensive, resistant to productivity gains through technological innovation and mechanization, and resistant to economies of scale. These features of care services limit the scope for reducing production costs and increasing profit generation.

On the demand side, to the extent that caring labour can be substituted by unpaid family labour, demand is highly price-elastic, meaning unless prices are very low, most households will choose to produce care within the household on an unpaid basis. Care services are also difficult to commodify entirely, due to the relational and person-centred nature of care. As a result, care services sectors do not enjoy similar profit-making opportunities to those of other market goods and services. These characteristics mean that market incentives alone tend to underprovide care or push it towards low-quality, low-wage models.

Yet many care services produce positive externalities: when societies invest in early childhood education or long-term care, the benefits extend beyond immediate users to the broader economy through higher productivity, improved health, increased labour force participation (especially of women) and enhanced human capabilities. Because the demand for care is shaped by demographic structures, life-course needs and social norms rather than by market signals alone, the sector cannot rely solely on private provision.

As a result, the care sector is best understood as a mixed economy of welfare, where the state, the market, households and civil society jointly contribute to care provisioning (in a relationship presented as the 'care diamond' by Razavi 2007). This theoretical framing positions the care sector as an essential pillar of economic development, gender equality and inclusive growth, and underscores its central role in transformative care systems.

The exercise below aims to help participants to explore multiple demand- and supply-side dimensions of the care economy and their interplay with intersectional inequalities among both caregivers (supply side) and care recipients (demand side).

GROUP EXERCISE:

A SUPPLY AND DEMAND FRAMEWORK FOR CARE PROVISIONING

As a background to this activity on the multiple dimensions of care provisioning, see Folbre (2006).

Give participants the matrix entitled 'Categories of care provisioning' by Folbre (2006) (Appendix 2A, Table 2A-3). This categorizes a wide array of care activities along several dimensions, as follows:

On the demand side: care recipients – who needs/is consuming care?

- Children
- Older persons
- People suffering illness
- Persons with disabilities
- Adults (other than self)
- Self-care

Type of care work/service:

- Direct care
- Indirect care

On the supply side: caregivers – who is providing care?

- Unpaid caregivers
- Care workers, both:
  - Formally employed (protected by labour regulations and with access to social protection)
  - Informally employed
- AI-based, non-human care providers

With respect to macroeconomic measurement:

- Inside the System of National Accounts (SNA)
- Outside SNA

Explain concepts that participants may not be familiar with (such as self-care, direct versus indirect care, inside versus outside SNA) using the key concepts and definitions above, and comments on their policy implications (which will be discussed later under the policy sessions).

Ask participants to work in pairs to study this categorization and discuss the following questions:

Which areas of care provisioning are the most problematic from the perspective of caregiving and/or care receiving in your country (and/or work) context? This also includes if there is anything missing in this table that you would like to add. For example,

- **Under care recipients:**
  - Care needs of small children in need of early childhood care and preschool education can be distinguished from children of school age.
  - Specific groups with specific care needs can be added, such as children with learning challenges, teenagers with autism, older persons with dementia or Alzheimer's disease, people with mental illness.
  - Another specific group could be those in need of social services, such as women and children at risk of domestic violence (care providers would then include social service workers).

- **Under informally employed care workers:**
  - Migrant or rural domestic workers could be a particular target group.
  - Others, such as healthcare or social service workers.

Ask participants to consider: How do these most problematic areas of care provisioning you have identified in your context contribute to structural and intersectional inequalities?

After a short discussion in pairs, bring participants back to the plenary to share insights with the larger group. The type of insights shared by different participants is likely to reflect their respective contexts. The content and conditions of care work vary substantially across countries, as well as across different groups within the same country.

For example, in lower-income rural or urban contexts in the Global South, a great deal of time is spent on indirect care work (fetching water, collecting wood, growing vegetables), activities which set the preconditions for direct care. In the advanced market economies of the Global North, more time is spent on direct care and on managing the relationship between the home and an increasingly broad set of care institutions, for example, organizing and getting children to after-school activities.

Moreover, a larger share of care work is commodified in the Global North. Commodification of care also varies within countries by socioeconomic status and household income, with higher-income households having more access to market substitutes for care work.

Depending on local conditions and the types of policies adopted, the content of care work can also vary between countries with similar income levels. For example, in sub-Saharan African countries with a high prevalence of persons living with HIV or with AIDS, caring for terminally ill patients accounts for a significant share of care work. In regions exposed to environmental degradation or countries experiencing armed conflict, the content of care work is transformed and its intensity increases.

With respect to paid care services, it is also the case that some countries and regions in the Global South face care services deficits in education and healthcare. In higher-income countries and regions, care deficits exist primarily in early childhood care and education (ECCE) and long-term care.

Conclude by explaining that this exercise paves the way for the following policy-oriented sessions.

KEY TAKEAWAYS FROM SESSION 2.2:

- The care economy is multidimensional, shaped by the different care needs of recipients on the demand side, and by different caregivers and forms of care work on the supply side, with care provisioning taking place through diverse institutional arrangements, including households, communities, public and private agencies.
- An intersectional lens reveals how gender, class, migration status, age, disability and geography shape both care needs and care workloads.
- Care provisioning varies widely across contexts, with unpaid care dominating in low-income settings and higher commodification of care in wealthier contexts.
- Gaps in care services differ by region, with Global North contexts often facing deficits in ECCE and long-term care while Global South contexts face deficits in basic education and healthcare.
- Understanding these multiple dimensions is essential for designing context-specific, equitable and effective care policies.

2.3 DATA COLLECTION AND MEASUREMENT OF THE CARE ECONOMY

Given that a significant share of care economy activities takes place outside markets (and are disproportionately performed by women), care remains largely invisible in conventional economic statistics and models. The absence of data on unpaid care and domestic work limits our understanding of how economies function, obscures gender inequalities in time use and labour supply, and constrains the design of effective, gender-responsive economic policies. Integrating care into economic analysis and policy therefore requires systematic collection of data on the production and consumption of care.

This session introduces participants to various methodologies of measurement and data collection on the care economy. The main focus is on the measurement and valuation of unpaid care work through time-use survey data. The session also introduces household labour force surveys as a source of data on the extent to which unpaid care work responsibilities impede participation in paid work (employment), and also as a source of data on paid care employment. Finally, the session covers data collection and measurements through focused care surveys on paid and unpaid, formal and informal caregivers, and different categories of care receivers, particularly on childcare and long-term care.

GROUP EXERCISE:

TIME DIARY

2.3.1
TIME-USE SURVEYS

Give participants an individual time diary to fill in for the most recent weekday (Appendix 2A, Table 2A-4). In completing this diary to the best of their memory, they need to make use of time-diary categorization of their activities, as follows:[4]

1. Eating and other personal care (self-care)
2. Working at a job and/or seeking a job (paid work)
3. Education
4. Voluntary work and meetings (unpaid community work)
5. Social life and entertainment
6. Sports
7. Hobbies and games
8. Mass media tools
9. Travel and commuting (paid versus unpaid work related; and other unidentified time usage)
10. Sleep
11. Household and house care (unpaid care work):
    - Food management
    - House care
    - Washing clothes, ironing, etc.
    - Gardening and animal care
    - Construction and repair
    - Shopping and services
    - Household management
    - Childcare
    - Care for older/ill persons, persons with disabilities

Participants then add up and note the following:

- Total paid work time
- Total unpaid work time
- Total work time (sum of paid and unpaid work time)

Participants now pair up with the person sitting next to them to assess their findings for paid, unpaid and total work, with respect to determining factors such as household profile, access to paid care services and paid employment hours/conditions.

The following questions can be used to guide the discussion:

Evaluate any similarities or differences between your results and your group partner's results based on the following factors:

1. **Demographic and household characteristics:**
   - Are you employed in a job? What kind of job? What are your workplace hours and requirements?
   - Do you live with a spouse/partner? If yes, are they employed? Full-time or part-time?
   - How many people live in your household?
   - Do you have any children in your household? If yes, what are their ages (0–2; 3–5; 6–12; 13–18)?
   - Do any members of your household require long-term care (e.g. older or ill persons, persons with disabilities)? What is the level of their dependency on a scale of 1 (very little need for support) to 5 (very high need for support)?
2. **Does your household purchase any of the following care services?**
   - Domestic worker live-out/live-in
   - Babysitter/childminder
   - Long-term care worker
   - Childcare centre/preschool
   - Primary or secondary school
   - Daycare centre for older persons/persons with disabilities, etc.
   - Other
3. **Do you receive any unpaid care support from anyone other than your spouse/partner (including family/friends living outside your household)?**
4. **Do you ever engage in simultaneous activity?** For example, cooking while helping a child with homework; or having a phone call with your office while doing laundry? If yes, how does this affect the intensity and quality of your unpaid (care) work? What does it imply about the number of hours of unpaid work you identified in filling out the time diary?
5. **Do you undertake any supervisory care,** i.e. responsibility for supervision of care-dependent household members, such as being responsible for a baby when they are sleeping, for small children while they are playing/studying at home, or for older persons who would be at risk if left alone? If yes, how does this affect your mobility and engagement in other primary activities?
6. **Bring the pairs back to plenary for a whole-group discussion.**

7. **Guide the discussion to include differences in time allocated to paid versus unpaid work by:**
   - Gender interacting with demographic variables, such as marital and parental status, size of household, presence of care-dependent household members.
   - Employment status and work conditions (of self and partner).
   - Household income, access to paid care services.

Measuring unpaid work through time-use surveys

Historically, the measurement of 'work' has been confined to measurement of paid work, assessed in most countries around the world through periodic household labour force surveys (HLFS) (see below). Measurement of unpaid work has emerged as a practice due to feminist contributions towards its acknowledgement as a significant category of work (discussed above), and its advancement was agreed in the Beijing Platform for Action. This has become possible through time-use surveys (TUS).

To ensure that unpaid care work is counted as economic activity and subsequently incorporated into economic analysis alongside paid market work, we need a common denominator. That common denominator is time; in other words, the number of daily/weekly hours spent on unpaid work versus paid work. Data on paid work (including working hours) are collected periodically through a national HLFS. In this respect, TUS can be said to be the counterpart to HLFS for uncovering and measuring the scope, distribution and nature of unpaid work.

TUS constitute field research at the level of the household and its individual members. The objective is to assess how individuals allocate their time over a specific period—typically 24 hours in a day or 7 days in a week—towards different activities, including paid and unpaid work, as well as self-care, self-development (education) and leisure. TUS data provide unique insights into unpaid care and domestic work, informal economic activities, and well-being indicators, which are crucial for addressing gender inequality and achieving Sustainable Development Goal (SDG) 5.4 (Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies). Since the 1995 Beijing Platform for Action, TUS have advanced significantly, contributing to transformative care policies and feminist policymaking.

TUS typically employ one of the following three methods:

- **Self-administered time diary method:** Individuals are given a time diary and asked to record their activities and the time spent on each activity over a week.
- **Recall interview method:** A surveyor interviews individuals on the types of activities they were engaged in during the previous week and the time that they spent on each activity.
- **Short-task list method:** A surveyor provides correspondents with a task list categorizing the various types of activities people engage in, and asks them to check which ones they have engaged in and how much time they spent on each one.

DISCUSSION

Ask participants which method was used in the conduct of the TUS in the group exercise above.

Answer: It was a self-administered time diary method (they were given a time diary to fill out). It also had elements of the recall interview method, as participants were called upon to remember the time they spent on various activities on the most recent typical workday.

Considerations in conduct of time-use surveys

Many developing countries have approached time-use surveys in a pragmatic manner, designing them to meet local needs and budgets despite the methodological trade-offs. Esquivel (2026) provides a comprehensive assessment of TUS methodologies in developing countries and their potential to inform public policies. The assessment notes that TUS methods must adapt to local contexts, such as literacy rates, language diversity, rural/urban differences and cultural norms. Examples include South Africa assessing clock usage and India employing female interviewers for women respondents. Some of the main points emerging from this assessment are as follows:

Survey design:

- Stand-alone surveys: ideal for comprehensive data collection but costly and resource-intensive.
- Modules in household surveys: cost-effective but limited by the parent survey's design and scope.

Survey instruments:

- Stylized questionnaires: include short tasks lists, short activity lists and exhaustive activity lists. These are less expensive but prone to recall errors and underreporting.
- Activity diaries: provide detailed, chronological data and capture simultaneous activities. They are more accurate but require more effort and resources.

Activity classification:

- Activities are categorized based on their nature and purpose, using frameworks like ICATUS and CAUTAL.[5] These classifications help differentiate between productive and non-productive activities.

Data collection methods:

- Self-administered diaries are suitable for literate populations but may have high non-response rates.
- Interview-based methods, such as 24-hour recall diaries, are more manageable and ensure data quality.

Sampling and contextual variables:

- Effective sampling design and inclusion of contextual variables (e.g. location, company, purpose) are crucial for accurate data collection and analysis.

Policy implications:

- TUS data can inform care policies, measure the impact of childcare services and address gender inequalities.
- Methodological consistency is essential for monitoring changes over time.
- TUS findings can also be used to address emerging issues like teleworking, climate change and access to resources.

In summary, TUS are vital tools for understanding unpaid care work and informing gender-sensitive policies, but their effectiveness depends on methodological rigour, contextual adaptation, and integration with broader policy frameworks.

It is worth noting that TUS may risk underreporting (women's) unpaid work due to the following factors (this discussion is based on UN DESA 2024):

Simultaneous activities:

> People regularly engage in more than one activity at the same time. People (often women) who are multitasking may actually be performing concurrent activities (e.g. cooking and taking care of a child, reading while travelling by bus, or watching television while eating) or they may be doing activities sequentially and thus frequently switch back and forth between them (e.g. gardening and doing laundry). As people do more than one thing at the same time, but a day has only 24 hours, the collection and dissemination of data on simultaneous activities is encouraged. Unless the TUS is designed to capture such parallel activities it results in underreporting of unpaid work, called 'the simultaneous activity bias'.
>
> The terms 'simultaneous' and 'secondary' are often used interchangeably but they are not the same. A simultaneous activity is one that is carried out at the same time as another. There is no hierarchy or value judgement. A secondary activity, however, generally refers to one that is considered to require less attention or to be less intense than the simultaneous 'primary' activity. In a TUS time diary, the primary activity is typically the one that respondents describe first; any secondary activities are those that they were 'also' doing. If they are asked to specify, the primary activity is the one that they consider to be the most intense in terms of focus or energy.

Supervisory care:

> While care providers are not actively engaged with the dependant, they are 'on call', that is to say nearby to provide immediate assistance to the dependant. In practical terms, this implies that supervisory care is provided simultaneously while performing other activities and, if measured, the relevant data are collected as a secondary activity. In some contexts, the provision of supervisory care is also a legal obligation as children under a certain age cannot be left alone and unattended. Supervisory care often limits the caregiver's mobility or presence outside of the household.

Subjective context variables, emotional or mental labour:

> Adding subjective dimensions to the typical objective ones for activity episodes may help to tap into the emotional and psychological side of behaviour. This refers to what feminist literature has called 'emotional or mental labour'. If the survey objectives are extended to measure quality-of-life issues, the survey can incorporate subjective context variables, such as how stressed people are when performing an activity and how much people enjoy what they are doing, or their reasons for doing it. For example, in the 2013–2014 TUS in Italy and the 2010 TUS in France, a 'pleasantness' variable was collected using a full 24-hour diary.[6]

While the origins of the TUS date back to the early 20th century, more systematic administration by national statistics agencies is relatively recent. ILO (2018) reports time-use data on paid and unpaid work from 67 countries. Most countries have undertaken only one or two TUS. Time-use surveys have not been institutionalized as periodic surveys in the manner of other household surveys, such as household labour force surveys or household income and expenditure surveys. Moreover, the use of different methods of data collection may be problematic for cross-country comparisons. Women's rights organizations and activists continue to advocate for the institutionalization of conducting TUS in a periodic manner. It should be noted that the recommended frequency for a full TUS is every 10 years, with an intermittent TUS module administered every 5 years where resources allow. This frequency reflects the fact that structural population changes in time allocation, driven by shifting demographics, labour markets and care responsibilities, are best captured over the long term, while periodic modules help maintain up-to-date insights for policy planning.

Beyond stand-alone TUS, data collection on unpaid domestic and care work can also take place through modular time-use approaches. These are time-use modules attached to various national household surveys such as household labour force surveys, household income and expenditure surveys, or income and living standards surveys. For a detailed discussion on modular time-use survey approaches, see: ICLS (2018).

FINDINGS EMERGING FROM TIME-USE SURVEY DATA

The data provided by TUS from around the world point to several global economic facts (UNDP 2015; ILO 2018); for full details, see figures in Appendix 2B:

- Almost half of all productive work time consists of unpaid work time.
- 16.4 billion hours are spent on unpaid work annually; this is equivalent to 2 billion people working 8 hours per day with no renumeration.
- Were such services to be valued on the basis of hourly minimum wage, they would amount to 9 per cent of global GDP (corresponding to US$11 trillion in 2011 purchasing power parity prices).
- The great majority of unpaid work consists of household work (81.8 per cent), followed by direct personal care (13 per cent) and volunteer work (5.2 per cent).
- The gendered distribution of work time between paid and unpaid work is very imbalanced, with the overwhelming majority of unpaid work time performed by women, while men dominate paid work time.
- Women perform 76.2 per cent of all unpaid work. Women on average dedicate 3.2 times more time than men to unpaid work: 4 hours 25 minutes per day, versus 1 hour 23 minutes for men (Figure 2B-1). Over the course of a year, this represents a total of 201 working days (on an 8-hour basis) for women compared to 63 working days for men.
- Women spend more time in unpaid work than men in every region, though with substantial variation in the gender gap, ranging from 1.7 times in the Americas to 4.7 times in the Arab States (for other regional as well as country statistics, see Figure 2B-2).
- When combining paid and unpaid work, women work more than men. Total work time for women is 7 hours 28 minutes versus 6 hours 44 minutes for men (Figure 2B-1). This makes women consistently time-poorer than men, even adjusting for hours of employment. In addition, excessive and strenuous amounts of unpaid care work can result in sub-optimal care strategies, with detrimental consequences for care recipients such as infants, children, persons with disabilities and older persons, as well as for unpaid care workers themselves.
- There is substantial variation in gender gaps by country pointing to the significance of policy environments and economic structures (Figure 2B-3).

- Men's contribution to unpaid work has increased in some countries over the past 20 years. However, between 1997 and 2012, the gender gap in time spent in unpaid care work declined by only 7 minutes (from 1 hour 49 minutes to 1 hour 42 minutes) in the 23 countries with available time-series data.

The UN Guide to Producing Statistics on Time Use: Measuring Paid and Unpaid Work, published by the UN DESA Statistics Division, provides an excellent guide for assisting countries interested in undertaking a TUS. The guide supports the use of consistent methods to conduct TUS, both to improve data quality and enable cross-country comparisons (UN DESA 2024).

Extensions of application of time-use survey data in economic analysis

Beyond providing statistics on unpaid work time, TUS data are also used in further economic analysis such as valuation of unpaid work time, satellite household GDP accounts or time- and income poverty.

- This module provides an optional session (Session 2.9) on valuation of unpaid work in market terms as an extension of the TUS session.
- Measurement of time poverty and combined income and time poverty is covered in Module 6: Poverty and Income Inequality (Session 6.4.4).

2.3.2
HOUSEHOLD LABOUR FORCE SURVEYS

Data on paid employment hours can be obtained from time-use surveys as well as household labour force surveys (HLFS). HLFS are conducted by most countries around the world on a periodic basis to measure employment, unemployment and labour force participation. Gender-disaggregated labour market data from HLFS are covered in Module 3: Employment, Decent Work and Social Protection.

HLFS also provide data on the care economy, in two categories:

HFLS data on interactions of unpaid care responsibilities with paid work

HFLS provide data on the extent to which unpaid care responsibilities act as an impediment to engagement in paid work (labour force participation) and play a role in shaping gendered patterns of employment. The gender gaps in unpaid care work time within the household acts as a structural source of gender gaps in labour markets, namely gender employment and wage gaps and gender jobs segregation. This interaction between gender gaps in unpaid and paid work is referred to as 'the care circle' in ILO 2018 (p.11).

The data provided by HLFS from around the world point to several global economic facts (ILO 2018):

- Globally, the principal reason given by women of working age for being outside of the labour force is unpaid care work, whereas for men it is "being in education, sick or disabled".
- In 2018, 606 million women of working age declared themselves unavailable for employment or seeking a job due to unpaid work while only 41 million men were inactive in the labour market for the same reason. Mothers of young children were overrepresented in this group. Of the women who are not in the labour force, 41.6 per cent are full-time unpaid carers (versus 5.8 per cent of men).
- Household composition affects women's and men's labour force participation differently. There is a 'labour force participation penalty' for women who live with care-dependent household members, and a 'labour force participation premium' for men in similar households.
- Compared with single women, women who live in extended households are 16.6 percentage points less likely to be active in the labour market, whereas the same value for men in extended households versus single men is actually 0.5 percentage points higher, making them more likely to participate in the labour force.
- In 2018, mothers of children aged 0–5 years account for the lowest employment rate (47.6 per cent) compared with fathers (87.9 per cent), non-fathers (78.2 per cent) and non-mothers (54.4 per cent).
- Unpaid care work is one of the main obstacles to women moving into better-quality jobs, affecting their career progression, the number of hours they spend in employment, the work experience they accumulate, their labour earnings, social security contributions and representation in decision-making positions.
- Women with care-dependent members in their household, even if and when they enter employment, are more likely to be self-employed, part-time employed or in informal employment; 62 per cent of women unpaid carers who are in employment are in informal employment, compared to 56.8 per cent of their non-carer counterparts.

- Women and men opt for different types and sectors of employment, and women become concentrated in specific types of jobs that enable relatively better options for work–life balance. This results in the phenomenon called gender jobs segregation.
- Unequal gender distribution of unpaid care work is a structural source of the gender earnings gap. HLFS data provide evidence on the motherhood wage penalty and the fatherhood wage premium.

Based on these statistical facts from around the world, the gender disparities in unpaid care work are diagnosed as a structural source of gender gaps in employment and wages and gender jobs segregation. The gendered employment trends marked by gender gaps in the labour market and its structural causes are discussed further in Module 3.

Household labour force survey data on paid care employment

The HLFS is also a source of gender-disaggregated data on the size of the paid workforce in different sectors and occupations, as well as the defining features of their work conditions such as wage levels, work hours, social security coverage and workplace characteristics.

The paid care workforce is a highly heterogenous group. It includes care workers in various sectors such as ECCE and education (teachers, assistant teachers, childcare workers), healthcare (doctors, nurses, paramedics), long-term carers (e.g. eldercare workers), social work (social workers) and domestic workers. These are the job categories of direct care providers. There are also non-care workers in care sectors who support care service provision, such as administrators, cleaners, cooks, security personnel and other services staff. ILO (2018) also notes that care workers in non-care sectors constitute part of paid care employment (e.g. workplace doctors).

The HLFS is a source of data on the size of the paid workforce in these different sectors and occupations, as well as defining features of their work conditions such as wage levels, work hours, social security coverage and workplace characteristics. The ILO 2018 report *Care Work and Care Jobs for the Future of Decent Work* provides data analysis based on national HLFS on the extent of the care workforce by sector and occupation, and also disaggregated by the categories of care workers in care sectors, care workers in non-care sectors, non-care workers in care sectors and domestic workers.[7]

According to the global compilation of HLFS data by ILO (2018):

- The global care workforce constitutes 11.5 per cent of total global employment.
- The level of total care employment and its composition varies widely across regions and countries (Appendix 2B, Figure 2B-4).
- In the Americas, Europe and Central Asia (regions with higher levels of economic development), total care employment is as high as one-fifth (almost 20 per cent) of total employment, reaching as high as one-third of total employment (and over 30 per cent of total women's employment) in four Nordic countries (Denmark, Finland, Norway and Sweden) and the Netherlands.
- The regional average for Africa is the lowest, where care services account for 7.7 per cent of total employment; followed by Asia, at 8.8 per cent.

The differences in the level of care employment are determined predominantly by the levels of investment in social care (a positive indicator), but also in part by low-cost access to domestic workers (a negative indicator). In the Arab States, for example, the share of care employment to total employment is high due to the high prevalence of domestic workers.

As discussed in the previous session, there is substantial scope for the world as a whole to increase the number of paid care jobs and the share of care in total employment through investments in ECCE, primary and secondary education, healthcare, social services and long-term care sectors, thus becoming a source of decent jobs generation.

Despite the heterogeneity of the care workforce across regions and countries, ILO (2018) notes some common characteristics of care jobs (see figures in Appendix 2B for details):

- Care work is not only intensive in terms of physical labour (it can entail long work shifts up to 24/7) but also requires emotional labour.
- The pay levels are often subject to a care wage penalty: a gap in wages of care jobs versus wages in non-care jobs, that cannot be explained by differences in worker skills, experience and credentials or workplace and sectoral characteristics. In formal professional care services sectors such as health and education, despite the requirement for high qualifications and long years of education, there is often a care wage penalty (Figure 2B-5).
- In some contexts, such as Sweden, the Netherlands and Germany, the care wage penalty can be transformed into a care wage bonus through effective policy interventions for decent work (Figure 2B-5).
- Overall, there is substantial feminization of care services sectors.

2.3.3 CARE SURVEYS: DATA ON CAREGIVERS, CARE WORKERS, CARE RECIPIENTS AND CARE PROVISIONING SYSTEMS

While TUS provide essential data on unpaid care work and HLFS capture paid care employment, both have important limitations. TUS do not fully capture care arrangements within households along a continuum of unpaid and paid, informal and formal care. They also provide limited information on the quality, intensity and conditions of care and on care recipients' needs. HFLS provide limited disaggregation of care sectors and occupations, particularly failing to capture informal or undocumented care work. Specialized care surveys provide an alternative way to collect comprehensive and detailed data on care.

Care surveys are specialized household, individual or establishment-level surveys designed to generate comprehensive quantitative and qualitative data on:

- Unpaid caregivers (who provide care within households)
- Paid care workers (formal and informal)
- Care recipients (children, older persons, persons with disabilities, chronically ill)
- Care provisioning systems (public, private, community-based and household-based arrangements)

Care surveys go beyond measuring time and employment status to capture issues such as care needs and dependency levels, care arrangements (who provides what type of care), access to services, out-of-pocket care expenditures, working conditions in paid care jobs, emotional and physical strain on caregivers, and the quality and adequacy of care.

There are different types of care surveys, such as household-level and establishment-level care surveys and individual-level care worker surveys. Household-level care surveys focus on how households organize and meet care needs. They typically collect data on:

- Household care needs (children, older persons, persons with disabilities)
- Allocation of care responsibilities
- Use of paid services
- Informal support networks
- Constraints on access to care services
- Impact of care responsibilities on employment and income

Individual-level care worker surveys focus on paid care workers such as domestic workers, childcare workers, eldercare workers or healthcare workers. They collect information on:

- Wages and earnings
- Working hours
- Employment contracts

- Social protection coverage
- Occupational safety
- Migration status
- Unionization and collective bargaining

These surveys are crucial because care work is often informal, precarious, undervalued, highly feminized, frequently performed by migrant women, and is characterized by emotional labour which is beyond the physical workload.

Establishment-level care surveys collect data from institutions such as childcare centres, preschools, long-term care facilities or healthcare providers. They provide data on:

- Staffing levels
- Worker qualifications
- Wages and contracts
- Fees charged to households
- Public subsidies
- Service capacity and coverage

Care surveys complement, rather than replace, TUS and HLFS. While TUS and HLFS provide essential foundations for measuring unpaid and paid care work, care surveys may be considered as representing the next generation of data collection on the care economy. They enable policymakers and researchers to understand not only who provides care and for how long, but also through what combinations of care provisioning systems, under what conditions, with what resources, and with what consequences for gender equality and economic development.

See the following resources for examples of care surveys.

- Household-level care surveys: Oxfam (2020); Care Work and the Economy (CWE-GAM) (2021a and 2021b).
- Establishment-level care survey (for early childhood care and education centres): Ilkkaracan, Kim and Kaya (2015).

KEY TAKEAWAYS FROM SESSION 2.3:

- Integrating care into economic policy requires systematic data on both unpaid and paid care work, with time-use surveys (TUS) as a cornerstone.
- TUS reveal that unpaid work constitutes nearly half of all productive work time globally and is overwhelmingly performed by women. However, there is substantial variation in gender gaps in unpaid and paid work across countries, revealing the significance of policies and economic structures.
- Methodological choices on how TUS are conducted are important for accurate measurement of unpaid work time, such as capturing simultaneous activities and supervisory care.
- Household labour force surveys complement TUS by showing how unpaid care responsibilities constrain women's labour market participation and earnings, as well as providing a source of data on care employment.
- Improved, institutionalized data collection on the care economy is critical for diagnosing care inequalities and informing transformative policy design.

2.4 A GENDER- AND CARE-AWARE ECONOMIC POLICY FRAMEWORK

The past decade has witnessed the emergence of future visions and terminologies depicting a gender-equal and caring economic and social order, such as the purple economy (Ilkkaracan 2013, 2016 and 2025), caring democracy (Tronto 2013), caring economy (UK Women's Budget Group 2020) and care society (UN ECLAC 2024).

In parallel with this, UN agencies have taken the lead on a number of resolutions and policy frameworks in line with these feminist visions, namely:

- UNHCR (2023). Resolution on the Right to Access and Provide Care.
- International Labour Conference (ILO 2024). Resolution on Decent Work and the Care Economy.
- UN (2024). *Transforming Care Systems.* UN System Policy Paper.

There are also resolutions and policy frameworks at the regional level:

- European Commission (2022). The European Care Strategy.
- UN ECLAC (2023). The Buenos Aires Commitment towards a Care Society.
- ESCAP (2024). A Model Framework for Policy Action on the Care Economy.
- Inter-American Court of Human Rights (2025). The Content and Scope of the Right to Care and its Relation with other Rights.
- UN ECLAC (2025). The Tlatelolco Commitment: A Decade of Action to Achieve Substantive Gender Equality and the Care Society.

Additional multilateral policy frameworks include:

- World Bank (2024) policy note *Addressing Care to Accelerate Equality.*
- World Bank Group *Gender Strategy 2024–2030* (one of the five pillars is the care economy).
- World Bank (2020) flagship report *Investing in Childcare to Build Human Capital: Better Jobs and Brighter Futures.*
- World Economic Forum (2024) white paper *The Future of the Care Economy.*

This session provides an overview of the UN System Policy Paper (2024), which provides a comprehensive policy framework from a gender-equal and caring economy perspective.

- UN (2024). *Transforming Care Systems*. UN System Policy Paper (based on UN Women Care Economy Training Manual first edition, Module 3).

The guiding principles, approaches and policy options of a transformative care system are introduced based on this system guidance paper. The rest of the sessions in this module dive deep into the main policy intervention areas.[8]

The UN policy guidance is the outcome of two roundtables on care in the context of the SDGs and Our Common Agenda, convened by the UN Deputy Secretary-General with the Heads of UN Agencies (November 2022) and experts (February 2023). Its purpose is to inform and harmonize UN agency efforts on care by offering key definitions, guiding principles, approaches and policy options that can be contextualized to different socioeconomic realities.

The paper sets out a vision for the care economy that echoes calls within Our Common Agenda for a new social contract that is "anchored in human rights, better management of critical global commons, and global public goods that deliver equitably and sustainably for all". It aligns with the Agenda's call for large-scale investments in care systems and a fundamental shift in how informal and unpaid care work is valued in economic models, and how care systems uphold the human rights of both caregivers and care recipients. Further, it resonates with UN System-wide efforts to advance beyond GDP towards measures of economic progress that "account for human well-being, planetary sustainability and non-market services and care".

The UN policy guidance proposes the '5R Framework for Decent Care Work' as a common policy framework across the UN System, while recognizing that other frameworks also offer useful conceptualizations and visions of societies and economies that prioritize care for people and planet.

The 5R+ framework requires the adoption of transformative public care policies that depend on the integration of wider social and economic policies —in macroeconomics, social protection, labour, migration, health, climate, the environment, infrastructure and mobility.

It calls for:

- **Recognition** of the value of unpaid and paid care work, the rights of caregivers and care receivers.
- **Reduction** of arduous unpaid indirect care work (such that a reduction would not be detrimental to the quantity and quality of care people receive).
- **Redistribution** of unpaid care work from households to paid care work via public provisioning, and redistribution of unpaid care work from women to men.
- **Rewarding and Representation** of paid care work by promoting decent work for care workers and guaranteeing their representation, social dialogue and collective bargaining.
- **Resourcing** for comprehensive care systems.

The UN system guidance on care rests on five principles which should underpin policy and programmatic interventions to address care inequalities and transform care systems across all contexts, regardless of the scope, size or type of intervention:

- **Human rights–based:** This principle affirms that care systems must respect and promote the dignity and autonomy of caregivers, care workers and those in need of care and support, in line with rights and principles from international human rights law.
- **State accountability:** States bear the primary responsibility to respect, protect and fulfil human rights as provided under international human rights law. This includes setting benefits and defining the quality of care services; effectively regulating the market for care services and labour market for care workers; and acting as a statutory and core funding entity and in some countries acting as a direct provider and employer of care workers in the public sector.
- **Universality:** Quality care-related services, infrastructure, regulatory frameworks and benefits should reach the entire population.

- **Transformative:** Care systems should advance gender equality and non-discrimination and aim to address the structural barriers of inequality.
- **Leaving no one behind:** The principle of leaving no one behind affirms that effort.

The paper further proposes the following approaches to ensure holistic and inclusive policy measures and interventions in applying the 5R+ framework:

- **Position care as a public good** – to be valued and invested in, not a burden to be reduced in and of itself. Interventions and messaging should be grounded in the recognition of care as a public good that benefits societies, economies, the planet and individuals alike.
- **Use a context-specific approach** – considering unique needs, demographics and existing care provision.
- **Follow a life-course approach** – integrating policies and services for all ages. This approach emphasizes age- and gender-responsive data, noting fluctuating care roles throughout life and the effects of lifelong discrimination.
- **Ensure that policies and interventions enable both care and gender equality** – recognizing that certain policies and interventions can have positive care outcomes but perpetuate the gendered division of care work.
- **Work across ministries and at different levels** – for example, subnational, national, regional and global, to enable the spectrum of policies, services and interventions to be responsive to multiple, specific and often overlapping care needs.
- **Anchor policies in national and international law and normative frameworks** – to ensure policy measures are progressively introduced and not reversed with changing political administrations, and to respond to different cultural contexts and socioeconomic circumstances.
- **Build the investment case for both immediate and long-term dividends** – recognizing that a key approach to shift perceptions of spending on care systems from a cost to an investment is identifying both the immediate and longer-term, wider socioeconomic benefits of investing in care systems across different contexts.
- **Use a cross-disciplinary approach** – to enhance collaboration among stakeholders, including the private sector, multilateral organizations, donors and other various organizations, to champion transformative change.

Finally, the UN policy guidance paper introduces the policy options to support the transformation of care systems. These are organized under six headings corresponding to the 5R+ framework, with key entry points, as follows (see UN 2024: 12–21):

- **POLICY AREA 1: Recognizing the value of care work and the rights of caregivers and care receivers**
  - Adoption and implementation of international human rights and labour laws and normative and policy frameworks, adoption of sectoral policies.
  - Integration of care within local, national and regional plans and strategies.
- **POLICY AREA 2: Reducing labour-intensive indirect unpaid care work**
  - Investment in basic physical infrastructure for reducing women's and girls' time poverty.
  - Investment in energy- and labour-saving equipment and technologies.

- **POLICY AREA 3: Redistributing unpaid care work between households and the state, businesses and community, and between genders**
  - Investment in care services supporting social co-responsibility for care.
  - Expanding social protection systems to secure the quality receipt and provision of care.
  - Adoption and implementation of policies and practices for care-supporting workplaces.
  - Adoption of policies and interventions that challenge and shift social norms and stereotypes on care work.
- **POLICY AREA 4: Rewarding care workers**
  - Labour regulation and social protection for decent work for all paid care workers.
  - Adoption of legislation and policies to ensure safe and healthy working environments.
  - Standardization and certification of care work.
- **POLICY AREA 5: Representation and meaningful participation of caregivers and care recipients and their organizations**
  - Adoption of legislation and policies to enable the freedom of association, right to organize, social dialogue and collective bargaining.
  - Participation in decision-making.
- **POLICY AREA 6: Resourcing for comprehensive care systems**
  - Applying tools and methodologies for demonstrating the economic and social value of care investments.
  - Care- and gender-responsive budgeting.
  - Expanding fiscal space.

The UN system guidance elaborates on policy options under each entry point and provides concrete examples of policies in action from around the world.[9] This session should make sure that participants become familiar with the policy framework, entry points and options in this discussion. It should be noted that the first five dimensions of 5R+ (recognize, reduce, redistribute, reward and represent) represent policy objectives, while the sixth dimension (resource) represents a tool for enabling actions towards these objectives. These dimensions, however, are not stand-alone policy intervention areas. Policy intervention areas entail the following, which are the thematic focus of the rest of the policy sessions in this module and the next, namely:[10]

- Investing in care services sectors (Session 2.5).
- Labour market regulations for decent work for care workers (Session 2.6).
- Investing in time-saving physical infrastructure and technologies (Sessions 2.7 and 2.8).
- Labour market regulations for care-supporting workplaces (Session 3.4).

Any policy or programme intervention in these areas should be designed with respect to their potential to achieve the five objectives of the 5R+ framework. The following exercise aims to engage participants in matching the policy objectives of 5R+ with these policy and programme intervention areas.

GROUP EXERCISE:

5R+ STRATEGY AND POLICY/PROGRAMME INTERVENTION AREAS

Divide participants into smaller groups and distribute the handout entitled 'The 5R+ strategy and policy/programme intervention areas' (Appendix 2A, Table 2A-5). This contains a table juxtaposing the 5R+ policy objectives (down the first column) with the policy and programme intervention areas (across the first row). Instruct participants to study the policy options in the UN system guidance paper (UN 2024) under each intervention area and then complete the table by indicating which of the 5R+ objectives each intervention area addresses by inserting a tick in the relevant box. If the participants think an intervention area addresses a particular R very strongly, ask them to put two ticks in the relevant box.

When the groups have completed the exercise, invite them back for a plenary discussion. Show the answers (Table 2A-6). Facilitate a discussion around the following questions:

How did you do in matching the policy/programme interventions areas and the objectives of the 5R+ framework? Do you agree with the scoring shown in the table?

- It is possible that participants will question some of the answers as there are overlaps across multiple objectives for each intervention area, and to some extent the evaluations are subjective and/or context specific.
- Some aspects of the answers may need explaining, as the participants have not yet explored these intervention areas in depth. For example, the intervention area 'Labour market policies for care-supporting workplaces' is scored high on 5R+ policy objective 'Redistribution of unpaid work from women to men' through policies such as paternity or parental leave, care leave and flexible work practices incentivized/mandated also for men, which will be fully explored in Module 3.

KEY TAKEAWAYS FROM SESSION 2.4:

- Recent UN and regional frameworks converge on a vision of care as a public good central to human rights, gender equality and sustainable development.
- The 5R+ framework (recognition, reduction, redistribution, reward, representation and resourcing) provides a comprehensive policy architecture for care systems.
- Transformative care systems require coordinated action across macroeconomic, labour, social protection, infrastructure, health and climate policies.
- Core principles include universality, state accountability, gender transformation and leaving no one behind.
- Shifting from fragmented interventions to system-wide approaches is essential for sustainable and equitable care provisioning.

2.5 INVESTING IN CARE SERVICES SECTORS AS A SOCIAL INFRASTRUCTURE AND THE MACROECONOMICS OF INVESTING IN CARE

This session introduces participants to policy debates and approaches to paid care services expansion and investing in care services infrastructure as a primary intervention area for transformative care systems. Such policy action requires a significant commitment of public funds, which hinges on fiscal policy decisions. Hence, this policy intervention area is one which requires advocacy with macroeconomic policymakers. The session also frames the issue of investing in care services infrastructure as a macroeconomic issue (see also Module 4: Macroeconomics and Public Finance).

The session begins with an overview of the relevant basic concepts and themes:

What are 'care services sectors'?

As an area of policy intervention, 'care services expansion' refers to care services provisioned by care workers. In policy debates on care provisioning with respect to the gender equality objective, the focus is often on early childhood care and education (ECCE) and long-term care (LTC), as these are the two main areas where care services are lacking in most countries around the world, and where women overwhelmingly perform the labour on an unpaid basis. However, many countries and regions, particularly in the Global South, also face care services deficits in education and childcare for children and youth of school age (beyond ECCE) and healthcare services (beyond LTC). The focus of policy discussions on care services expansion for gender equality being limited to ECCE and LTC has therefore been criticized as having a Global North bias (see, for example, Esquivel 2016). Recent policy reports and tools on care services (ILO 2018; UN Women and ILO 2021) have therefore adopted an expanded definition of care services sectors that comprises the following:

- Early childhood care and education services.
- Education services (primary, secondary and tertiary).
- Healthcare services.
- Long-term care services.
- Social services for vulnerable groups (e.g. women and children at risk of domestic violence, youth at risk of addiction).
- Domestic services for indirect care work.

How do care services sectors establish an 'infrastructure'?

An infrastructure constitutes the basic structures, facilities and integrated systems serving a country, city or area. Physical infrastructure refers to the basic physical structures required for an economy and society to function and survive: transport infrastructure (roads, highways, railways, water and airways); energy infrastructure; water and sewerage infrastructure; and communications infrastructure. Social infrastructure entails the basic services and associated physical facilities (buildings) required for an economy and society to function: education, healthcare and social services, including care and support services in these sectors; the associated physical facilities, such as schools, hospitals, clinics, care centres, community centres, recreational facilities; and the systems of integrated provisioning and monitoring.

Two particular aspects of infrastructures pertain to economics: first, a well-functioning infrastructure (and investments to that end) increases overall productivity of the economy at the macro level. Second, infrastructures are treated as public goods, i.e. goods that are 'non-rivalrous' and 'non-excludable'. Non-rivalrous means they can be used by anyone and everyone without diminishing the availability of the good or service. Non-excludable means it is impossible to exclude someone from using the good or service. Hence there is no or limited scope for profit-making private enterprises and provisioning of public goods, which therefore needs to be the responsibility of the state, central and local governments, financed through public funds and general taxation.

Framing care services and systems as 'infrastructure' is a crucial development in feminist thinking on the care economy, as it facilitates integrating care into macroeconomic thinking, beyond accounting for unpaid care work in GDP. An infrastructure approach to care services unveils the functions of a comprehensive care system to serve towards a well-functioning economy and societal well-being.

Social care infrastructure comprises national-scale infrastructure of care service institutions ranging from childcare centres, preschools, schools, after-school study centres and programmes for children, community and active living centres, residential homes, health institutions and home-based professional services for ill, older persons or persons with disabilities. This is a different way of thinking of policy and programme interventions for care services expansion, going beyond a fragmented approach that focuses on, for example, childcare for employed mothers or LTC services for people in households below the poverty line. An infrastructure approach means designing a care services system on a macro scale with universal access to quality care.

Building comprehensive care services infrastructure is costly, with strong implications for public budgets and fiscal decisions. This calls for a gender- and care-aware fiscal policy. Such a shift in thinking about the care economy ushers in new macroeconomic concepts such as fiscal space for care, investing in care services infrastructure, and the economic and social returns on such investments. These are discussed below and also covered in Module 4 (Macroeconomics and Public Finance).

Why is there a need for a universal care services infrastructure?

The answer to this question has three tiers:

1. For equality among caregivers (gender and intersectional equality): Access to high-quality social care service provisioning enables both the reduction of unpaid work time as well as redistribution of the care workload between the private sphere of the household and the public sphere of state- and market-provided services.
2. For better care and equality among care recipients (socioeconomic equality): Such access also provides better care for care recipients and improves their well-being. Access to social care is particularly important in the case of children, as early childhood development and preschool education contribute to enhanced school performance and, later in life, to better labour market opportunities (Van Leer 2015; Heckman et al. 2010). Access to affordable, quality ECCE services by all preschool children is a matter of reducing socio-economic inequalities in early stages of their development, with significant impacts on later stages of life. The same applies to other care-dependent groups including children and youth of school age, ill, older persons and persons with disabilities. A well-designed universal system of social care services provisioning, including quality services in ECCE, education and after-school care, healthcare and LTC, provides access to quality care for all care recipients. It establishes the means for eliminating inequalities among households with care-dependent members.
3. For a better functioning macroeconomy: Beyond improving access to quality care with gender and intersectional equality among caregivers and care receivers, investing in a comprehensive social care services infrastructure brings in multiple economic returns. These comprise decent jobs generation, improved labour force participation and lower unemployment, reduced poverty, elimination of socioeconomic inequalities and higher productivity (see below for a discussion on macroeconomics of investing in care).

Macroeconomics of investing in a care services infrastructure

Building a social care infrastructure with universal access to quality services requires public investment in social care. It is already the case that governments are deemed responsible for investing in physical infrastructure or social infrastructure for basic education and healthcare. From a care- and gender-aware economics perspective, the argument is that fiscal space for public investments in infrastructure should be expanded to establish a comprehensive social care infrastructure going beyond basic health-care and education, to include ECCE, after-school support programmes, comprehensive healthcare, LTC and social services.

The main bottleneck relates to the cost of comprehensive public investments in social infrastructure. Most developing countries face budget constraints as they allocate public spending for competing needs. At the same time, the mainstream approach to economic policy argues for free competitive markets and minimization of the government's role in the economy (as discussed in Module 1). This lays the ground for privatization of services and emphasizes fiscal austerity. Hence, advocacy for investing in social care services infrastructure calls for a reconsideration of public budget priorities and fiscal policy.

There is an extensive body of applied feminist research from countries around the world, which explores a macroeconomic fiscal rationale for increased public spending on care services expansion based on multiple policy objectives that go beyond gender equality and better care, to also include jobs generation, unemployment reduction, poverty alleviation, socioeconomic equality, human capital enhancement, productivity and growth. Positive findings on the short- and long-term economic impact of public investments in care services sectors suggest a strong multifaceted economic rationale to the fiscal prioritization of social care expenditures. The shared findings of national-level data-based policy simulations are as follows:[11]

- Public investments in social care service infrastructure have substantially greater potential for employment generation than, for example, physical infrastructure investments, given the higher employment intensity of the care services sectors. Spending on social care service expansion generates double to triple the number of jobs created by the same magnitude of spending on physical infrastructure (this is job creation directly in the sector itself, as well as indirectly in other related sectors through backward linkages).
- In other words, care services sectors enjoy large 'employment multipliers' (the number of jobs created per unit of spending) compared to other sectors, making them an appropriate target of public spending with substantial potential for employment creation.
- The composition of labour demand arising from spending on care services sectors is substantially more pro-women than in the case of physical infrastructure (given the gender composition of employment in these sectors). This facilitates a narrowing of the gender employment and wage gap while simultaneously decreasing the overall unemployment rate for men and women alike.
- Spending on social care has a larger capacity to decrease the poverty rate than spending on physical infrastructure through simultaneous positive effects on labour demand sides (increasing access to jobs) and supply sides (alleviating time constraints on labour supply due to unpaid family caregiving). Social care service expansion not only generates more jobs, particularly for women, but also eases the time constraints on women's labour, allowing their entry and attachment to the labour market.

See Module 4 (Macroeconomics and Public Finance) for a more detailed discussion of gender equality and other inclusive growth effects of public investments in social care infrastructure.

Building on these applied studies on economic returns on care investments, two policy tools provide a methodological guide for analysis of data on a national basis to explore the required public invest-ments towards building a universal care services infrastructure and estimating the returns.

- The UN Women–ILO policy tool on public investments in care (UN Women and ILO 2021; updated UN Women 2026a) provides a methodology for estimating the magnitude of required annual public expenditures for universal coverage by a comprehensive care services system and evaluating the economic returns on such expenditures. The tool covers ECCE, education (primary and secondary), healthcare and LTC services sectors. Some applications of the tool have extended to also include social services for vulnerable groups, such as social services for women and children at risk of domestic violence and youth at risk of addiction. For examples of country-level applications of the tool, see the following:

  - UN Women (2024). *Consolidated Report on Country Applications of UN Women and ILO Policy Tool on Investments in the Care Economy* (Argentina, Egypt, Ethiopia, Morocco, Nepal).
  - Karakas, Ilkkaracan, Bayar and Ozcanlı (2025). *Investing in Care Services in Türkiye.*
- ILO Care Policy Investment Simulator (2023): This online simulator covers data from 100+ countries, enabling estimation of the magnitude of required annual public expenditures for universal coverage by a comprehensive care services system and economic returns on such expenditures. The tool covers ECCE and LTC services. It also has an extension for estimating costs and returns for care leave policies.

Before moving on to the group exercise, share a recent innovation on care services delivery with participants using this link to a short interview, 'Providing Care to Caregivers': (Bloomberg City Lab).

- Bogotá's Manzanas del Cuidado (Care Blocks) are neighbourhood-based hubs that provide women with free services, including education, laundry, legal aid and healthcare, alongside care for their children and elderly relatives. Launched in 2020, there are 23 care blocks designed to provide quality care services and reduce women's unpaid care work and time poverty.

GROUP EXERCISE:

CARE SERVICES EXPANSION PLAN AND ADVOCACY STRATEGY

Participants will work in small groups, with a specific country context assigned to each group. Give them a chart of different care services categories (ECCE, education, healthcare, LTC, social services for specific target groups) and ask them to choose one area of social care services that they would like to advocate for in their country context. Each group will be tasked with developing a care services expansion plan responding to the following questions:

- **What type of improvement?** Expand access (quantity of services); improve quality of existing services (which indicators?); improve both quantity and quality?
- **Which modality of service provisioning?** Centre- or establishment-based daycare services; residential homes; home-based, formal or informal paid care services; family care services subsidized by cash transfers; other innovative service provisioning models such as Care Blocks of Bogotá; a mix of different modalities?
- **Who should be responsible for service provisioning?** Public services by the state/central government or by local governments; private services; household services; community/non-profit organizations?
- **Who should be responsible for financing?** Universal and free-of-charge (paid by the state, out of tax revenues)? Targeted or means-tested? Out-of-pocket? Employer funded? What else?

After they have developed their expansion plan, ask the small groups to answer the following questions in terms of the plan's target group of care receivers and their caregivers, type of improvements, modality of service provisioning and financing scheme:

- **To what extent does your expansion plan comply with the guiding principles of a transformative care system as set out in UN 2024?**
  - To what extent does it meet the needs of caregivers and care receivers with inclusion, quality and choice? Explain.
- **How can the UN tools on care investments (UN Women and ILO 2021, UN Women 2026a, or ILO 2023) be used to estimate the required funding and economic returns?**
  - Have they been used for the country and care services sector in question? If so, what are the results? How can they be put to use for advocacy?
- **What are the challenges versus the potential in advocating for this policy?**
  - **Challenges:** Financing? Skilled workforce? Administrative capacity? Resistance to the plan by the government, private sector or households?
  - **Potential:** Targets already on the public policy agenda and government plans (e.g. LTC needs of elderly population in an ageing society; improving women's labour force participation; reducing inequalities among children in ECCE access); macroeconomic targets for reducing unemployment and creating new employment?

Each group will then present a summary of their discussions and answers to the whole group.

Important note on policies for equitable unpaid care in the household: Paid care services are not expected to provide a full substitute for all care work. Given the person-to-person relational nature of care work, a substantial component of direct care provisioning will be on an unpaid basis motivated by the love, responsibility and solidarity one feels in close relationships and in a community. Nevertheless, professional paid care services complement unpaid care and help alleviate the caregiving workload as well as improving the quality of life and developmental opportunities of care receivers.

Unpaid care provisioning becomes an area for policy and programme intervention due to its unequal gender distribution and due to labour market conditions that do not allow for work–life balance. The concentration of unpaid care work distributed among specific family caregivers may also negatively impact the quality of care provisioning from the care receiver's perspective.

Hence, beyond expansion of paid care services provisioning towards universal coverage, care-supporting workplaces policies are a crucial area of complementary policy and programmes. These include policies such as care leave and care insurance schemes, flexible employment for work–life balance and reduced statutory employment hours. This is taken up under Module 3: Employment, Decent Work and Social Protection. If preferred, Session 3.3.1 on care-supporting workplaces can also be covered under Module 2.

For additional policy tools on public investments in social care services, see:

- ILO (2018). *Care Work and Care Jobs for the Future of Work,* chapter 5.
- Ilkkaracan and Kim (2019). *The employment generation impact of meeting SDG targets in early childhood care, education, healthcare and long-term care in 45 countries.*

KEY TAKEAWAYS FROM SESSION 2.5:

- Expanding social care services reframes care as essential social infrastructure, comparable to transport or energy systems.
- Universal access to quality care services reduces unpaid care workloads, improves care outcomes, and advances gender and socioeconomic equality.
- Investments in care services generate more jobs than physical infrastructure investments and have strong employment multipliers, especially for women.
- Care investments support inclusive growth by increasing labour force participation, reducing poverty and enhancing human capital.
- Treating care spending as investment rather than cost is key to mobilizing fiscal space and influencing macroeconomic policy priorities.

2.6 LABOUR MARKET POLICIES FOR DECENT WORK FOR CARE WORKERS

An important policy and programme intervention area on gender equality and the care economy pertains to policies for improving the conditions and status of paid care workers. Decent work conditions in care services sectors ensure the rights and well-being of care workers and is also a crucial factor in ensuring service quality, benefiting care receivers. Beyond the provisioning of paid care services, the state has a significant role in regulating care services, promoting decent work, addressing the current decent work deficit for the paid care workforce, and ensuring substantive rights for care workers.

The International Labour Conference Resolution on Decent Work and the Care Economy (ILC.112/V) adopted at its 112th session in 2024 notes the following (ILO 2024):

"The care workforce is heterogeneous. While care work is highly demanding and often requires high levels of skills and specialized knowledge, skills are not always fully recognized and valued accordingly. While some care workers are highly skilled and well-paid, many, including migrant and domestic workers, remain in the informal economy, low-paid and excluded, by law or in practice, from protections, including social and labour protection. Community health and care workers, often not recognized as workers, are also without such protection. Migrant workers, many of whom are women, often are not able to exercise fully the same rights as other workers. Further challenges to decent work and the care economy include strong ethnic, racial and gender-based occupational segregation, and under-valuation of care work. Women, especially those in vulnerable situations, provide an unequal share of unpaid care, which creates structural barriers to their participation, retention and progression in the labour force.

"All Members have an obligation to respect, promote and realize the fundamental principles and rights at work in respect of care workers, namely: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; the elimination of discrimination in respect of employment and occupation; and a safe and healthy working environment.

"The State has a primary responsibility for care provision, funding, regulation and ensuring high standards of quality, safety and health for care workers and care recipients. This includes the allocation of the necessary resources and the adoption and maintenance of a robust policy and regulatory framework."

This session introduces participants to policy debates and approaches to labour market policies on decent work for paid care workers (with a particular focus on domestic workers). The session aims to familiarize participants with data and information on the paid care workforce at the country level, and facilitate their thinking on application of different policy options to their own contexts. These interventions directly address two of the six policy objectives of the 5R+ framework: *reward* and *represent* paid care workers.

Decent work for domestic workers

The most vulnerable category of care workers are domestic workers and international migrant care workers, who are often in informal employment with no regulations, do long work shifts for low wages, and have no or limited access to social and labour protection, organizing and collective action. In certain contexts, such as the Arab States, the work conditions of domestic workers have been described as modern slavery. This session therefore focuses on policy interventions for decent work for domestic workers. The ILO (2018) reported that there are some 70 million domestic workers around the world.

One very important characteristic of the conditions of employment of domestic workers is that they are closely associated with within-country inequalities. Cross-country data analysis by the ILO (2018; see Appendix 2B, Figure 2B-6) finds that the single most significant correlate of the proportion of domestic workers in total employment is the Gini coefficient, a measure of income inequalities. This means that the more unequal the distribution of income in a country, the more likely it is that domestic workers constitute a significant proportion of total unemployment. In other words, for households to be able to afford to employ domestic workers, there has to be a considerable gap between their household income and the wages they pay as employers.

The adoption by the International Labour Conference in 2011 of ILO Convention No. 189 and Recommendation No. 201 on decent work for domestic workers represented a historic step in the struggle for decent work for domestic workers. The convention was the result of several decades of domestic workers' organizations (such as the International Domestic Workers' Network, IDWN) and trade unions (at the international level, the International Trade Unions Confederation, ITUC) campaigning for recognition of the rights of domestic workers.

Only about 30 countries have ratified the convention; moreover, even in these countries, there is still need for policy interventions towards its implementation.

ILO resources on domestic workers (see below) identify some best practices on domestic work policies categorized under nine interventions: measuring domestic work, cooperatives, formalization, wages, working time, social and labour protection, organizing and collective bargaining, labour inspections and compliance, and regulating international recruitment of labour in domestic work. Some of the best practices include, for example, electronic registration of domestic workers (Uruguay), formalizing domestic work using service vouchers (Belgium, France, Canton of Geneva), and breaking isolation and allowing for collective action by domestic workers (the Philippines, Trinidad and Tobago).

GROUP EXERCISE:

EXPLORING THE STATUS OF DOMESTIC WORKERS AND POLICIES FOR DECENT WORK

Divide participants into small groups. Each group will choose a country and explore the status of its domestic workers using the ILO statistics on domestic workers and policy alternatives.

Ask each group to find the following statistics on domestic workers using the ILO data portal on domestic workers (see below):

- Percentage of domestic workers in total employment, disaggregated by gender.
- Share of women in domestic workers.
- Percentage of domestic workers in informal employment.
- Percentage of domestic workers working more than 48 hours per week.
- Percentage of women domestic workers working outside of normal hours of work.
- Percentage of domestic workers in informal employment working outside of normal hours of work.
- Average monthly wages of domestic workers compared to other employees.
- Average monthly wages of informal domestic workers compared to other employees.
- Percentage of domestic workers with secondary education or higher.
- Percentage of domestic workers aged 45 and over.

After finding the data, the small groups should research the following questions:

- Has this country ratified ILO Convention 189? (See WIEGO website below.)
- What could be a strategic policy intervention area for this country in light of some of the best practices at the country level? To answer this, see the ILO resources on domestic workers with country-level examples (shown below) and choose one of the intervention areas to explore country-level best practices.

ILO resources on domestic workers:

- ILO data portal on domestic workers.
- WIEGO. Ratifications of C189 – Domestic Workers Convention 2011.

Additional resource:

- ILO (2022a). *Care at work: Investing in care leave and services for a more gender equal world of work.*

KEY TAKEAWAYS FROM SESSION 2.6:

- Paid care work is often undervalued, underpaid, informal, and performed by women, migrants and marginalized groups.
- Decent work for care workers requires labour regulation, social protection, fair wages, safe working conditions and professional recognition.
- Improving care jobs enhances gender equality and the quality and sustainability of care services.
- Formalization and standardization of care work are critical for reducing exploitation and care wage penalties.
- Care workers' representation and voice through social dialogue and collective bargaining are essential components of transformative care systems.

2.7 TIME-SAVING PHYSICAL INFRASTRUCTURE

Poor physical infrastructure is a key determinant of women's unpaid indirect care work time, particularly in low-income economies. This has implications for the time constraints women face in rural as well as low-income urban contexts. Policies to save time and enhance the quality of care by reducing unpaid domestic work include infrastructure improvement to provide access to drinking water and firewood, electrification, road construction, better transportation options and sanitation services. Improved access to infrastructure is commonly viewed as a critical step to improving women's economic empowerment. An emerging care-aware policy framework also underlines that time-saving physical infrastructure investments can be crucial to building an inclusive care system for all.

Session 2.5 addressed social care services and looked at them from the macro perspective of investments in social care services infrastructure. This session explores investments in physical infrastructure from a gender- and care-aware policy perspective.

In Session 2.1, which introduced the basic care economy concepts a distinction was made between direct versus indirect care work. When care work/caring labour are discussed, the first thing that comes to mind is usually direct care provisioning activities, such as childcare and support for ill and older persons and persons with disabilities. All these direct care service-producing activities entail relational work, whereby the caregiver directly provides care to the care receiver. These are care-provisioning activities, which as noted are resistant to mechanization and productivity increases due to their relational aspects. These are the types of care work for which it is necessary to expand, enhance and increase the space and time available (rather than reducing it), while making sure that they are distributed in a balanced manner between households and public services, and between women and men.

Indirect care work is work that creates the underlying necessary conditions for direct care provisioning. There are two types of indirect care work:

- **Within the household:** domestic work such as cooking, cleaning, washing, house maintenance (not included in HLFS or SNA; data on this type of work can be found in TUS).
- **Outside of the household:** work such as carrying water, collecting firewood, food production and processing for own consumption (included in HLFS, SNA and TUS).

Unlike direct care work, indirect care work can be made less labour-intensive and productive (i.e. reduced) simultaneously with improving the quality of care. This happens via two types of programme and policy intervention:

- **Investing in physical infrastructure** such as water, energy or transport infrastructure that is time-saving from the perspective of women's time use and arduous indirect care work.
- **Technological innovations** such as household appliances, digitalization of indirect care work, etc.

Transforming social norms so that indirect care is less feminized and men are encouraged to engage more is also an important component of the policy framework.

DISCUSSION

Reducing women's unpaid work time in these types of activities can facilitate various substitution effects. Ask participants to comment on what women might do with the time released from unpaid work time in arduous indirect care work. For example, unpaid work time in arduous indirect care work may decrease to be substituted by increases in:

- Paid work time (from unpaid care work to paid jobs).
- Unpaid direct care work time (e.g. from carrying water to childcare).
- Unpaid indirect care work time in some other categories (e.g. from carrying water to cooking better meals).
- Self-care time (e.g. from unpaid care work to caring for oneself, including activities such as education or leisure).

Note that a conventional gender-aware approach to policy interventions in time-saving is to measure/evaluate success by the first objective, which has an exclusive market focus, i.e. whether a reduction in arduous indirect care work leads to increases in women's labour force participation and paid work. However, from both a gender- and care-aware perspective, the other three care-enhancing outcomes can be taken as measures of success.

Women and men use services and utilities in different ways. Often the design of infrastructure projects is gender-blind, i.e. the needs of women and girls are not reflected, reinforcing their marginalization. Infrastructure development must be driven by a gender- and care-aware approach. This requires all stakeholders affected by infrastructure systems to participate in the design—not just financiers, engineers and technical experts such as environmentalists, but also gender experts, social inclusion specialists, women and girls and all members of society who will be affected by a given infrastructural development plan.

GROUP EXERCISE:

INTEGRATING CARE CONCERNS IN PHYSICAL INFRASTRUCTURE PLANNING

Divide the participants into three small groups. Assign each group one of the following infrastructure development areas:

- Transport infrastructure
- Water infrastructure
- Climate change resilience infrastructure

Ask each group to use the resources below (plus any additional resources they can identify) to research, discuss and answer the following questions:

- In what ways does this type of infrastructure plan have gender-differentiated aspects?
- In what ways does this type of infrastructure plan carry implications for quality care provisioning?
- What are some best practices at the country level to ensure that the infrastructure development integrates gender and care concerns?

Ask each group to report to the larger group the results of their discussions and their findings.

Resources on physical infrastructure improvements to reduce care work:

- UNOPS and UN Women (2019). *Guide on Integrating Gender into Infrastructure Development in Asia and the Pacific*.
- UNOPS (2020). *Infrastructure for gender equality and the empowerment of women*.
- S.F. Small and Y. van der Meulen Rodgers (2023). "The Gendered Effects of Investing in Physical and Social Infrastructure." *World Development* 171: 106347.

KEY TAKEAWAYS FROM SESSION 2.7:

- Investments in basic physical infrastructure (water, energy, transport) significantly reduce women's and girls' unpaid indirect care work.
- Time-saving infrastructure alleviates time poverty, expands women's choices, and improves access to education and paid employment.
- Such investments complement care services expansion by reducing the intensity and drudgery of unpaid care tasks.
- Infrastructure deficits disproportionately affect low-income, rural and marginalized communities, reinforcing intersectional inequalities.
- Integrating care considerations into infrastructure planning is essential for gender-responsive development.

OPTIONAL SESSIONS

Reminder: Module 3, Session 3.3.1, "Labour market policies for care-supporting workplaces" is a complementary session on care economy policies.

2.8 DIGITALIZATION AND AI FOR HUMAN-CENTRED AND GENDER-EQUAL CARE PROVISIONING: POTENTIAL AND THREATS

Technological innovations have historically shaped the care economy by transforming how care work is performed, valued and shared. Labour-saving devices and systems, from washing machines and energy-efficient stoves to digital water management technologies, have long been vital in alleviating the most arduous aspects of unpaid and indirect care work. They have enhanced both productivity and the quality of care, while contributing to women's economic empowerment and time sovereignty. These innovations demonstrate how macroeconomic and sectoral policies on technology and innovation can influence the distribution of care responsibilities and the valuation of care work, a central concern of the care economy framework.

As this module explores, care sectors should not be viewed merely as sites of social welfare but as dynamic spaces for innovation, job creation and gender-responsive economic transformation. With demographic change, urbanization and shifting family structures, demand is rising for diverse forms of care work—from early childhood education and eldercare to wellness, rehabilitation and digital care coordination. Technological innovations, when guided by decent work and gender equality principles and human-centred design, can upgrade care jobs, enhance service quality, and make care systems more resilient and inclusive. This aligns directly with UN Women's broader agenda of recognizing, reducing and redistributing unpaid care and domestic work, while rewarding and representing care workers fairly.

Today's technological revolution, driven by artificial intelligence (AI) and digitalization, brings both unprecedented potential and significant risks for the care economy. Digital tools and AI-enabled systems can support more responsive, accessible and efficient care services; however, they also raise profound questions about equity, human connection, data governance and the future of care work. Exploring these dynamics through a gender- and care-aware lens allows policymakers and practitioners to differentiate between innovations that enhance human well-being and gender equality, and those that undermine dignity, decent work and inclusiveness. This session situates digitalization and AI within the overall care economy framework introduced in earlier modules, emphasizing that technological progress must serve, not replace, human care relationships.

To unpack these dynamics further, this session explores how digitalization and AI are reshaping the care economy in practice. We begin by clarifying what 'digitalization of care' actually means and identifying the technologies transforming different care domains. We then examine the potential of these innovations to enhance human-centred and gender-equal care systems, followed by a discussion of the threats and risks that can emerge when technology is adopted without adequate ethical, social or gender-sensitive safeguards. Together, these sessions aim to help participants critically assess when and how digital tools can strengthen care provisioning from a human-centred and gender-equal perspective.

What is 'digitalization of care'?

Digitalization of care refers to the use of digital technologies and data systems to plan, deliver, monitor and coordinate care services. It encompasses tools such as:

- Digital care records and management software that streamline care planning and documentation (e.g. CareSmart platforms used in nursing homes).
- Remote monitoring devices like wearable sensors that track heart rate, sleep and movement for older adults living alone.
- AI-powered chatbots that support mental health counselling or help caregivers to schedule tasks efficiently.
- Telehealth and video consultations, which enable people in rural or underserved regions to access healthcare professionals.
- Mobile apps for family coordination of care, such as CareZone or Lotsa Helping Hands, which help share updates and tasks among caregivers.

Digitalization, when designed inclusively, allows both care providers and recipients to experience greater autonomy, better coordination and improved quality of care. However, these benefits depend on equitable access, adequate training and privacy safeguards.

What is the potential for human-centred and gender-equal care provisioning with digital and AI tools?

Used thoughtfully, digital and AI technologies can strengthen a human-centred and gender-equitable care system—one that respects dignity, autonomy, empathy and equity. Some promising examples include:

- AI-assisted eldercare robots: Designed for providing emotional companionship in dementia care, reducing isolation and supplementing (not replacing) human caregivers; for example, Japan's 'Paro' seal robot.
- Digital health assistants for maternal care: Send personalized voice messages to pregnant women and new mothers, improving health outcomes for women who lack easy access to clinics; for example, mMitra in India.
- Teletherapy and remote counselling services: Expand mental health support, particularly for women in rural or conflict-affected areas, while reducing stigma and travel burdens.
- Wearable devices and AI analytics in long-term care: Detect early signs of distress or falls among older persons, preventing harm and easing workloads for caregivers.
- Platform cooperatives in care work: Worker-owned platforms for care workers ensuring fair wages and decent work through digital organization; for example, Up&Go (New York), a worker-owned platform for domestic and home care workers.

These examples demonstrate how digitalization can augment human care, not replace it, when guided by ethical design, gender sensitivity and workers' empowerment. Such digital technologies carry potential gains such as enhancing care accessibility and timeliness, reducing the administrative and physical burden on care workers, and enabling better coordination between formal and informal caregivers. They also help to promote inclusive participation in the care economy and create new digital care jobs and skills pathways.

What are the threats to avoid in digitalization of care?

Digitalization can undermine care quality, gender and intersectional equality, and human connection if not properly governed. Some concerning examples include:

- **Algorithmic bias in health diagnostics:** AI tools trained on non-representative data sets may misdiagnose women or marginalized groups; for example, heart disease prediction models that underestimate women's symptoms.
- **Surveillance and monitoring tools:** Excessive use of cameras or sensors in elder or childcare facilities can violate privacy and dignity.
- **Digital divide:** Rural, low-income or elderly populations may lack internet access, digital literacy or language-appropriate interfaces. Hence, a care digitalization strategy that does not address the digital divide may end up reinforcing inequalities in access to care.
- **Platform exploitation:** Gig-based care apps (such as some home care matching platforms) can create precarious, underpaid and unregulated care work.
- **Replacement of human contact:** Overreliance on robots or automated systems risks depersonalizing care relationships.
- **Data insecurity and misuse:** Sensitive personal and health data may be collected without consent or misused for commercial purposes.

Without gender-responsive and human-centred regulatory policies, digitalization risks reinforcing inequalities —especially for women, who are both primary care providers and users of care services.

When evaluating or introducing digital and AI tools in care provisioning, policymakers, practitioners and organizations can use the following checklist to ensure that technologies strengthen rather than replace human-centred care.

TABLE 2.1

Checklist: Human-centred and gender-equal adoption of digital technologies and AI in care provisioning

Factor	Questions to consider	Why it matters
Human dignity and empathy	Does the technology respect personal relationships, emotions and human norms of care?	Prevents dehumanization of care
Gender equality	Does it empower women as both caregivers and recipients? Does it reduce unpaid care burdens?	Ensures equitable outcomes
Accessibility and inclusion	Is the tool usable by persons with disabilities, those with low digital literacy or in low-connectivity areas?	Prevents exclusion of vulnerable groups
Worker rights and decent work	Are care workers protected from exploitation and data surveillance? Do they share in productivity gains?	Promotes fair labour practices
Data privacy and ethics	Are data collection and AI use transparent, consensual and rights-based?	Safeguards trust and accountability
Public accountability	Is there oversight, regulation or participatory governance of digital care tools?	Prevents misuse and builds legitimacy
Sustainability	Are technologies environmentally sustainable and affordable in the long term?	Supports resilience and scalability

KEY TAKEAWAYS FROM SESSION 2.8:

- Digital technologies and AI have the potential to reduce indirect care work and improve access to care services.
- However, direct care remains inherently relational and resistant to full automation without quality trade-offs.
- Unequal access to technology risks exacerbating gender and socioeconomic inequalities in care provisioning.
- Care technologies must be designed and governed through a human-centred, rights-based and gender-responsive lens.
- Digitalization should support, not replace, human care and decent work in the care economy.

GROUP EXERCISE:

DIGITALIZATION OF CARE – IDENTIFYING RISKS AND OPPORTUNITIES

Divide participants into four groups. Assign one of the following areas of care services digitalization to each group:

- Digitalization of eldercare and support services.
- Digitalization of childcare services.
- Digitalization of care and support services for people with disabilities.
- Digitalization of healthcare services.

Ask each group to use the guidance checklist above, the resource list below (plus any additional resources they can identify) to research, discuss and answer the following questions:

- What types of digitalization in this care service area can serve towards improving access to quality care?
- How can digitalization in this area of care services help improve gender and intersectional equality among caregivers?
- What are the potential threats and challenges of digitalization of this type of care service from a human-centred and gender equality approach?

Resources on digitalization, AI and care:

- ILO (2021). *Care work and digital technology: meeting the needs of workers and care recipients.*
- Torvinen and Saarvi (eds.) (2019). *Human Centered Digitalization and Services.*
- UN Women Asia Pacific (2023). *Pathways Towards Decent Work in the Digitally Enabled Care Economy in Southeast Asia.*
- World Health Organization (2021). *Ethics and Governance of Artificial Intelligence for Health.*

2.9 ESTIMATION OF THE MARKET VALUE OF UNPAID WORK

The availability of time use data on unpaid work allows estimation of its market value in comparison to the market value of paid work. There are different methods for how such a valuation exercise can be undertaken (Benería et al. 2016: 205). The output method is an estimation of the market value of unpaid work based on the outputs the work produces, including the number of meals cooked, children taken care of, etc., minus input costs. This method has the advantage of being comparable to the accounting method employed in the SNA, which uses the market prices of goods and services rather than time-use data in its calculation. However, many of the products of unpaid labour are services that do not have directly comparable market substitutes, such as the emotional care entailed in childcare or eldercare work or in managing a household.

The input method uses the amount of unpaid work time required by various tasks and estimates its market value using various wage rates. For example, the opportunity cost approach uses the wage rate that the individual would be receiving if they were to spend the same time in the labour market, i.e. the potential labour market wage given their education, work experience, age and so forth. This approach, however, assigns a different market value to the same domestic task (e.g. cooking) when performed by two people with different labour market qualifications. Critics of the opportunity cost method also note that it reproduces the gender biases in labour markets by assigning a lower opportunity cost wage to women than men.

The replacement cost approach uses the wage rate that would be received by a professional worker if the unpaid work were undertaken by someone employed under the prevailing labour market conditions. The specialist substitute method uses varying wage rates for different types of activities, such as the market wage of a chef for cooking, or the wage of a teacher/nurse aide for child or patient care. This approach is criticized for the false assumption that the productivity of a specialist is the same as that of a household member doing the task on an unpaid basis.

The most commonly used wage rate is replacement cost of a so-called global substitute, which can either be the minimum wage or the median wage of a domestic worker (or median wage observed in the overall labour market). A cross-country comparison for 2008 shows estimates ranging from US$6,000 per capita for Korea to US$10,000 for Australia using the replacement cost approach (in purchasing power parity US$); and as share of GDP, from 11 per cent of GDP in Norway to 53 per cent of GDP in Türkiye (Benería et al. 2016: 207).

Estimates of the market value of unpaid work vary depending on the method used. For example, the opportunity cost approach generally yields a higher estimate than the minimum wage approach. The common practice is to use a variety of methods to estimate lower and upper bounds. The estimated value is reported either as a per capita value of household production, or a total economy-wide value of household production and as a share of GDP. Official GDP accounts entail the total market value of all final goods and services produced for the market, i.e. by paid labour. A comparison of the estimated market value of household production by unpaid labour to official GDP provides insight into the relative contribution of household production to total income (consumption) and well-being (See also Module 4: Macroeconomics and Public Finance).

An important outcome of these efforts has been the construction of household production satellite GDP accounts, or what Ironmonger (1996) calls 'gross household product'. These supplementary accounts

allow an extension of official GDP to cover unpaid work. The first attempt to incorporate unpaid work was undertaken by the National Statistics Institute of Finland in the late 1980s.

The value of unpaid household work was estimated using time-use data and a satellite account created. The estimated market value of household production in Finland amounted to 40 per cent of extended GDP (= official GDP + SNA and non-SNA household production). Several countries now have satellite household production accounts where the estimated market value of household production ranges from 20 per cent of extended GDP (Columbia) to 44 per cent of extended GDP (Australia) (Benería et al. 2016: 208).

For a comprehensive guide on valuation of unpaid domestic and care work, see the following resource:

- UNECE (2017). *Guide on Valuing Unpaid Household Service Work*. UN publication issued by the Economic Commission for Europe.

The collection of time-use data and the valuation of unpaid work have been influential in increasing the visibility of unpaid work. Recognition, however, is only one of the six components of the 5R+ policy framework, as discussed in Session 2.4.

A note of caution: Valuation of unpaid care work may set the basis for policies that promote cash transfers for family caregivers. While such policies recognize unpaid work and attempt to provide compensation from public budgets, they also risk promoting family caregiving as predominantly women's responsibility. In an environment where there are no or limited quality care services, and labour market conditions are weak with limited decent job options, a policy framework resting exclusively on cash transfers for care becomes a strategy for reinforcing the gender imbalances in care work, with negative implications for women's economic empowerment as well as representation in decision-making.

KEY TAKEAWAYS FROM SESSION 2.9:

- Valuing unpaid work in monetary terms makes visible its massive contribution to national economies and societal well-being.
- Market valuation methods reveal that unpaid work would constitute a significant share of GDP if accounted for.
- Valuation exercises should be undertaken to complement time-use data by translating care into macroeconomic language understood by policymakers and should be used to support the case for public investment in care services and social protection.
- It is important to avoid the use of valuation exercises as the basis of a policy framework resting exclusively on cash transfers to family caregivers (predominantly women), as this risks reinforcing gender inequalities in the market economy and undermines a transformative care agenda.

2.10 LOOKING FORWARD: ISSUES AROUND THE CARE ECONOMY IN THE REMAINING THEMATIC MODULES

The care economy is a cross-cutting dimension of gender and economics.

- **Module 1: Introduction to Gender-aware and Feminist Economics** underlined that a primary contribution of feminist economics has been to integrate non-market (care production) activity into economics analytical and policy frameworks.
- This module **(Module 2: The Care Economy and Transformative Care Systems)** has explored the advances in conceptual and policy thinking around the care economy and introduced the idea of comprehensive care systems as a defining aspect of the policy framework.

The social organization of care is a structural determinant of gendered patterns observed in the market economy, with implications for inequalities in the labour market and social protection, macroeconomy, international economics, poverty, the ecological crisis and green transformation. Hence, issues around care are discussed in the rest of the thematic modules as follows:

- **Module 3: Employment, Decent Work and Social Protection**
  - Definition of unpaid work.
  - Gender division of caring labour as a structural source of gender gaps in labour markets and social protection.
  - Labour market policies for care-supporting workplaces.
- **Module 4: Macroeconomics and Public Finance**
  - Integrating unpaid work and household production into macro measures (GDP) and macro modelling.
  - Gendered impact of macroeconomic policy operational through care work (austerity reducing access to social care services, reinforcing gender gaps in employment).
  - Fiscal spending on care services as a source of employment creation and unemployment reduction.
- **Module 5: International Trade and Open Economy Macroeconomics**
  - Unpaid care work subsidizing export-led growth.
  - Global care chains.
- **Module 6: Income Inequality and Poverty**
  - Gender division of caring labour as a structural source of feminization of poverty and gender inequalities in access to income.
  - Time poverty as a dimension of poverty.
- **Module 7: Ecological Crisis and the Green Transformation**
  - Complementarities between the green and purple economy policy frameworks.

To prepare for viewing these thematic modules through the lens of the care economy, participants can be engaged in a matching exercise.

TABLE 2.2

Question to the floor

Match each gender, care and economics issue below with the appropriate module of the UN Women Gender and Economics Training Programme.

Gender, care and economics issue		Module	
1. Austerity policy and impact on women's time use and labour supply	?	Introduction to Gender-aware and Feminist Economics	☐
2. Time poverty		Care Economy	☐
3. Visibility of unpaid work and household production as part of what we call the economy and economics		Employment, Decent Work and Social Protection	☐
4. Global care chains		Macroeconomics	☐
5. Complementarities between the purple and green economy frameworks		International Trade and Open Economy Macroeconomics	☐
6. Gender employment gap due to family caregiving; motherhood wage penalty		Income Inequality and Poverty	☐
7. Investing in care services sectors for an inclusive and high-quality care infrastructure		Ecological Crisis and wthe Green Transformation	☐

The correct answers (from top to bottom) are: 4, 6, 1, 5, 7, 3 and 2.

APPENDICES

APPENDIX 2A
TABLES FOR GROUP EXERCISES

TABLE 2A.1
Care economy concepts and definitions

Match each concept in the left column with the relevant definition in the right column.

Care economy concepts	Definitions
1. **Reproductive work**	**A.** A systemic challenge whereby care norms are eroding; ability and willingness to provide care is declining; and provisioning of care is under threat.
2. **Unpaid domestic work**	**B.** Production of goods and services within the domestic sphere for self-consumption; locates the household as a sphere of economic activity.
3. **Household production**	**C.** Work that creates the underlying conditions for direct care provisioning, e.g. cooking, cleaning, shopping, house maintenance, or collection of water and firewood, food production and processing for own consumption.
4. **Care work/caring labour**	**D.** Work which reproduces labour (workers) for the market on a daily and intergenerational basis.
5. **Direct care work**	**E.** The sub-area of economic activities around production and consumption of care services, including both paid and unpaid care work.
6. **Indirect care work**	**F.** Provisioning of care directly from the caregiver to the care receiver, e.g. reading a bedtime story to a small child or helping a bedbound ill person to bathe.
7. **Care workers/caregivers**	**G.** Paid and unpaid work for production of care services.
8. **Care crisis**	**H.** Care work which extends beyond caring for human beings to also caring for communities and non-humans, all living species, land, nature and life.
9. **Care economy**	**I.** Vision of an economic order which is caring.
10. **Earthcare**	**J.** Vision of a social order which includes caring for people and the planet from a gender and human rights–based perspective.
11. **Caring economy**	**K.** Paid care workers and unpaid family caregivers who produce care services: homemakers, domestic workers, doctors/nurses, teachers, volunteer and community workers are all workers who produce care.
12. **Purple economy**	**L.** Vision of an economic order which is gender equal and caring, complementing the green economy vision.
13. **Care society**	**M.** Work within the home which is not compensated and is excluded from the public sphere; through the gender division of labour, it becomes a source of exploitation of women's labour and gender equalities.

TABLE 2A.2

Care economy concepts and definitions – answers

Match each concept in the left column with the relevant definition in the right column.

Care economy concepts	Definitions
1. **Reproductive work**	**D.** Work which reproduces labour (workers) for the market on a daily and intergenerational basis.
2. **Unpaid domestic work**	**M.** Work within the home which is not compensated and is excluded from the public sphere; through the gender division of labour, it becomes a source of exploitation of women's labour and gender equalities.
3. **Household production**	**B.** Production of goods and services within the domestic sphere for self-consumption; locates the household as a sphere of economic activity.
4. **Care work/caring labour**	**G.** Paid and unpaid work for production of care services.
5. **Direct care work**	**F.** Provisioning of care directly from the caregiver to the care receiver, e.g. reading a bedtime story to a small child or helping a bedbound ill person to bathe.
6. **Indirect care work**	**C.** Work that creates the underlying conditions for direct care provisioning, e.g. cooking, cleaning, shopping, house maintenance, or collection of water and firewood, food production and processing for own consumption.
7. **Care workers/caregivers**	**K.** Paid care workers and unpaid family caregivers who produce care services: homemakers, domestic workers, doctors/nurses, teachers, volunteer and community workers are all workers who produce care.
8. **Care crisis**	**A.** A systemic challenge whereby care norms are eroding; ability and willingness to provide care is declining; and provisioning of care is under threat.
9. **Care economy**	**E.** The sub-area of economic activities around production and consumption of care services, including both paid and unpaid care work.
10. **Earthcare**	**H.** Care work which extends beyond caring for human beings to also caring for communities and non-humans, all living species, land, nature and life.
11. **Caring economy**	**I.** Vision of an economic order which is caring.
12. **Purple economy**	**L.** Vision of an economic order which is gender equal and caring, complementing the green economy vision.
13. **Care society**	**J.** Vision of a social order which includes caring for people and the planet from a gender and human rights-based perspective.

TABLE 2A.3

Categories of care provisioning

Categories of care work						
		Children	**Elderly**	**Sick, disabled**	**Adults (other than self)**	**Self**
Unpaid work (outside SNA)	Direct care	Changing diapers	Spoon feeding or bathing		Counselling	Visiting doctor, exercising
	Indirect care	Prepaaring food, doing laundry, cleaning				
Unpaid subsistence production (inside SNA)	Direct care	Breastfeeding				
	Indirect care	Growing food for own consumption, collecting wood or carrying water				
Informal market work (inside SNA)	Direct care	Informal paid assistance: Babysitting	Informal paid assistance: Elder-sitting	Informal paid assistance in the home		
	Indirect care	Domestic servant; Paid or unpaid family worker in small service enterprise				
Paid employment	Direct care	Child care worker: teacher, pediatrician	Elder care worker: gerontologist	Nurse, nursing aide, doctor	Counsellor, nutritionist, yoga instructor	
	Indirect care	School administrator, clerical, food services or janitorial	Nursing home administrator, clerical, food services or janitorial	Hospital administrator, clerical, food services or janitorial	Most paid jobs not listed in other cells	

Source: Folbre 2006.

TABLE 2A.4

Time diary exercise

Fill in the following table with reference to your most recent typical week day prior to the workshop. Use the time diary categorization of activities below.

Time	Activity
5 a.m.	
6 a.m.	
7 a.m.	
8 a.m.	
9 a.m.	
10 a.m.	
11 a.m.	
12 p.m.	
1 p.m.	
2 p.m.	
3 p.m.	
4 p.m.	
5 p.m.	
6 p.m.	
7 p.m.	
8 p.m.	
9 p.m.	
10 p.m.	
11 p.m.	
12 a.m.	
1 a.m.	
2 a.m.	
3 a.m.	
4 a.m.	

Total unpaid work time	
Total paid work time	
Total work time (paid+unpaid)	

Time-diary categorization of activities (paid work vs unpaid work):

1. Eating and other personal care (self-care)
2. **Working at a job and/or seeking a job (paid work)**
3. Education
4. **Voluntary work and meetings (unpaid community work)**
5. Social life and entertainment
6. Sports
7. Hobbies and games
8. Mass media tools
9. Travel and commuting (paid versus unpaid work related; and other unidentified time usage)
10. Sleep
11. **Household and house care (unpaid care work)**
    - **Food management**
    - **House care**
    - **Washing the clothes, ironing, etc.**
    - **Gardening and animal care**
    - **Construction and repair**
    - **Shopping and services**
    - **Household management**
    - **Childcare**
    - **Care for older or ill persons, persons with disabilities**

TABLE 2A.5

The 5R+ strategy and policy/programme intervention areas

Policy objectives of 5R+ framework	Key policy intervention area					
	Care services infrastructure	Labour market policies for care-supporting workplaces	Social protection	Labour market policies for paid care workers	Time saving + physical infrastructure	Legislative/normative frameworks, plans/policies/ strategies/statistics/budgets
Recognize unpaid care work/workers						
Recognize paid care work/workers						
Recognize needs of care receivers						
Reduce unpaid care work						
Redistribute care work from households to state						
Redistribute unpaid care work within the household from women to men						
Reward and represent paid care workers						
Resource for comprehensive care systems						

TABLE 2A.6

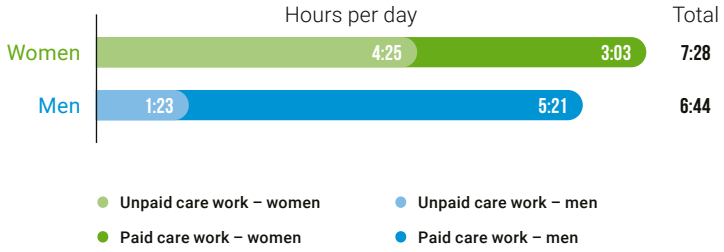
The 5R+ strategy and policy/programme intervention areas – answers

Policy objectives of 5R+ framework	Key policy intervention area					
	Care services infrastructure	Labour market policies for care-supporting workplaces	Social protection	Labour market policies for paid care workers	Time saving + physical infrastructure	Legislative/normative frameworks, plans/policies/ strategies/statistics/budgets
Recognize unpaid care work/workers	X	X	X		X	X
Recognize paid care work/workers	X		X	XX		X
Recognize needs of care receivers	XX	XX	X	XX		X
Reduce unpaid care work	X	X			XXX	
Redistribute care work from households to state	XX	X	X			
Redistribute unpaid care work within the household from women to men		XX		X		
Reward and represent paid care workers				XX		
Resource for comprehensive care systems	XX	X	X	X	XX	X

APPENDIX 2B
FIGURES ON UNPAID AND PAID WORK AND CARE EMPLOYMENT

FIGURE 2B.1

TUS, unpaid and paid work time by gender: Global averages

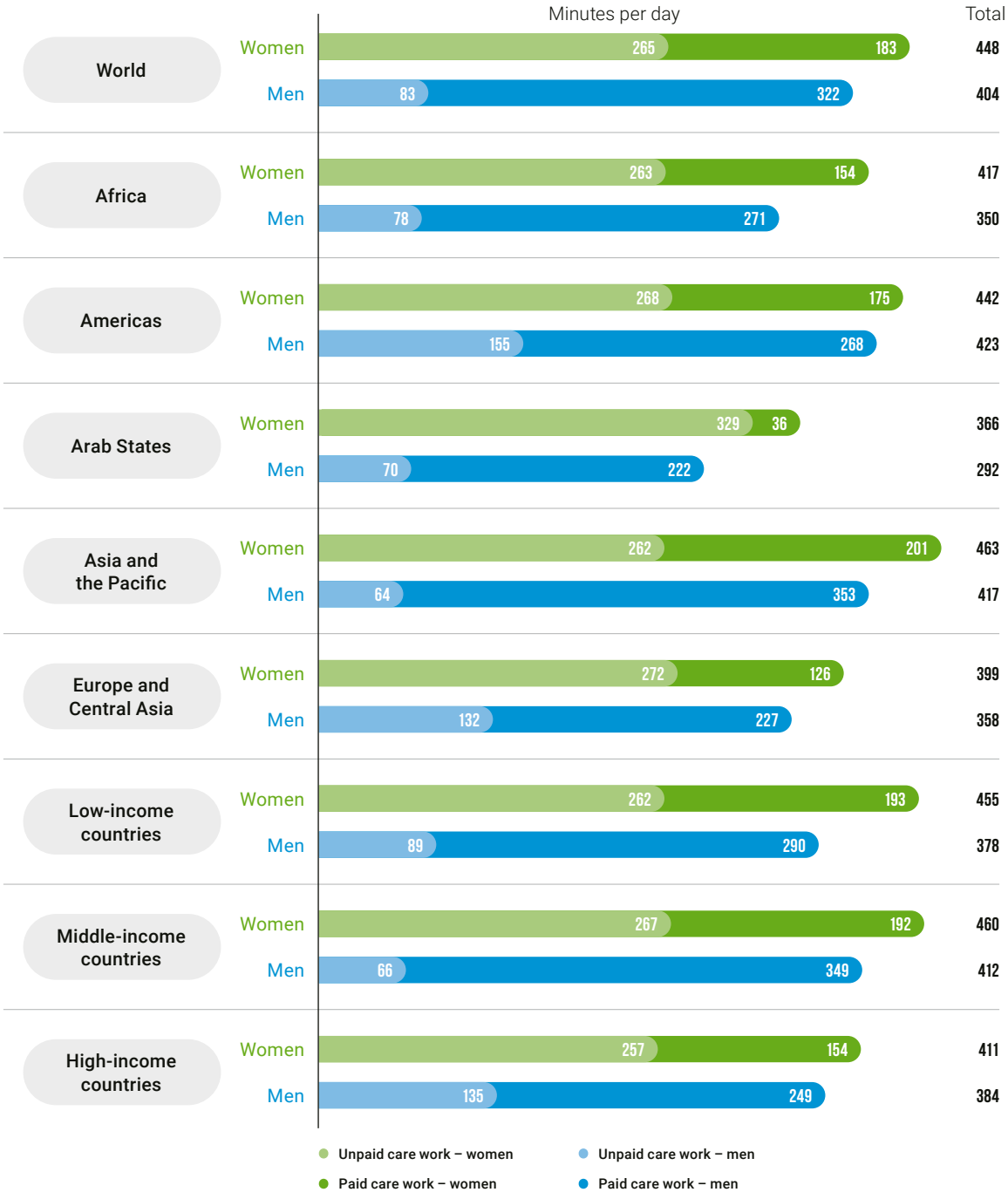


Note: Age group: 15 and older. Global estimates weighted by the working-age population. 64 countries representing 67 per cent of the world's working-age population.

Source: ILO 2018.

FIGURE 2B.2

TUS, unpaid and paid work time by gender: Regional averages

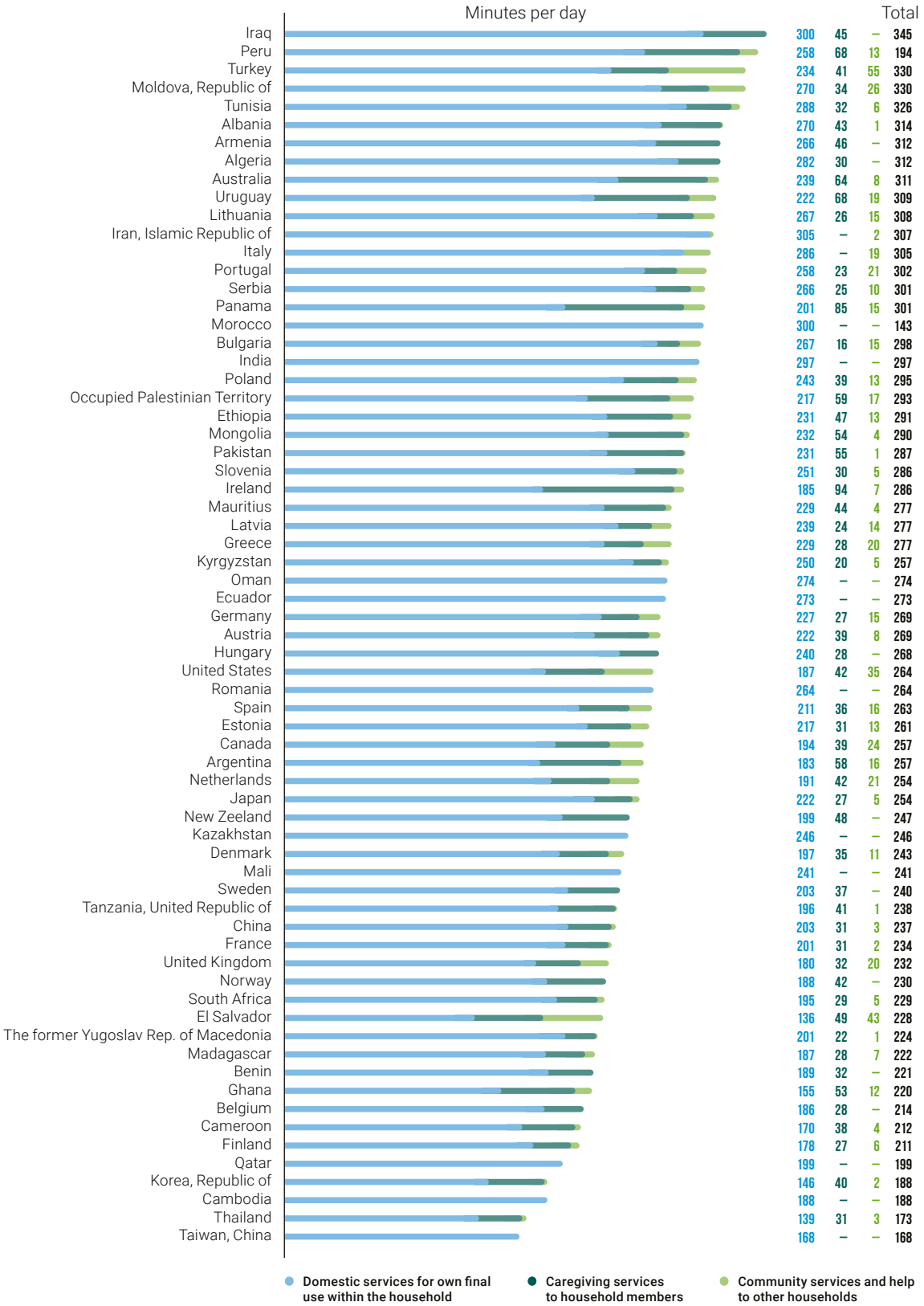


Note: Age group: 15 and older. Global, regional and income group estimates weighted by the working-age population. Percentage of working-age population and number of countries: World: 67 per cent (64); Africa: 35 per cent (12); Americas: 47 (7); Arab States: 29 per cent (4); Asia and the Pacific: 80 per cent (11); Europe and Central Asia: 68 per cent (30); Low-income countries: 32 per cent (5); Middle-income countries: 65 per cent (30); High-income countries: 90 per cent (32). Unpaid care work and paid work may not add up to total work due to rounding.

Source: ILO 2018.

FIGURE 2B.3.1

TUS, unpaid and paid work time by gender: Cross-country variation: women

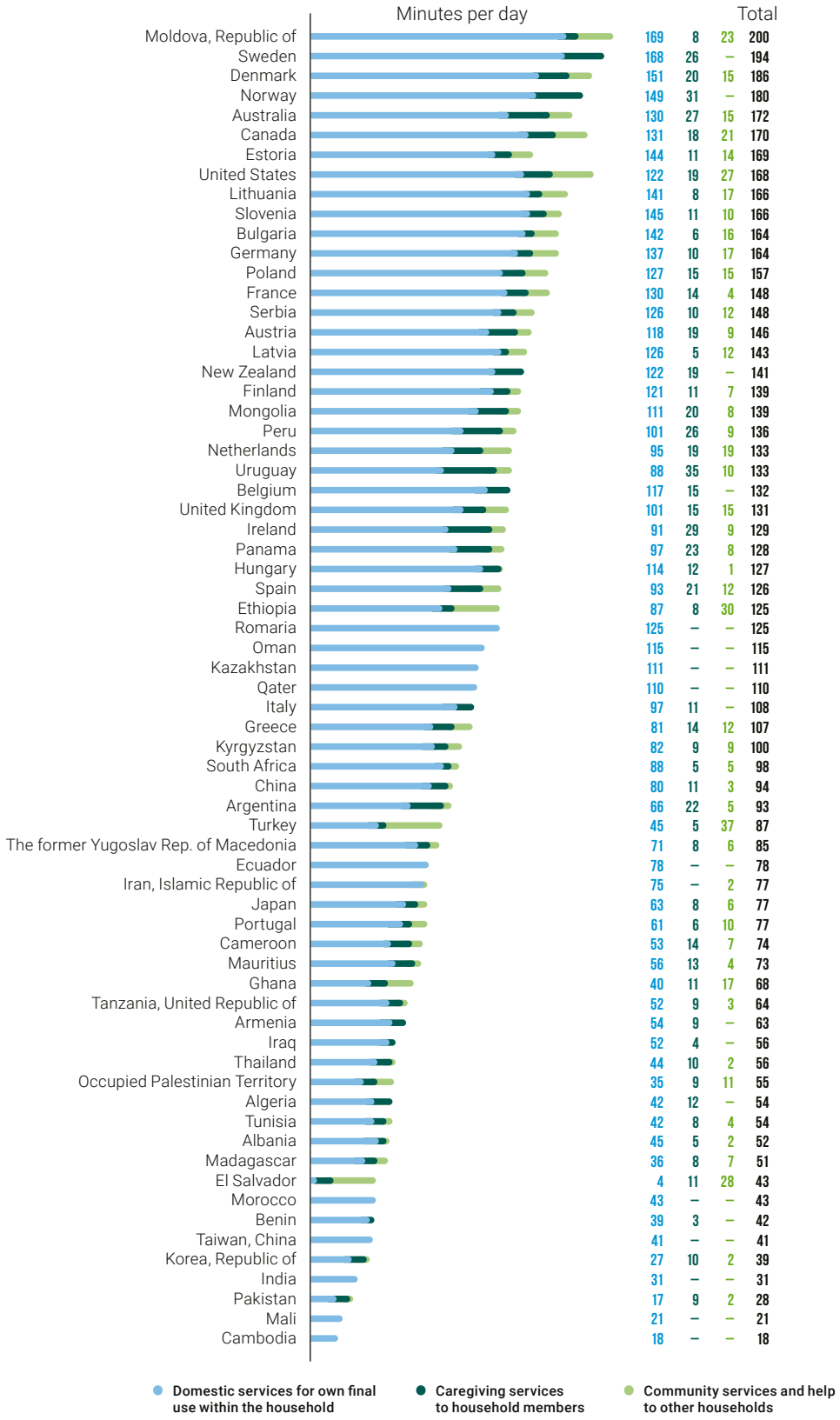


Note: Age group: 15 and older. 67 countries.

Source: ILO 2018.

FIGURE 2B.3.2

TUS, unpaid and paid work time by gender: Cross-country variation: men

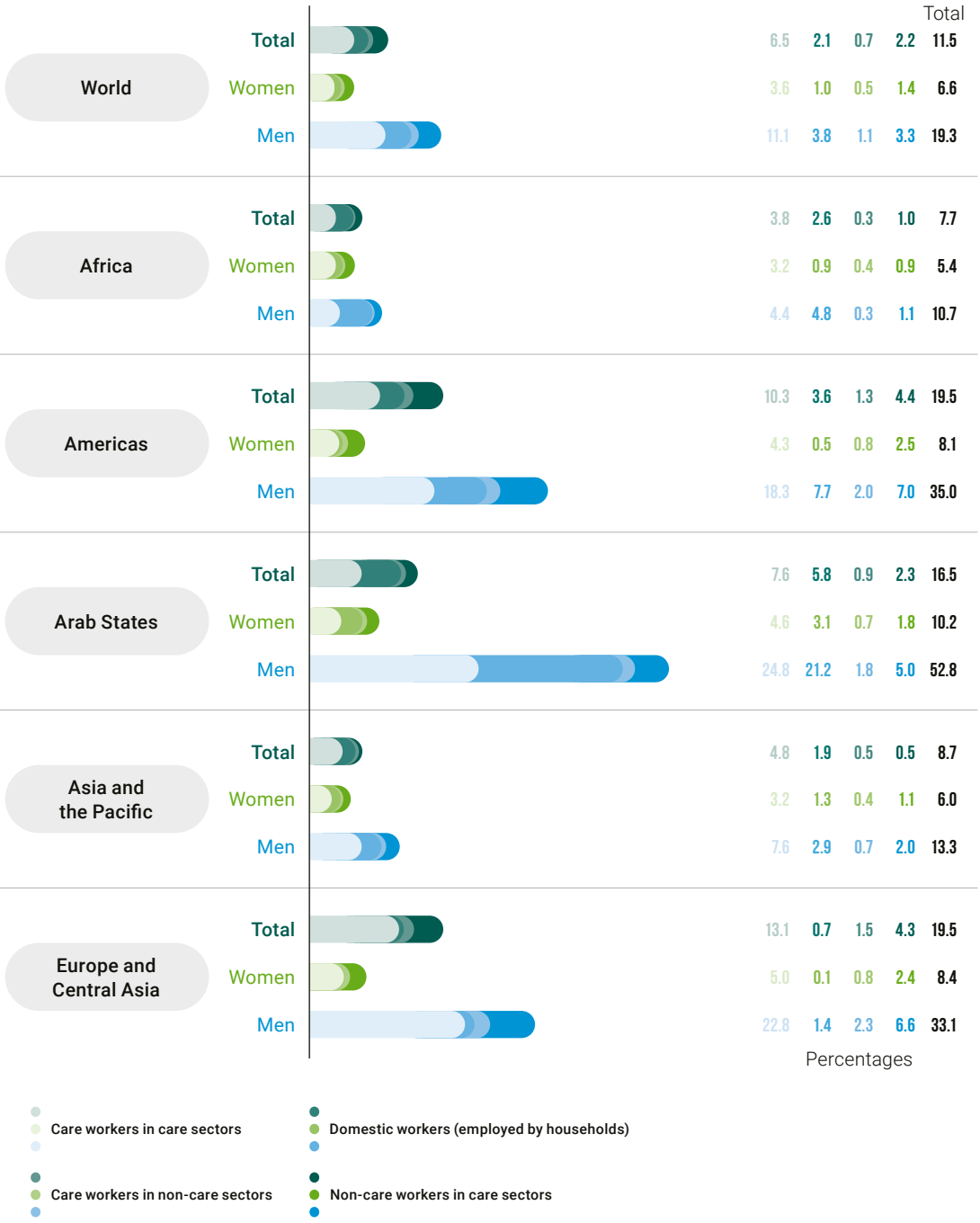


Note: Age group: 15 and older. 67 countries.

Source: ILO 2018.

FIGURE 2B.4

Care services employment by region

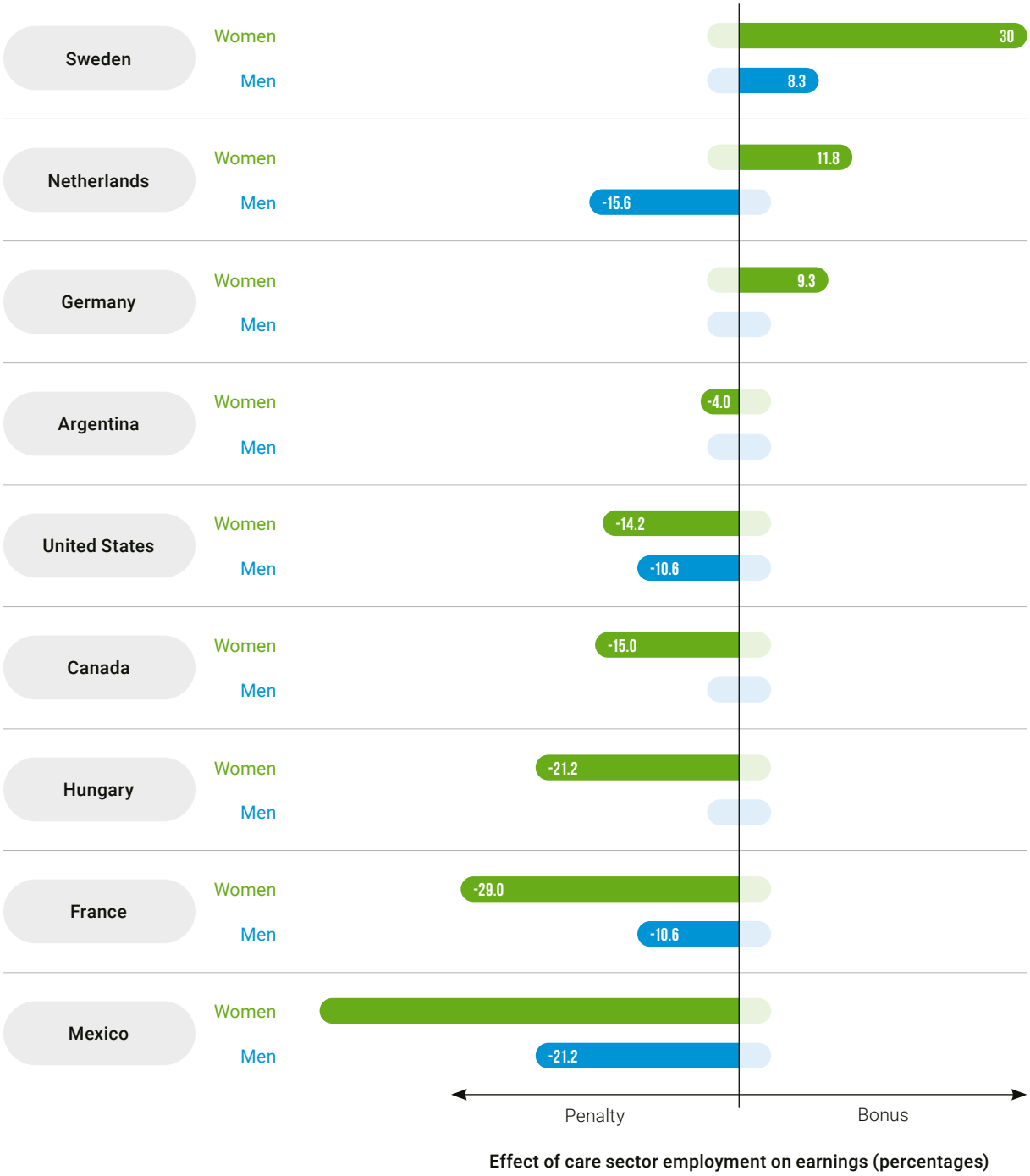


Note: Employed population covered and number of countries by global estimates: World: 88 per cent (99); Africa: 64 per cent (22); Americas: 87 per cent (14); Arab States: 82 per cent (8); Asia and the Pacific: 96 per cent (19); Europe and Central Asia: 83 per cent (36).

Source: ILO 2018.

FIGURE 2B.5

Care wage penalty versus care wage bonus

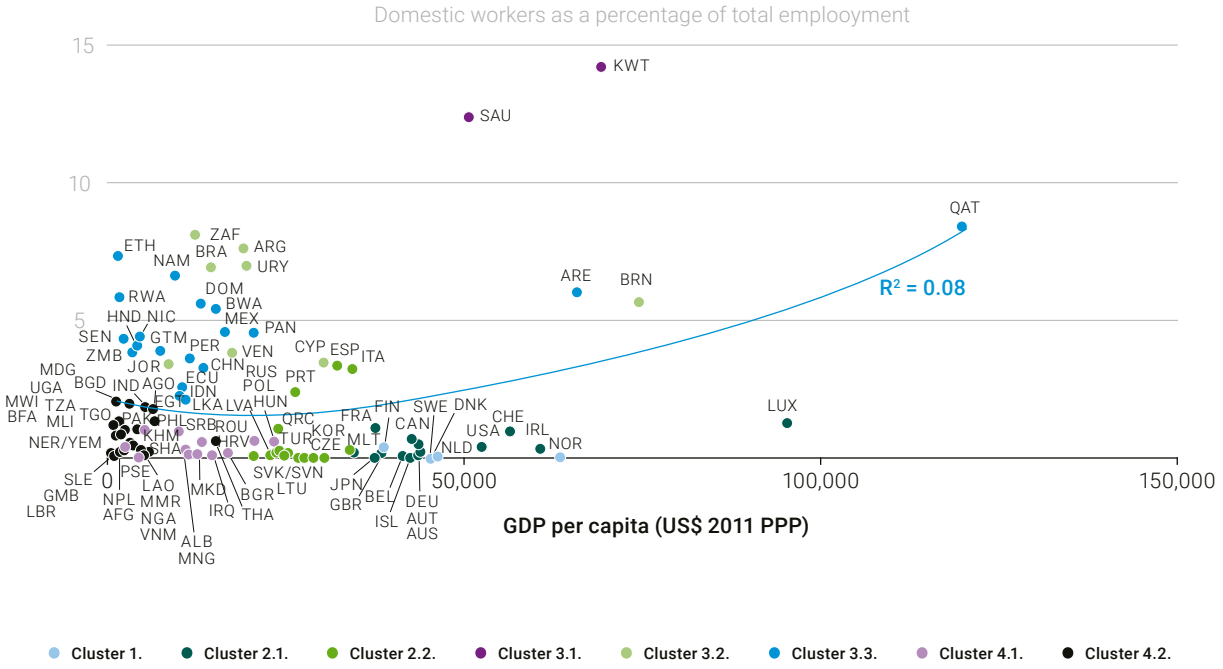


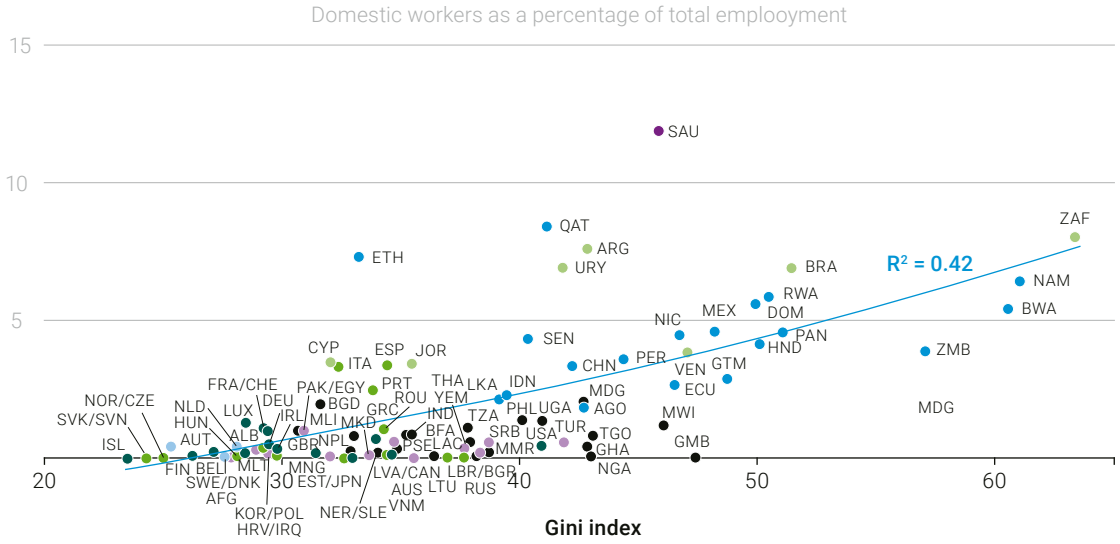
Notes: Only significant effects (p≤ 0.05, two-tailed tests) reported. Model includes family structure and demographic characteristics, human capital, job characteristics, including the degree of feminization in the occupation or industry, and the percentage of public sector employment in education. For Argentina, Esquivel and Pereyra's (2017) model adjusts for personal and job characteristics, including if employed by public sector, but not for the degree of feminization in the occupation or industry.

Source: ILO 2018. Budig and Misra (2010) except for the United States and Argentina. For the United States, Budig et al., 2018.

FIGURE 2B.6

Relationship between domestic worker employment, GDP per capita and income inequality (Gini index)





Source: ILO calculations based on labour force and household survey microdata and World Bank, 2018a.

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1. Available from UN Women on request.
2. The Buenos Aires Commitment was adopted at the 15th session of the Regional Conference on Women in Latin America and the Caribbean, which was organized by the Economic Commission for Latin America and the Caribbean (ECLAC), the Regional Office for the Americas and the Caribbean of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the Government of Argentina and held in Buenos Aires from 7 to 11 November 2022.
3. The second women's movement refers to the second major wave of organized feminist activism, following the earlier first wave in the late 19th and early 20th centuries. The first wave (1840s–1920s) focused mainly on legal rights, especially women's suffrage (the right to vote). The second wave (1960s–1980s) expanded the agenda to social and economic equality.
4. For the most recent and detailed framework to activity categorization in time-use surveys, see ILO 2023 or UN DESA 2024.
5. The International Classification of Activities for Time Use Statistics is a UN-developed standard for categorizing daily human activities into productive and personal (non-productive) tasks. CAUTAL (Classification of Time-Use Activities for Latin America and the Caribbean) is a specialized, gender-sensitive adaptation of this framework designed for the regional context to highlight differences in time allocation between women and men.
6. UN 2024 notes the following: "Subjective context variables can be complex to interpret and difficult for respondents to provide. Is the level of enjoyment that people experience associated with the activity, the time of day, whom they are with, their location or all of these? Subjective dimensions may not be essential to the survey objectives for general purpose national time-use data collection. In countries where the aim is to reduce the respondent burden by using as light an instrument as possible, it may be decided not to include those dimensions. For example, in the Harmonised European Time Use Surveys (HETUS) 2018 Guidelines, an additional column for self-assessed 'well-being/satisfaction' in the model diary for the HETUS 2020 wave is not recommended. Instead, four questions are included at the end of the diary, which ask about the diary day in general and the most pleasant, unpleasant and stressful activities."
7. ILO 2018. *Care Work and Care Jobs for the Future of Decent Work* (chapter 4).
8. See Ilkkaracan 2026 for a comparative discussion of the World Bank 2024 and 2020 and UN 2024 policy frameworks on the care economy.
9. In addition to the country examples covered in UN 2024, note also recent noteworthy initiatives in the sub-Saharan African context, such as the Declaration of the Association of Mayors of Côte d'Ivoire reaffirming commitment to prioritizing care investments and services (2025), and a Ministerial decree in Mali establishing the Care Committee (2024) (personal communication by UN Women Regional Office for West and Central Africa).
10. These are the policy pillars defined in the purple economy framework (Ilkkaracan 2013 and 2025).
11. See, for example, policy simulations on South Africa (Antonopoulos et al. 2010), Türkiye (Ilkkaracan, Kim and Kaya 2015; Ilkkaracan et al. 2021), the United States (Antonopoulos et al. 2014), seven advanced OECD economies (ITUC 2016); Brazil, China, India, Indonesia and South Africa (ITUC 2017), and 45 high- and middle-income economies (Ilkkaracan and Kim 2019 and ILO 2018). The full references to these studies as well as a summary of their content can be found in UN Women and ILO (2021). *A Guide to Public Investments in the Care Economy: Policy Support Tool for Estimating Care Deficits, Investment Costs and Economic Returns.* New York: UN Women.

MODULE 3

EMPLOYMENT, DECENT WORK AND SOCIAL PROTECTION

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(Building on 1st edition Module 5 by Ipek Ilkkaracan)

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will be able to:

- **Critically assess key labour market indicators and statistics from a gender perspective.**
- **Identify and assess gender inequalities in the labour market through key measures including the gender employment gap, earnings gap and jobs segregation.**
- **Analyse the structural causes of gender inequalities in labour markets including macroeconomic drivers, inequalities in care work and institutional factors.**
- **Assess intersectional gender inequalities in rural economies, agriculture and informal work.**
- **Evaluate the gendered labour market implications of automation, digitalization and artificial intelligence (AI), and identify strategies for gender equality in the future of work.**
- **Distinguish between mainstream and feminist policy frameworks, and assess their implications for labour market and social protection outcomes.**
- **Evaluate the effectiveness and limitations of entrepreneurship promotion and micro-credit programmes from a gender and rights-based perspective.**
- **Critically assess labour market policies from a gender perspective and promote their design and implementation in a gender-responsive manner.**

KEY CONCEPTS AND DEFINITIONS

Work:

Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use (19th ICLS, ILO 2013a).

As mentioned in Module 2 (The Care Economy and Transformative Care Systems), the definition of work revised by the ICLS in 2013 recognizes that 'work' entails not only paid work (employment) and work in subsistence production, but also unpaid care and domestic work.

Employment:

Persons in employment are defined as all those of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit (21st ICLS, ILO 2023a). It includes wage and salaried workers and self-employed (employers, own-account workers and contributing (unpaid) family workers) engaged in market-oriented production.

Decent work:

The ILO's decent work concept represents a totality of "the aspirations of people in their working lives". It entails availability of "opportunities for work that is productive and delivers a fair income; security in the workplace and social protection for all; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men" (ILO 2025a). Decent work is the central objective of the ILO and is also integrated into the Sustainable Development Goals (SDGs) (Goal 8).

Labour force participation rate (LFPR):

The labour force is the sum of persons in employment plus persons in unemployment. Together these two groups of the population represent the current supply of labour for the production of goods and services taking place in a country through market transactions in exchange for remuneration (ILO 2016a). LFPR is the share of the working-age non-institutional population that is in the labour force.

Employment rate (employment-to-population ratio):

The share of the working-age population that is in employment (see above). It serves as a reference point for the ability of an economy to provide jobs for its population.

Unemployment rate:

This is calculated as the number of unemployed persons as a percentage of the total number of persons in the labour force. It is a measure used to reflect the inability of an economy to generate employment for those persons who want to work but are not doing so, even though they are available for employment and actively seeking work (13th ICLS, ILO 1982).

Expanded measures of unemployment rate:

Expanded measures of unemployment rate (often called 'labour underutilization rate') also includes discouraged workers, marginally attached workers and time-related under-employment (see below for definitions).

Time-related underemployment:

Persons in employment who want to work additional hours, whose working time in all jobs was less than a specified hours threshold, and who are available to work additional hours given an opportunity for more work (13th ICLS, ILO 1982).

Discouraged workers:

Persons who want to work but are not seeking work because they believe no suitable job is available for them. Discouraged workers are counted as outside the labour force and do not show up in standard unemployment statistics (ILO 2015a).

Marginally attached workers:

Persons who have indicated some interest in employment by seeking employment or by expressing availability for work, but who fail to meet all the criteria to be counted among the unemployed. Hence this definition includes: (a) persons without employment, seeking employment, but not available; and (b) persons without employment, not seeking employment, but available. The latter category comprises persons facing a variety of impediments to seeking employment, including personal and family-related factors in addition to the socioeconomic context, and includes discouraged workers (ILO 2013a and 2020).

In the literature, marginally attached workers are often defined as only the persons in category b, i.e. persons without employment who are available for but not seeking work, and discouraged workers are a subgroup within category b and hence of the marginally attached workers.

Potential labour force:

A subset of persons outside the labour force. This aims to measure the potential supply of labour; in other words, it quantifies all persons with an unmet need for income-generating work and provides a measure of their degree of labour market integration. It includes persons who are either looking for a job but not currently available to work, or who are available to work but are not actively looking for a job (19th ICLS, ILO 2013a). The ILO definition of marginally attached coincides with the potential labour force used to calculate the expanded measures of unemployment rate.

Discouraged worker effect:

Discouraged worker behavior increases under weak or unpromising labour market conditions, such as during economic downturns (Werneke 1978).

Added worker effect:

A decrease in household earnings due to job loss or reduced income increases the labour supply of other household members, resulting in their entry into the labour market to compensate for the loss of income (Werneke 1978).

Informal employment:

Informal employment is defined as any activity of persons to produce goods or provide services for pay or profit that is in law or in practice not covered by formal arrangements such as commercial laws, procedures to report economic activities, income taxation, labour legislation, and social security laws and regulations providing protection against economic and personal risks associated with carrying out the activities (21st ICLS, ILO 2023a). Informal employment is widespread in many developing economies and disproportionately affects women and young workers.

Informal economy refers to informal productive activities in the: (i) formal sector, (ii) informal sector, (iii) household own-use production (self-subsistence agriculture, maintenance, etc.), and (iv) community sector.

Informal sector consists of economic units that are producers for the market, thus it only includes informal productive activities for pay or profit (informal market activities), which are defined as informal employment. By contrast, informal work is a broader concept used for all informal productive activities, not only including informal market activities but also informal productive activities such as own-use production work and volunteer work (21st ICLS, ILO 2023a).

Flexible work:

Arrangements that provide variability in working time, location or conditions (e.g. part-time work, telework, flextime). While flexibility can support work–life balance, gender-aware analysis is needed since women are more often under flexible employment and are often concentrated in precarious flexible arrangements.

Gender employment gap:

The difference between men's employment rate and women's employment rate.

Gender wage gap:

The difference between (hourly or monthly) average wages of women and men, usually expressed as average women's wages as a percentage of average men's wages. It reflects both direct wage discrimination and the impact of structural factors such as occupational segregation and unequal distribution of unpaid care work.

Gender earnings gap:

The difference in average earnings between women and men over a given period (usually monthly or annually), expressed as a percentage of men's earnings. While the gender wage gap covers only hourly or monthly wage differences, the earnings gap reflects the disparities not only in wages and salaries but also in employment hours, bonuses and self-employment income.

Gender jobs segregation:

The concentration of women and men in different sectors, occupations and job types, often reinforcing stereotypes and limiting women's access to better-quality jobs.

Entrepreneurship versus self-employment:

Entrepreneurship generally refers to starting, managing and scaling a business with growth potential and innovation.

Self-employment may involve working independently or running small-scale businesses, often without employees. Women are more frequently in survival-oriented self-employment than in entrepreneurship with access to finance and growth opportunities.

Note that in terms of status of employment, two main categories are: (1) employees (also known as wage and salaried workers) and (2) the self-employed. The self-employed are further disaggregated into (a) employers, (b) own-account workers, (c) members of producers' cooperatives, and (d) contributing family workers (ILO 2015b).

Access to productive resources:

The ability to access and control resources necessary for economic activity, including land, credit, technology, markets, skills and networks. Gender inequalities in access to productive resources remain a key barrier to women's economic empowerment.

Active labour market policies:

Labour market policies that focus on stimulating employment and job creation through, for example, public works schemes, hiring subsidies, vocational training and retraining, and the promotion of small and medium enterprises and self-employment (ILO 2015a).

Public works (employment guarantee) programme:

A public employment scheme that legally guarantees access to paid, usually low- or semi-skilled work at a statutory minimum wage for a set number of days per year, typically delivered through public works projects on maintenance of physical infrastructure (e.g. India's The Mahatma Gandhi National Rural Employment Guarantee Act) or delivery of care services (e.g. Republic of Northern Macedonia Community Works Programme on Care). Public works programmes are widely seen as a tool for income security, counter-cyclical employment creation and inclusive growth, particularly in low-income settings.

Universal basic income (UBI)/citizen's wage:

A regular, unconditional cash transfer provided by the state to all individuals, regardless of employment status. Advocates highlight its potential to reduce poverty and inequality; critics emphasize costs and risks of reducing investment in public services.

Social protection floors:

Nationally defined sets of basic social security guarantees ensuring universal access to essential healthcare and income security across the life course.

Digital labour platforms:

Online platforms that mediate work arrangements, online freelancing and delivery services. While offering income opportunities with flexibility (worker control) over work hours, they often involve informal conditions, algorithmic management and lack of social protection.

Note: For further key concepts and definitions on labour market policies for care-supporting workplaces, see Session 3.3.1.

MODULE 3 OVERVIEW

Gendered patterns in labour markets, i.e. in paid work, may be the most widely studied aspect of gender and economics. Ensuring access to decent jobs and earnings is key to women's economic empowerment and essential for achieving broader gender equality. Hence it has become a central focus of gender-aware research and policy debates.

Labour market data make it possible to track gender gaps in employment, unemployment, wages and patterns of labour market participation (such as types of jobs, employment conditions and informality). This module begins by introducing these key measures and reviewing how gender inequalities appear in statistics. The first session provides insights on how

to cross-read labour market indicators with a gender perspective to reveal gender disparities. Session 3.2 examines the structural drivers that underpin persistent inequalities, namely macroeconomic growth patterns, the unequal distribution of unpaid care work, and the influence of institutions and social norms that shape women's ability to access and sustain decent work. After exploring these structural causes, Session 3.3 provides an overview of policies to advance gender equality in labour markets. Session 3.4 focuses on gender gaps in social protection.

The module offers two optional sessions. Session 3.5 focuses on the new challenges of digitalization and AI, which carry both opportunities and risks for women's participation in future labour markets. Session 3.6 addresses employment dynamics in rural economies and agriculture, where women's limited access to land and productive resources, combined with precarious and informal employment conditions, heightens their vulnerability to poverty and constrains their opportunities for empowerment.

Group exercise: Warm-up questions

The objective of this short exercise is to capture how participants perceive gender inequalities in labour markets, their structural drivers, and key policy responses to address these gaps. There are no right or wrong answers in this exercise. The purpose is to introduce some of the key concepts and issues of the module, and to capture first impressions and dominant perspectives in the room. Pose the following three questions (with diverse answer options) to participants and ask them to choose a maximum of three.

1. **Which indicators do you most associate with gender inequalities in labour markets? (Choose up to three.)**
   - Labour force participation and/or employment rates
   - Gender wage gap
   - Gender jobs segregation
   - Unemployment rates
   - Informal employment
   - Access to social protection
   - Time-related underemployment
   - Unpaid care and domestic work

2. **In your view, what are the main structural causes of gender inequalities in labour markets? (Choose up to three.)**
   - Gender imbalances in unpaid care work
   - Social norms
   - Lack of social care services
   - Informal employment
   - Education, training and skills
   - Employer discrimination
   - Macroeconomic drivers

3. **Which policy responses do you think are key to address gender gaps in employment? (Choose up to three.)**
   - Skills training and reskilling
   - Women's entrepreneurship and microcredit programmes
   - Expansion of quality social care services
   - Active labour market policies (jobs training and placement)
   - Flexible work arrangements
   - Social protection expansion
   - Macroeconomic and industrial policy

CORE SESSIONS

3.1 UNDERSTANDING LABOUR MARKET INDICATORS AND GENDER GAPS

This session aims to equip participants with the ability to conduct a gender-aware analysis of labour markets. It introduces key labour market indicators, and participants are guided to interpret these indicators from a gender perspective to reveal gendered patterns and structural inequalities, enabling analyses that go beyond conventional interpretations.

Conventional labour market analysis, for example, treats the decision to enter the labour market as an unconstrained free individual choice and relies on the (conventional measure of) the unemployment rate as the primary indicator of labour market performance. A gender-aware perspective challenges this view by emphasizing the unequal distribution of unpaid care work as a primary structural constraint on women's ability to enter the labour market, rendering them invisible in unemployment statistics. It also highlights macroeconomic constraints, such as weak (decent) job creation, which limit employment opportunities and frequently push women to full-time homemaking. Hence, an exclusive focus on unemployment rates is inadequate. A broader assessment that captures joblessness and labour market exclusion is necessary to evaluate whether an economy is generating decent work, and whether the labour market policies are gender inclusive.

As labour market indicators and gender gap analysis are introduced, it is useful to support the session presentation with the most up-to-date statistics relevant to the participants' country or region. Providing recent trends allows participants not only to understand how key indicators should be interpreted through a gender lens, but also to examine and discuss current labour market trends in their specific context. In addition, it provides a concrete foundation for the exercise at the end of the session, clarifying what participants are expected to analyse and apply in practice.

3.1.1 INTRODUCTION TO STANDARD LABOUR MARKET INDICATORS

This session begins with an introduction to the basic labour market indicators of labour force participation, employment and unemployment rates, as well as more recent alternative indicators of the broader measures of unemployment and decent work. It then examines the measurement of gender inequalities and the interpretation of labour market indicators in ways that capture gendered dynamics. This requires attention to how indicators are defined, what dimensions of work they include or exclude, and how structural barriers (such as the unequal distribution of unpaid care responsibilities) shape the outcomes reflected in the data.

Labour market data (on employment) are gathered through periodic household labour force surveys (HLFS) at the household and individual level. These surveys are conducted with a sample representative of the adult working-age population (15 years of age and older). In almost all countries, national statistical offices carry out such surveys on a regular basis, thereby ensuring comparability of data across time and populations.

Adult civilian (non-institutional) population excludes those who are residing in prison, military barracks or health institutions. It refers to individuals who are legally eligible to participate in the labour market and to take up employment.

The labour force (*LF*) comprises all persons who are either employed or unemployed, as illustrated below (Figure 3.1).

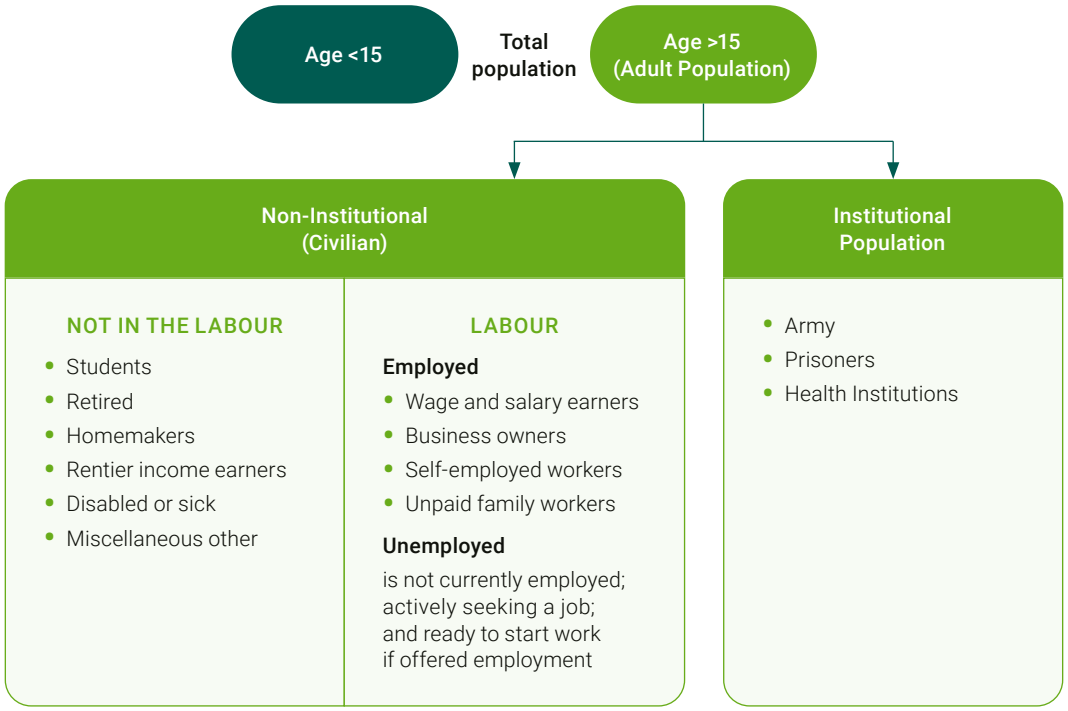
LF = Employed + Unemployed

The labour force participation rate (***LFPR***) is the ratio of the LF to the total adult civilian population.

LFPR = (LF/Adult Civilian Population) x 100

FIGURE 3.1

Labour market variables



Source: Author's elaboration.

Not all individuals of working age within the non-institutional population participate in the labour market. Those who are neither employed nor unemployed are classified as not in the labour force. The reasons for not participating in the labour market vary. Adults outside the labour force may include:

- Students who are engaged in education or training.
- Retired persons, who have permanently withdrawn from paid work.
- Homemakers, primarily women, who perform unpaid care and domestic work.
- Persons with an illness or disability which prevents them from seeking or taking up employment.
- Individuals supported by non-labour income, such as remittances, pensions or investments.
- Others, who may be unwilling or unavailable to participate for different reasons.

Employed individuals are identified in the HLFS as having engaged in at least one hour of work for pay or profit, either in cash or in kind, during the reference week.

The employment rate is the ratio of the employed to the total adult civilian (non-institutional) population.

Employment rate = (Employed/Adult Civilian Population) x 100

The employed population is classified into two main categories of employment status – wage and salary workers, and the self-employed.

- **Wage and salary workers:** individuals employed for pay or profit under an explicit or implicit contract of employment.
- **Self-employed:** work on their own account or with one or a few partners or in a cooperative; includes sub-categories of employers, own-account workers and members of producers' cooperatives and contributing family workers:
  - **Employers:** persons who operate their own business or enterprise and hire others to work for them.
  - **Own-account workers:** persons who operate their own business or trade but do not regularly hire employees.
  - **Contributing (unpaid) family workers:** individuals who work without pay in a market-oriented enterprise operated by a related household member.

Work encompasses both employment in market-oriented production and non-market activities such as subsistence production and unpaid care and domestic work.

The distinction between work and employment is particularly significant when adopting a gender-responsive discourse and analysis. The formal distinction between work and employment was established in 2013 by the Nineteenth International Conference of Labour Statisticians (ICLS). Under this standard, production primarily intended for own consumption, such as subsistence farming, is recognized as work but does not fall under the category of employment. As discussed in Module 2 (The Care Economy and Transformative Care Systems), the ICLS in 2013 also recognized unpaid domestic and care work as 'work'. This conceptual clarification is essential for gender analysis, as it makes visible large areas of women's economic contributions that remain unaccounted for in conventional labour statistics.

Unemployed individuals are defined as persons who:

- Did not engage in paid or in-kind employment during the reference week of the HLFS.
- Had actively sought employment (during a specified recent period).
- Were available to start work within the near future (usually within 15 days) if an opportunity arose.

Note that this is the conventional (most widely used) definition of unemployment, which is criticized for being too narrowly framed to capture the true extent of joblessness in an economy. Expanded measures of unemployment are introduced below. The conventional measure of the unemployment rate is the ratio of the unemployed to the labour force (sum of employed and unemployed).

Unemployment rate = (Unemployed/LF) x 10

DISCUSSION

Ask participants: In a country with a high unemployment rate, a high share of long-term unemployed (unemployed for a year or more), and a high portion of the population out of the labour force, to what extent do you believe the unemployment rate accurately captures the true number of people who are willing and able to work for pay but remain jobless?

For example, 'Norvica' is a country with a:

- High unemployment rate (10 per cent)
- High share of long-term unemployed (unemployed for one year or more) (35 per cent)
- High portion of the population out of the ***LF*** (45 per cent)
- Significantly lower ***LFPR*** for women (30 per cent)

Note to the Facilitator: The objective of the discussion is to evaluate the limits of the unemployment rate as an indicator of labour market performance. The discussion seeks to demonstrate how focusing solely on unemployment may obscure labour market exclusion. In this example, high long-term unemployment carries implications for the discouraged worker effect, pushing potential labour force out of the labour market. The low women's ***LFPR*** also reflects gendered barriers to labour force participation.

The fundamental objective of economic policy, with respect to the labour market, is to reduce the unemployment rate. However, the official unemployment rate (as defined above) is criticized as an insufficient indicator of the true scope of unemployment because it does not include people who are classified as discouraged workers or time-related underemployed.

Discouraged workers are people who are not actively seeking employment because they believe there are no job openings for them, but would like to work at a job if offered one (i.e. are ready to start a job at short notice).

Time-related underemployed are employed individuals whose working time is insufficient in relation to their preferences or economic needs, and who are available and willing to work additional employment (a second or a new job). It signals inadequate employment.

Potential labour force: Unavailable job seekers + available potential job seekers.

The inclusion of discouraged workers and time-related underemployed individuals in the measure of unemployment yields a higher unemployment rate than the conventional (narrower) unemployment rate. More recently, the term **labour underutilization (*LU*)** has been used to address the whole of individuals who are unemployed, time-related underemployed, and potential labour force participants who are marginally attached to the labour force. Labour underutilization definitions of ***LU2***, ***LU3*** and ***LU4*** (see box below) are expanded measures of unemployment, starting from the relatively narrow measure, ***LU2***, to the broadest unemployment measure, ***LU4***.

Expanded unemployment measures

$$LU2 = \frac{Unemployed + Time\text{-}related\ underemployment}{Labour\ force}$$

$$LU3 = \frac{Unemployed + Potential\ labour\ force}{Labour\ force + Potential\ labour\ force}$$

$$LU4 = \frac{Unemployed + Potential\ labour\ force + Time\text{-}related\ underemployment}{Labour\ force + Potential\ labour\ force}$$

Youth not in employment, education or training (NEET): The NEET rate measures the share of young people (typically aged 15–24, sometimes extended up to 29) who are not employed, not enrolled in education, and not participating in training during a specified reference period. This indicator is widely used to assess vulnerabilities in the school-to-work transition.

From a gender perspective, young women are disproportionately represented among the NEET population, often due to early marriage, unequal care responsibilities, limited mobility, or barriers to accessing further education and training. To the extent that young women who are NEET are undertaking unpaid care and domestic work, they are neither in employment nor in education or training, but in unpaid work. This is different from the case of a young man or woman who is NEET without any engagement in care work, and hence completely inactive with respect to work performance.

3.1.2 GENDER-AWARE READING OF LABOUR MARKET STATISTICS

Gender gaps in labour market indicators serve as quantitative measures of gender inequalities in economic outcomes. This part of the session defines each indicator and provides guidance on how these measures should be interpreted together to capture the gendered dynamics they reflect. The most-used indicators of gender inequalities in the labour market include:

- Gender labour force participation gap
- Gender employment gap
- Gender unemployment gap
- Gender wage/earnings gap
- Gender jobs segregation:
  - Industrial and occupational (horizontal) gender jobs segregation
  - Vertical gender jobs segregation and the 'glass ceiling'

Gender labour force participation (LFP) gap: The difference between men's and women's ***LFP*** rates.

$$Gender\ LFP\ Gap\ (in\ percentage\ points) = Men's\ LFP\ Rate - Women's\ LFP\ Rate$$

This indicator is the primary reference for measuring gender inequality in the labour market in economies with a low women's ***LFPR***. The gender ***LFP*** gap is a good indicator not only of availability of employment opportunities for women but also of their ability (freedom from time and other constraints) to enter the labour market and look for jobs.

Gender employment gap: The difference between male and female employment rates.

Gender Employment Gap (in percentage points)
=
Men's Employment Rate - Women's Employment Rate

The gender employment gap measures the difference between the shares of men and women of working age who are in employment. Unlike ***LFPR***, which includes both employed and unemployed, the employment rate reflects actual access to jobs. Increases in ***LFPR*** may occur alongside rising unemployment; in other words, a rising women's ***LFPR*** may not necessarily be due to increasing women's employment rate, but to more women entering the labour market in search of jobs. Hence, the employment rate is often more accurate as an indicator of gender equality in access to jobs.

A narrowing of the gender ***LFP*** (or employment gap) may be due to more women entering the labour force (employment), more men exiting the labour force (employment), or a combination of the two. The advanced economies of the Global North saw a substantial shrinking of the gender ***LFP*** and employment gap in the post-World War II period of robust economic growth, which pulled more women into the labour market. In some developing economies of the Global South, particularly East and Southeast Asia, a similar trend was observed following the transition to export-led growth strategies in the post-oil crisis transformation of the 1980s and 1990s.

Globally over the past three decades (1995–2025), the gender ***LFP*** gap has remained persistently high, at around 25 to 30 percentage points (ILO 2016b; ILO 2024a). The global gender employment gap has narrowed only slightly, shrinking from 27.1 percentage points in 1991 to 23.1 percentage points in 2024, largely due to declining male employment rather than real gains for women, whose employment rate has in fact fallen (ILO 2025b).

Gender unemployment (*U*) gap: The difference between male and female ***U*** rates (which is predominantly negative due to higher female unemployment rates).

Gender U Gap (in percentage points) = Men's U Rate - Women's U Rate

The gender ***U*** gap is used as an indicator of the differences in employment opportunities faced by women versus men, after they have entered the labour market in search of jobs.

As noted above, however, the conventional (narrow) unemployment rate does not capture discouraged workers who have lost hope of finding a job and have stopped searching for one. When the discouraged worker effect is strong, people drop out of the labour market. This is reflected in labour statistics as declining ***LFPR*** and U rates. In this sense, a declining ***U*** rate may not necessarily be due to more job opportunities, and low labour force participation rates may signal insufficient job creation in the economy. In contexts where both unemployment is high and long-term unemployment constitutes a large share of total unemployment, prevalence of discouraged workers is particularly high. To capture these dynamics, broader definitions of unemployment and labour underutilization are required. Where such data are not available, interpreting unemployment and labour force participation trends together can help reveal hidden aspects of labour market exclusion.

From a gender perspective, the picture is even more complex. Unequal household care responsibilities and disadvantages in job searches mean that women, even when willing to be in employment, are more likely to stop searching for jobs in a context of scarce opportunities. Instead, they often return to full-time homemaking. For this reason, gender unemployment gaps are usually wider when using the expanded unemployment rather than the conventional (narrow) unemployment rate.

Labour market responses also interact with household dynamics. Rising unemployment and falling household incomes often compel household members previously not in the labour force to enter the labour force to compensate for lost earnings. This phenomenon, known as the 'added worker effect', has a gendered dimension: it is often observed among (married) women who enter the labour market in search of jobs when male breadwinners in their households become unemployed.

DISCUSSION

Invite participants to reflect on the sectoral and occupational patterns of women's employment in their region by asking: In which sectors/occupations are women employed in your country/region? What types of jobs do they have? Please describe the most observed workplace settings.

Encourage them to consider how women's jobs may differ from men's, particularly in developing economy contexts where women are often concentrated outside of standard, full-time wage and salary jobs, such as in informal work, home-based employment, agricultural employment, family enterprises, bazaars and markets, workshops, etc. Guide the discussion toward understanding how the gender segregation of jobs shapes women's economic empowerment and exposure to vulnerability.

In many contexts, particularly in developing and less developed economies, women's employment is often concentrated outside of standard, full-time wage and salary jobs. Instead, women's jobs are frequently located in semi-formal or informal settings, with limited access to labour rights and protections and less visible in official statistics. Women's workplaces often differ from the typical image of wage and salary-based employment in offices or factories.

Common forms of women's employment include:

Home-based employment:

Activities such as rug weaving, sewing, embroidery, handicrafts, packaging or small-scale production. These arrangements are often chosen because they enable women to combine income-generating work with domestic and care work, including childcare and eldercare.

Agricultural work (farms and fields):

In rural areas, many women engage in family farming or work on larger agricultural enterprises. Tasks include cultivating vegetables, fruit and cotton, as well as livestock-raising.

Bazaars and markets:

Particularly in urban and peri-urban areas, women are frequently engaged in small-scale retail, selling produce, handmade items or textiles.

Small shops and businesses:

Women are employed in neighbourhood grocery stores, tailoring shops, hair salons and other small, service-oriented enterprises.

Workshops and small-scale manufacturing:

Textile and food-processing workshops and other small-scale manufacturing, as well as handicraft production.

Gender jobs segregation:

Refers to the systematic clustering of women and men into different sectors, occupations and types of work. This segregation reinforces inequalities in earnings, job security and access to social protection, and constrains women's opportunities for advancement and economic empowerment.

Gender jobs segregation is reflected in both horizontal and vertical segregation:

Horizontal (industrial and occupational) gender jobs segregation refers to the unequal distribution of women's and men's employment across industries (sectors) and occupations. Women remain overrepresented in occupations such as nursing, childcare and cleaning, where they account for more than 75 per cent of workers, while men dominate jobs such as heavy truck driving and machinery repair, where their share reaches 98 per cent (2024 averages, ILO 2025b). In terms of industrial segregation, women's employment is often concentrated in a few sectors such as agriculture, education, healthcare and other service sectors, while men's employment displays a more balanced distribution across different sectors. Employment in the construction, energy and manufacturing industries tends to be dominated by men.

Horizontal gender jobs segregation is captured through the following measures:

- Distribution of women's versus men's employment across the different industries and occupations (e.g. 50 per cent of women's employment is in agriculture, education and healthcare sectors, while these three sectors constitute only 20 per cent of men's employment).
- The share of women versus men in a given industry or occupation (e.g. 75 per cent of the employees in the nursing occupation are women versus 25 per cent men).
- The Industrial or Occupational Gender Segregation Index (IGSI/OGSI) is a composite measure of the extent of gender jobs segregation across all industries or occupations. (See Appendix 3A for further information.)

Vertical gender jobs segregation and the glass ceiling refer to the underrepresentation of women in managerial jobs and decision-making positions in a given industry or occupation. The glass ceiling describes the set of subtle barriers that prevent women (and other marginalized groups) from advancing into upper management, senior government roles or academic leadership. Typically, women hold very low shares of senior positions, even in sectors where they are numerically dominant.

Gender wage/earnings gap

The gendered patterns of employment translate into women in employment having lower earnings compared to men. Labour earnings can come from wages/salaries or self-employment. Standard measures of pay inequality typically use hourly, daily, weekly or monthly median wages and are mostly based on wage and salary workers (rather than self-employed). The gender wage gap (***GWG***) is usually represented as the ratio of women's median wage to men's median wage.

GWG (in per cent)
=
(average or median women's wage divided by average or median men's wage) x 100

GWG can be expressed in two forms:

- **Unadjusted (raw) *GWG*:** calculated based on average wages/salaries of all women versus men wage and salary workers.
- **Adjusted *GWG*:** calculated based on average wages/salaries of women versus men wage and salary workers adjusting for their individual or job characteristics (i.e. for the same level of education ***GWG*** for tertiary graduates), industries or occupations (e.g. ***GWG*** in manufacturing or in salesclerks).

The adjusted ***GWG*** is a more accurate indicator of the extent of discriminatory pay as it expresses the difference between women's and men's earnings after adjusting for worker traits (such as education level) or job traits (such as industry and occupation) that affect the pay level. See Appendix 3A for a more detailed discussion on ***GWG*** measures.

The ***GWG*** varies significantly across regions and countries. ILO report women employees earning on average an hourly wage equivalent of 87.1 per cent of men's in low-income countries, 87 per cent in lower-middle-income countries, 82 per cent in upper-middle-income countries, and 88.5 per cent in high-income countries (ILO 2025b: 6). It is important to note that these gaps are calculated based on hourly wages and ***GWG*** based on hourly wages abstracts paid working hours from wages earned.

When annual, monthly, weekly and daily measures are used, they also capture the amount of earnings difference between men and women due to the differences in their paid work hours. As the reference period expands, differences arising from gendered working-time patterns, such as higher prevalence of part-time employment, seasonal work or intermittent labour market participation of women begin to influence the measured gender gap, often leading to a larger observed disparity. While the ***GWG*** is most commonly calculated on an hourly basis, it can also be measured in daily, weekly or monthly terms. By contrast, the gender earnings gap is typically measured on a monthly or annual basis and therefore reflects differences stemming from variations in working hours and employment continuity (ILO 2018).

The ***GWG*** also does not capture irregular extra payments such as bonuses and premium payments, while the gender earnings gap does. By excluding bonuses and premium payments, the ***GWG*** isolates the core wage rate differentials. However, bonus structures, overtime premiums and performance-based pay show gendered patterns. These payments often reward flexibility, geographic mobility and immediate availability; because women have disproportionate care responsibilities, they are less likely to access these types of extra payments.

Furthermore, the gender wage gap does not capture the full picture of earnings difference between all men and women employed, as it only captures the gap among wage and salaried workers, yet nearly half of the global workforce earns labour income through self-employment. Hence, addressing the differences in labour income via the earnings gap, which includes the earnings of all workers, provides a more complete picture, especially in contexts like low-income countries where self-employment constitutes a relatively higher share of people employed (ILO 2023b).

The earnings gap shows significantly higher gender differences compared to ***GWG***, and the gap widens when moving from high-income countries to low-income countries, reflecting the impact of differences in employment status, hours, etc. In 2024, in high-income countries women on average earned 73 cents for every dollar earned by men, and in upper-middle-income countries the figure was 71.9 cents per dollar. The gap was significantly wider in lower-middle-income countries and in low-income countries, where women earned 55.4 cents and 45.7 cent for every dollar earned by men respectively. The trend shows that between 2000 and 2024, the earnings gap has decreased in all country groups, and the most significant improvement occurred in low-income countries, where the figure increased from 33.3 cents to 45.7 cents (ILO 2025b: 6).

3.1.3 DECENT WORK AND GENDER GAPS IN DECENT WORK

Precarious forms of employment and gendered patterns

The quality of employment is as important as the quantity of employment. Jobs with the most adverse conditions are described as vulnerable employment or precarious employment, categories that overlap significantly with the informal economy. Informal jobs are typically characterized by low productivity and pay, temporary contracts and no social security coverage (including maternity leave), which usually also means no access to mechanisms of social dialogue such as unionization and collective bargaining. ILO (2016b) notes that entry into the informal economy is for the most part not out of choice but driven by a lack of opportunity in the formal economy and an absence of other means of livelihood.

An own-account worker is a person who works on their own (or with partners) without regularly employing others (e.g. a freelance consultant working with international development agencies on a project basis, a farmer cultivating land for household income, a street vendor, or a market trader running their own stall).

An unpaid family worker is a person who works without pay and social security in a business, farm or enterprise operated by a related household member. Their contribution is considered part of the family enterprise (for example, working on family farm or in a family-owned grocery shop) (See ILO 2023b for recent discussions on unpaid family workers).

Employment status, i.e. a worker's position as a wage/salary earner, employer, own account worker or unpaid family worker, provides important insights about job quality. Own-account workers and unpaid family workers, for instance, are commonly classified as being in vulnerable employment, as these types of employment often involve informal work arrangements with greater economic insecurity and limited access to social protection. In countries that have a significant share of agricultural employment, a sizeable proportion of women work as unpaid family workers. This type of work is typically informal, subsistence-based, and carried out without access to pensions or other forms of social protection. While gender gaps in employment remain significant, another pressing concern is that many of the women who are counted as employed are in fact engaged as unpaid family workers, without direct access to income. Although the share of women in this category has been declining over time, it continues to remain high in many economies of the Global South.

Own-account work is common among women but even more widespread among men. It should be noted that own-account workers are included in the vulnerable employment category not because all of them have low earnings and precarious employment conditions, but because their employment status lacks the institutional protections that wage and salaried workers have and they are subject to income volatility. The own-account workers category is highly heterogeneous, including high-skilled professionals with high earnings and autonomy (e.g. independent consultants, lawyers, architects, IT specialists) as well as low-skilled workers in precarious forms of self-employment (e.g. home-based workers, waste-pickers, street vendors).

In many Global South economies, where informal employment is highly prevalent, many women and men remain outside the scope of government labour market and social protection policies. As a result, they are excluded from both employment-related improvements and protective measures introduced during periods of crisis.

Recent trends indicate that employment growth has not been strong enough to improve working conditions. Informal employment, particularly in low-income countries, remains high and continues to absorb many of the new entrants into the labour force. At the global level, as well as in low-income and upper-middle-income countries, the pace of formal employment growth is slower than it was a decade ago. At the same time, informal employment growth has accelerated, narrowing the gap between formal and informal job creation (ILO 2025c: 14). A few drivers of this process are: first, digitalization and the expansion of platform economies which have accelerated the growth of independent contracting and gig-based work arrangements (as discussed in Session 3.5 on technology, AI and the future of work) and second, the increasing reliance on migrant care labour, conceptualized as global care chains (discussed in Module 5: International Trade and Open Economy Macroeconomics).

Working poverty, which refers to the situation where individuals are employed but their labour income is so low that they and their families remain trapped in poverty, persists in many low-income countries. Extreme working poverty continues to affect 240 million workers worldwide, equivalent to about 7 per cent of the global workforce (ILO 2025c: 15). Women's share in extreme working poverty is consistently higher than that of men, with the gender disparity most pronounced in lower-middle-income countries (ILO 2020).

Reversing the deterioration in working conditions and ensuring the creation of decent employment opportunities is at the heart of the Decent Work Agenda, led by the International Labour Organization (ILO). This agenda incorporates key elements that are directly conducive to advancing gender equality, including rights at work, social protection, productive employment and social dialogue.

Decent work

The concept of decent work, as put forth by the ILO (2006), is defined as follows:

"Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men."

ILO's decent work agenda rests on four strategic pillars:

- International labour standards and fundamental principles and rights at work
- Employment creation
- Social protection
- Social dialogue and tripartism.

The Framework on the Measurement of Decent Work covers 10 closely linked substantive elements (ILO 2013b) and is based on these strategic pillars:

1. Employment opportunities
2. Adequate earnings and productive work
3. Decent working time
4. Combining work, family and personal life
5. Work that should be abolished
6. Stability and security of work
7. Equal opportunity and treatment in employment
8. Safe work environment
9. Social security
10. Social dialogue, employers' and workers' representation.

Both statistical and legal framework indicators on decent work are organized and classified under these 10 structural dimensions of the measurement framework.

Decent work has also been accepted as a central concept of the new 2030 Agenda for Sustainable Development adopted by the UN General Assembly in September 2015. SDG 8 calls for the promotion of "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". The four pillars of the decent work agenda —employment creation, social protection, rights at work, and social dialogue—are widely embedded in the targets of many of the other 16 SDGs.

While ILO has led the efforts to define and measure decent work, there are other approaches offering different benchmark definitions and measures. One major approach to defining and measuring decent work is by the European Union (EU). The EU approach emphasizes job quality, with a narrower definition based on job content and work environment and uses micro-level data. However, ILO's employment quality approach is more holistic as it aims to capture macro (employment opportunities, employment structure and labour laws), meso (working environment at the company level) and micro (individual workers' conditions) levels (Izdes and Yucel 2020).

Adopting a more analytical approach, a cluster of European-based studies focuses on constructing job quality indices. These are based on a set of 18 job quality indicators, adopted at the 2001 Laeken Summit.[1] These studies depend on the availability of cross-country comparable data from the European Working Conditions Survey. ILO, by contrast, has created user-friendly country profiles through the compilation of available information, and refrained from constructing an index. Despite some consensus on some of the dimensions of decent work and the indicators used to measure them, the multiplicity of different approaches reflects the analytical complexity in the measurement of decent work (Izdes and Yucel 2020).

The decent work agenda has the potential to further the gender equality agenda for two reasons: first, even if gender gaps in employment or unemployment are more narrow, there may be sizable gender disparities in employment quality. For example, women tend to have more limited employment opportunities due to gender-based segregation and discrimination in hiring. Moreover, their work is are often concentrated in poorly paid, informal employment, and women are also more likely to face discrimination in the workplace and have limited representation in social dialogue platforms.

Second, the lack of decent jobs is an underlying reason for gender gaps in labour force participation and employment. For instance, when jobs have long working hours and offer few opportunities for work –life balance, or when jobless growth results in limited employment, all employed workers suffer—men and women—yet women suffer relatively more. Poor employment conditions not only negatively impact women's workplace experiences but also carry strong implications for their labour market entry and exit. Given the contracting space for work –life balance conditions in the absence of decent jobs, women's labour market attachment becomes weaker, driving their exit from employment and deterring their entry into the labour market.

BOX 3.1

MEASURING GENDER GAPS IN DECENT WORK IN TÜRKIYE'S MANUFACTURING INDUSTRY

Izdes and Yucel (2020) assess the decent employment conditions in the various sectors of Türkiye's manufacturing industry based on six dimensions: earnings and benefits; working hours and work–life balance; safety at work and working conditions; prospects/security of employment; social protection; and equality and fairness. For each sector, they also assess the extent to which concentration of female employment intersects with various dimensions of decent work.

Study findings indicate that women are underrepresented in almost all 24 manufacturing sectors examined, except for textiles and wearing apparel with around 95 percent female-to-male ratios. The three sectors with high female ratios are pharmaceuticals, food products and other manufacturing (a composite sector mainly composed of labour-intensive production such as jewellery, music equipment, sports equipment, toys, and medical and dental equipment). In these sectors, women constitute one-third to half of total employment. The analysis reveals that the most female-populated sectors are not only the lowest-paying industries within the overall manufacturing industry, but they also feature significant gender pay gaps against women. Moreover, female-dominated sectors are also the ones with higher incidence of part-time and temporary employment along with short tenures for women (despite long tenures for men). In four of the five sectors with the highest female shares, most women work without social security, i.e. they are informally employed. Women are also underrepresented in unions due to their concentration in informal and temporary jobs as well as time constraints resulting from the unpaid care and domestic workload.

Source: Izdes and Yucel 2020.

GROUP EXERCISE:

LABOUR MARKET STATISTICS AND GENDER GAPS

Ask participants to split into groups. Designate a country to each group and ask them to use web resources to answer the following questions:

Find the official labour market statistics for the following indicators for the country assigned to your group. Analyse the indicators over time, disaggregated by gender. To the extent possible, also disaggregate by other characteristics (e.g. urban/rural, age groups, education level):

- Labour force participation (LFP) rate by gender.
- Reasons for being out of the labour force by gender.
- Employment rate by gender.
- Unemployment (U) rate by gender (conventional narrow measure).
- Discouraged worker rate, underemployment rate and expanded U rate (if it exists) by gender.
- Gender gaps in LFP, employment and unemployment (calculate using the above statistics).
- Gender wage gap – unadjusted and/or adjusted (see above for definitions).
- Gender job segregation – horizontal and vertical (see above for definitions).

Note: Pay attention to the potential relationship between the U rate and the LFP rate. Remember that the conventional (narrow) U rate does not provide information on different forms of unemployment. In other words, a low LFPR can also hint at the extent of joblessness in an economy.

In your search for statistics, you can check the availability of household labour force survey data, employment/unemployment survey and gender statistics of the national statistics office of the country designated to your group.

You can also use data from international institutions. For example, see:

- ILOSTAT database: https://ilostat.ilo.org/data/?cat_mode=subject
- For country profiles: https://ilostat.ilo.org/data/country-profiles/
- For statistics on women: https://ilostat.ilo.org/topics/women/

Return to the plenary and each group presents their findings.

Note to the Facilitator: This exercise aims to enable participants to calculate, interpret and critically assess labour market indicators and gender gaps through hands-on learning. During the group presentations, guide discussion towards how participants interpreted the data, the inferences they drew, and the causal relationships they sought to identify based on the evidence. Emphasis should be placed on the value of disaggregating data, highlighting how deeper levels of disaggregation reveal both the structural characteristics of labour markets and the specific areas where inequalities and constraints are most pronounced.

KEY TAKEAWAYS FROM SESSION 3.1:

- Labour force participation rates reflect not only individual willingness to work but also structural constraints, including unpaid care responsibilities, social norms and limited employment opportunities.
- Interpreting labour market indicators in isolation can be misleading; juxtaposing labour force participation, employment and unemployment is essential to reveal hidden gendered dynamics.
- The main measures of gender inequalities in labour markets include the following: gender labour force participation gap, gender employment gap, gender jobs segregation, gender wage and earnings gap, and gender gap in decent work (job quality).
- Many women who are counted as 'employed' are concentrated in informal and vulnerable jobs, highlighting the need to assess employment quality alongside employment quantity.
- The ILO decent work framework provides a holistic perspective to assess labour market outcomes by integrating employment opportunities, rights at work, social protection and social dialogue, all of which are central to advancing gender equality.

3.2 STRUCTURAL CAUSES OF GENDER INEQUALITIES IN THE LABOUR MARKET

This session focuses on the structural drivers of gender inequalities in the labour market. Insufficient employment generation resulting from prevailing macroeconomic growth patterns, together with the gendered division of unpaid care work, constitute the two major structural factors shaping these gaps. Employer discrimination functions as an additional mechanism that stems from the gender division of unpaid work, and in turn further amplifies and perpetuates existing gender inequalities in labour market outcomes.

3.2.1 MACROECONOMIC DRIVERS OF GENDER INEQUALITIES IN THE LABOUR MARKET

While conventional mainstream economics treats gender inequalities in labour markets as a micro-economic issue at the level of the firm (workplace) and the individual, a non-mainstream gender-aware approach also highlights macroeconomic drivers. For example, macroeconomic growth patterns determine the scope and nature of expansion in employment. These have implications for both labour demand and women's employment (Hartmann 1985; Ilkkaracan 2012a and b). Under conditions of strong macroeconomic growth with high employment intensity, the pull factor of the labour market intensifies—

particularly for women, who are traditionally in the secondary earner position. To the extent that the growth trajectory followed by an economy generates sufficient jobs in high-productivity sectors, the cost-benefit calculations of labour market engagement start weighing in on the benefit side.

More job opportunities enable lower unemployment rates and increase labour's bargaining power over wages and working conditions. Higher productivity further enhances prospects for higher pay and better working conditions. Beyond improved employment opportunities, higher pay makes market substitutes for care work more affordable. Greater bargaining power over working conditions helps improve working hours and access to social security, including maternity protection; this, in turn, creates a more positive environment of work–life balance and strengthens women's labour market attachment.

In the absence of employment-intensive growth, the lack of sufficient decent job opportunities provides a further economic impetus for the gendered division of labour. Under high unemployment, bargaining over adequate pay, formal employment and decent working conditions become less probable, and the benefits of labour market engagement are too weak to outweigh the costs.

There is a two-way relationship between gender equality in employment and economic growth. While the extent and nature of growth can promote or constrain gender equality in employment (as was discussed above), in turn, the extent of gender equality in employment may contribute to or constrain economic growth. Policy simulations show that countries with large gender gaps in LFPR are foregoing substantial developmental potential. A counterfactual exercise demonstrates that if women's LFPR in low- and middle-income economies were raised to the average high-income country levels of women's labour participation rates, their GDP per capita would increase significantly. The gains would be particularly large in lower-middle-income countries, as shown in the first row of Table 3.1 (ILO 2025c: 10). The second row of Table 3.1 presents the estimated percentage increase in GDP per capita for a geographical region if its average women's labour force participation were raised to the average global level of women's labour force participation.

TABLE 3.1

Change in per capita GDP from increasing women's labour force participation rates to high-income country average LFPR and global average LFPR of women (%)

Income groups	
World	4.5
Low-income countries	2.3
Lower-middle-income countries	11.5
Upper-middle-income countries	1.0

Regions	
Arab States	27.0
Arab States (non-GCC)	49.3
Northern Africa	38.3
Asia and the Pacific	1.9
Southern Asia	16.0
Central and Western Asia	4.1

Note: Productivity and unemployment rates are held constant and GDP per capita change calculated is in 2021 purchasing power parity.

Source: ILO 2025c.

The link between expanding women's access to employment and productive resources, and economic growth operates through both demand- and supply-side channels:

- **Demand-side:** Increasing women's employment and earnings triggers an increase in aggregate demand for goods and services, with multiplier effects on economic growth.
- **Supply-side:** Increasing women's employment (through improved education and skills) raises productivity, with spillover effects on economic growth.

It should be noted that justifying gender equality in employment and earnings in terms of its impact on economic growth effects is a strategy for advocacy. Yet independent of growth outcomes, it is critical to recognize gender equality as an end in itself and as a matter of socioeconomic justice.

Module 4 on Macroeconomics and Public Finance provides further discussion on the two-way demand- and supply-side transmission mechanisms between economic growth and gender equality. This highlights that what matters is not only how much an economy grows, but also the type of growth regime. The distinction between wage-led and profit-led regimes, first systemized by Bhaduri and Marglin (1990), captures the dual role of increasing employment and wages. In a wage-led regime, higher wage shares stimulate aggregate demand primarily through consumption, producing output and employment gains. Conversely, in a profit-led regime, higher profit shares encourage investment and exports, which may then offset reduced domestic consumption (Bhaduri and Marglin 1990; Stockhammer 2015). The employment elasticity of growth, i.e. the responsiveness of job creation to output expansion, becomes central: wage-led regimes tend to create more labour-absorbing growth, while profit-led growth can be more capital intensive, generating fewer jobs relative to output. This has implications for women's integration into employment.

Similarly, the relationship between international trade, economic growth and employment creation also has gendered outcomes. Feminist post-Keynesian macroeconomic research highlights that in many developing countries after the 1980s, outward-oriented growth strategies were based on the feminization of labour in export sectors, which reduced unit labour costs, increased profits and stimulated higher investment rates (Çağatay and Ertürk 2004; Seguino 2000; Memiş and Çağatay 2016).

In a feminist post-Keynesian-Kaleckian analysis, Seguino (2000) shows that low women's wages can increase competitiveness and profit margins in export sectors, which thereby stimulates investment and growth at the expense of gender wage gaps. Such an export-led growth regime—particularly reflecting the experience of Asian countries after the 1980s, where export sectors competed through low wages—was characterized by high employment elasticity of growth. However, the jobs created were low-paid and precarious, thereby limiting women's empowerment. See Module 5: International Trade and Open Economy Macroeconomics for further discussion of the links between international trade, economic growth and gender equality in employment.

Overall, the empirical evidence clearly shows that growth, international trade and industrial development, left to market forces, do not automatically translate into gender equality, highlighting the need for explicitly gender-aware industrialization, trade and growth policies.

3.2.2 GENDER DIVISION OF LABOUR

The gender division of labour within households creates a significant gap in the way women and men allocate their time. As discussed in Module 2: The Care Economy and Transformative Care Systems, time-use data point to persistent gender gaps in unpaid work.

The costs of providing domestic care for the household and family are borne disproportionately by women and girls. This imbalanced gender distribution of unpaid care work constitutes a root cause of gender gaps in the labour market.

In 2023, 748 million people reported care responsibilities as the reason for being outside the labour force. The data clearly reveal the consequences of unequal care responsibilities: of these people, 708 million were women (45 per cent of women outside the labour force) compared to only 40 million men (5 per cent of men outside the labour force). The gender gap in labour force participation is especially wide in the Arab States and the Asia-Pacific, and is most acute among adults with young children, where women's participation drops significantly compared to that of women without children (ILO 2025b: 10).

DISCUSSION

Ask participants to reflect on their own costs and benefits of joining the workforce by answering the following questions:

1. What are the costs of working for pay (e.g. childcare and domestic services, transportation, lack of time for domestic and care work, self-care, leisure)?
2. What are the benefits of working for pay (e.g. income, social security, personal development, social inclusion)?

The objective of the discussion is to help participants understand how labour force participation decisions at an individual level are shaped (often constrained for women) by household characteristics, employment conditions and social norms.

Labour force participation decisions involve the weighing of benefits of working at a job versus the costs of doing so. Benefits primarily concern earnings (present as well as future expected earnings) and social security, which depend on labour market conditions and policies. Benefits also entail non-monetary advantages associated with being active in the labour market, such as expanded autonomy as well as social and personal satisfaction. Costs, on the other hand, include the costs of market substitutes for domestically produced goods and services and limited time for caring, the loss of leisure time, the burden of the paid workload and workplace responsibilities, and risks of workplace harassment. These costs depend on the prevailing care system and policies as well as labour market conditions and policies.

In a context where reconciling unpaid care and domestic work and paid work is challenging due to a lack of appropriate policies, a division of labour becomes necessary in households, particularly in those with small children or other care-dependent members such as persons who are ill, elderly or living with disabilities. In this case, one working-age adult assumes the income-earner role, while the other assumes the domestic caregiver role. Circumstances driving the division of labour include the following:

- Lack of affordable and accessible market substitutes for quality care services (such as public childcare centres).
- Prevalence of informal employment which provides no access to maternity, paternity and other care leave.
- Limited work–life balance options, even for formally employed workers, due to limited care leave and long labour market work as well as long commuting hours.

While these factors do not necessarily impose a gender division of labour, the fact that labour is often gendered is facilitated by these compounding factors:

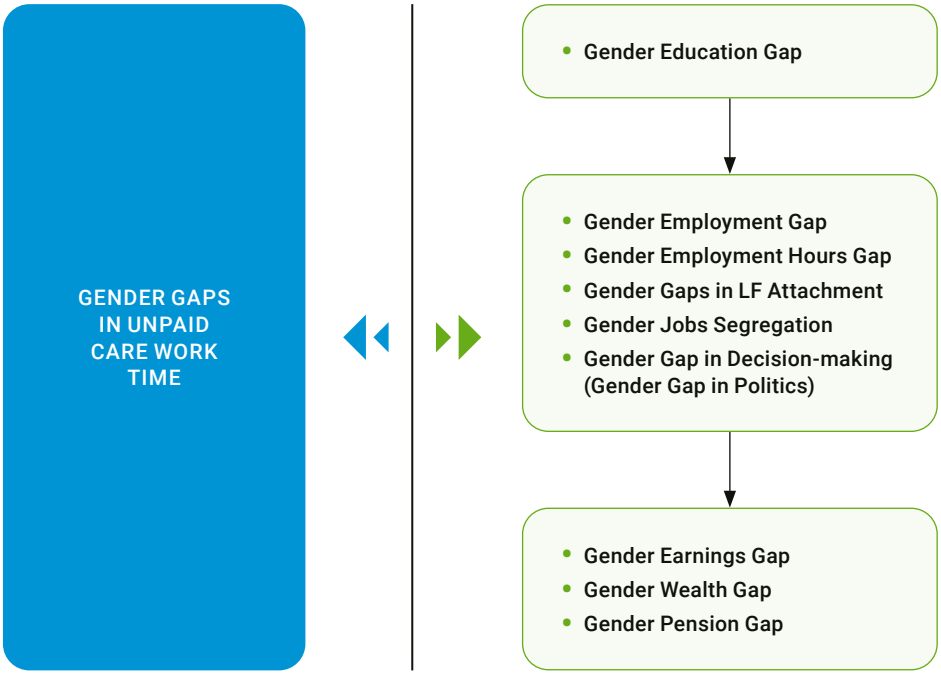
- The biological facts of reproduction.
- The gender wage gap (i.e. lower pay levels for women than men).
- Institutionalized conventional gender roles, given the first two factors.

In such an environment, when it comes to decisions about whether and how much to participate in the labour market, women (and men) must respond to the available options out of necessity rather than a free individual choice.

The gender division of labour conditioned through the interaction of weak labour market conditions and the context of either poor or absent work–life balance results in gender gaps in labour force participation, pay, jobs segregation and quality of jobs (Figure 3.2). Outcomes of the gender division of labour include a higher incidence of women's part-time work and fewer hours of labour market work, weaker labour force attachment, intermittent patterns of labour force participation, and clustering in a few categories of jobs that better enable work–life balance (such as public employment).

FIGURE 3.2

Transmission mechanisms of gender inequalities



Women's labour supply decisions
are affected by trade-offs between paid work and unpaid work

Source: Author's elaboration.

It is important to note that the gender distribution of the unpaid work burden interacts with class, whereby the labour force participation decision for women with lower skills depends more heavily on costs than on benefits. For most women, especially those at the bottom of the wage distribution and facing poorly paid, informal employment without maternity protection, caring for a young child can weaken their labour market attachment.

The 'motherhood wage penalty' refers to the gap in wages observed between women who are mothers and those who are non-mothers. By contrast, working fathers usually earn more than their childless peers, known as the 'fatherhood wage premium' (Grinshaw and Rubery 2015). Türkiye stands out with a very high motherhood wage penalty at 29.6 per cent, and South Korea with a high fatherhood premium at 26 per cent (ILO 2018: 80).

Another term used for gaps due to women's disproportionate care responsibilities is the 'leadership penalty'. It refers to the disadvantage that women, especially mothers of young children, face in accessing managerial and leadership roles. Data show that only 25.1 per cent of managers with children aged under 6 are women, compared to 74.9 per cent of men, while the gender gap is narrower among managers without young children (31.4 per cent women versus 68.6 per cent men). This penalty not only limits women's career progression but furthermore reduces their access to full or partial social insurance coverage (ILO 2023a: 27).

BOX 3.2

GENDER WAGE GAP AND EMPLOYMENT PATTERNS IN THE UNITED STATES – CLAUDIA GOLDIN

Claudia Goldin, the third woman to receive the Nobel Prize in Economic Sciences (2023) "for having advanced our understanding of women's labour market outcomes",[2] has made a major contribution to the study of the gender wage gap (GWG). Following her highly cited article, "A Grand Gender Convergence: Its Last Chapter" (2014), included in her recent book *Career and Family: Women's Century-Long Journey Toward Equity* (2021), Goldin combines historical examination of women's employment patterns in the United States with analysis of the gender wage gap. Focusing particularly on college-educated women, whose share among women in their late 20s rose from 3 to 45 per cent over the twentieth century, Goldin traces how successive cohorts navigated through changing constraints.

Using a choice-theoretical framework, her work shows how largely unified patterns emerge as the result of individual choices made under specific constraints, and she provides a historical analysis of shifting preferences shaped by changing opportunity costs and evolving constraints. Goldin identifies five distinct groups—successive generations of highly educated women, from group one, women in the 1920s who faced 'either-or' choices between career and family, to group five (women who graduated in 1980s and onwards) who aspire to both, as they can delay getting married and have children thanks to contraception and reproductive technologies. She describes this gradual transformation as a 'silent revolution' and includes biographical narratives to illustrate how successive cohorts of women have built upon earlier female role models to enable this evolution.

In explaining the continued existence of the gender wage gap, Goldin argues that occupational segregation accounts for only about one-third of the remaining disparity. The primary driver lies within occupations and specifically the extensive premium paid to 'greedy jobs', which demand long hours (often weekend time and evening time), constant availability and limited flexibility. Since the 1980s, with rising income inequality, the rewards attached to such jobs have increased. Although highly educated women often begin their careers earning wages similar to their male peers in demanding jobs, substantial gaps emerge after 10 years due to marriage and childbirth.

Goldin highlights how relative prices in labour demand shape labour supply decisions and intra-household bargaining. When both partners are employed in greedy jobs and caregiving responsibilities arise, at least one partner must remain 'on call' to respond to care needs. In such cases, couples face two options: they may both shift to more flexible positions, both be on call and preserve couple equity; or they may prioritize higher household income. Prevailing gender norms and relative wage differences often result in women assuming the on-call caregiving role and sacrificing gender equity within the household. Goldin's proposed solution is to address the constraints that force households into this trade-off: reducing the demand for greedy jobs, restructuring how work is organized, expanding the availability of flexible jobs without wage penalties, encouraging greater male participation in caregiving, and implementing supportive public policies that relax the structural pressures shaping these choices.

Goldin's rich and detailed historical contribution to the literature, and the way public visibility of the Nobel Prize brought gender equality into the mainstream agenda, are undoubtedly highly valuable both academically and in the policy sphere. Nevertheless, it is important to highlight several points to ensure that the framework employed and the debate it has generated do not deflect attention from other critical aspects related to the gender wage gap and women's labour force participation:

- When caregiving needs arise, the option in which men remain in greedy jobs while women move into on-call caregiving roles may increase total household income, but it does not guarantee equal intra-household distribution or long-term income security, particularly in cases of divorce.
- Such a specialization also entails costs for highly educated men, who inescapably become distanced from parenthood and family life, weakening their bonds with their children. This lack of engagement represents a significant deprivation not only for the men themselves but also for children and older household members or those with disabilities who require care. Hence, income maximization may come at the expense of substantial relational and social costs.
- Child-rearing and caregiving for dependent family members are not merely about individual utility but are fundamental productive activities with significant social externalities. Economic institutions and labour market policies should therefore be organized around the recognition of care with its core social function and should acknowledge both women and men as workers and caregivers, rather than relying on a narrow, profit-driven conception of market efficiency, which can contribute to declining fertility and crises of care.

- Although Goldin acknowledges shifting constraints and macroeconomic transformations, her preference-oriented framework may risk obscuring the structural nature of gender inequality.
- A choice-theoretical framework, operating within given constraints, may imply that sacrificing gender equity is a more 'rational' or 'wise' decision than preserving couple equity. Although Goldin calls for transforming those constraints, the framework itself—thinking 'inside the box' of existing constraints—carries the risk of normalizing and naturalizing gender inequality.
- It is important to remember that the dynamics Goldin (2021) describes reflect constraints and abilities of highly educated women in the United States and should not be generalized across different educational groups or national contexts, where occupational segregation and labour market informality may remain significant drivers of inequality.
- The type of flexibility and the reduction of greedy jobs that Goldin advocates are desirable for gender equity, as they would enable both parents to engage in caregiving and would benefit care recipients. However, in many parts of the world—particularly in developing and less developed countries—labour market flexibilization has often coincided with the erosion of secure and well-paid jobs, leading to declining employment and income security. It is therefore crucial to consider the power relations within which flexibility is implemented and to ask whose interests it ultimately serves.
- Goldin does not uncritically celebrate market mechanisms nor ignore the determining role of constraints; her analysis is empirically rich and nuanced. However, by focusing primarily on highly educated women whose relative position has improved over time, her framework captures only part of a more complex picture. Intersecting inequalities related to race, ethnicity, class and citizenship shape distinct dynamics for more disadvantaged groups, and solutions therefore require recognizing interconnected inequalities and pursuing equity across all segments of society (Folbre 2024: 362).

3.2.3 GENDERED NORMS AND BIASES IN LABOUR MARKET INSTITUTIONS AND POLICIES

Labour market institutions and policies regulate both employment and working conditions through mechanisms such as social security coverage, care leave, decent working hours, minimum wages, pay and promotion, the right to unionization and collective bargaining, and policies on workplace harassment and which enforce equality of opportunity in hiring. These are further supported by institutions and policies that promote equal civil rights in the family, reproductive autonomy, and protection against domestic violence and abuse.

The interconnected framework of laws and practices shaping the workplace experience of women at the meso level are critical to challenge the gender norms and gendered functionings in the labour market. Gender norms influence how men's and women's work is valued and what kinds of jobs are seen as 'appropriate' for each. Employers may perceive women as less committed to their jobs due to care responsibilities. Over time, these dynamics result in horizontal and vertical gender jobs segregation and wage gaps, and reproduce cycles of inequality across generations.

Examples of gender biases in labour markets:

- Gender stereotyping of jobs is deeply rooted in social norms. Gender jobs segregation often results in undervaluation of labour in women-dominated sectors, institutionalizing gender pay gaps.
- Weak enforcement of anti-discrimination legislation (on the basis of gender as well as caregiving roles) perpetuates gender jobs segregation and wage gaps.
- Weak employment protection legislation exposes women to risks of dismissal and non-promotion during maternity or parental leave. However, overly rigid regulations may also reinforce employer biases against hiring women of childbearing age, leading to indirect discrimination.
- Inadequate maternity leave or weak enforcement discourages women's labour force participation.
- Limited or non-mandatory paternity leave reinforces women's role as primary caregivers.
- Women are overrepresented in flexible employment due to unpaid care work (part-time jobs, home-based or hybrid work), often with lower pay, limited benefits, unionization and collective bargaining, and fewer promotion opportunities, locking them into a 'secondary' labour market.
- Workplace practices in recruitment, training and promotion often reflect gender biases, producing a glass ceiling that limits women's rise to leadership roles.
- Lack of effective protections against workplace harassment and gender-based violence discourages women's participation, restricts their job mobility and reinforces inequality.

DISCUSSION

Ask participants: In your country or community, what examples of gendered social norms influence women's and men's choices of jobs or employers' hiring decisions? How do these norms contribute to gender jobs segregation or wage gaps?

Encourage participants to draw on concrete examples from their own country or community. Guide the conversation towards recognizing how these norms translate into gender jobs segregation, and how this contributes to gender wage gaps, even when women and men have similar skills or qualifications. Emphasize how these patterns are not due to individual preferences alone but reflect structural and institutionalized norms embedded in labour markets.

KEY TAKEAWAYS FROM SESSION 3.2:

- Macroeconomic growth is a structural determinant of gender gaps in the labour market. Economic growth that generates sufficient, decent and productive jobs creates the conditions for ample labour demand for attracting women from their secondary earner position into employment, strengthens labour's bargaining power, improves wages and working conditions, and lowers the opportunity costs of women's labour market participation.
- Women's disproportionate responsibility for unpaid care limits their labour supply, job choices, working hours and career continuity, resulting in gender gaps in labour force participation, employment, earnings and gender jobs segregation.
- The impact of unpaid care work on women's labour market attachment varies with class. For low-income women in informal or low-paid jobs, care costs outweigh employment benefits, resulting in weaker labour market attachment and heightened vulnerability.
- Wage penalties for mothers, the motherhood penalty and barriers to leadership reflect institutionalized care norms and labour market biases, while men often experience a fatherhood wage premium.
- Labour markets and workplaces are gendered institutions. The legal framework and its enforcement capacity determine the functionings of the labour market; laws, policies and workplace practices can mitigate or entrench gender gaps.
- Weak enforcement of labour rights—including inadequate and gender-imbalanced care leave, limited access to quality social care services, biased recruitment and promotion practices, and lack of legislation to prevent workplace harassment—perpetuate inequality, while transformative labour legislation and policies could transform prevalent biases.

3.3 POLICIES FOR GENDER EQUALITY IN THE LABOUR MARKET

Policies to advance gender equality in employment have the potential to drive significant change when they acknowledge and attempt to alter the structural drivers of gender gaps and build a complementary response at the macro, meso and micro levels.

This session first explores policies for gender equality in the labour market under three main headings:

- Labour market regulations and policies for care-supporting workplaces.
- Gender-responsive active labour market policies (ALMPs) on women's access to training, job placement, re-entry support, and pathways into non-traditional and higher-productivity jobs.
- Anti-discriminatory labour legislation and institutions.

The session highlights two additional complementary areas as part of the broader policy mix:

- Private sector initiatives aimed at advancing gender equality.
- Entrepreneurship and microcredit programmes.

The session ends with consideration of an enabling macroeconomic framework for gender equality in employment, a cross-cutting policy area.

3.3.1 LABOUR MARKET REGULATIONS AND POLICIES FOR CARE-SUPPORTING WORKPLACES[3]

Labour market regulations and policies for care-supporting workplaces (also called 'work–life balance policies') are a priority area of intervention to advance gender equality in employment. Such policies seek to transform the gender division of labour within households and reshape workplaces into environments that support caregiving responsibilities for both women and men workers.

Various policy and programme interventions for care-supporting workplaces were identified in Module 2 (The Care Economy and Transformative Care Systems) within the framework of transformative care systems. This session aims to explore the scope of care-supporting workplace policies and their potential for redistributing unpaid work from women to men, hence alleviating time restrictions on women's labour supply while contributing to the well-being of family caregivers and access to higher-quality care by care recipients.

Labour market policies for care-supporting workplaces aim to improve people's ability to reconcile their obligations of paid work, unpaid care work and self-care. These policies are as follows:

- Care leave:
  - Maternity leave
  - Paternity leave
  - Parental leave
  - Long-term care leave
  - Emergency care leave
  - Nursing leave/breaks
- Care leave insurance schemes
- Harmonization of labour market and care policies:
  - Duration of care leave and starting age of entitlement to childcare centres
  - Workplace hours and care centre hours
- Protection of family carers against discrimination in employment
- Policies to support the return to work of family carers

- Flexible work arrangements:
  - Part-time work
  - Sliding work hours
  - Compressed working week
  - Remote work/hybrid work
  - Shorter working week

A gender equality perspective on labour market policies for care-supporting workplaces requires that its various components (such as care leave or flexible work) are applied to women and men with equally strong incentives and mandates, rather than focusing solely on women as is the case in many countries. For example, extending unpaid maternity leave despite very short symbolic paternity leave, or promoting home-based remote work for women, are often suggested as strategies to support women's employment. However, these work–life balance interventions end up generating gender gaps in earnings and social security, as well as horizontal and vertical gender jobs segregation.

A gender equality perspective on work–life balance policies is based on the objective of not only dual-earner families but also dual-carer families. Such policies need to strengthen women's attachment to the labour market while simultaneously strengthening men's engagement in care work. This means, for example, a childcare leave policy that provides mothers and fathers with equal leave entitlements and incentivizes equal take-up rates.

Policy evaluations from countries with extensive experience in labour market policies for care-supporting workplaces and high levels of women's employment demonstrate that the specifics of policy design matter (Ilkkaracan 2012a). For example, paternity and parental leave incentivizing men's take-up rates can be done by:

- Making care leave fully paid (and integrating full pay into care insurance schemes).
- Making a certain duration of parental leave usable only by fathers (e.g. Sweden's 'daddy months').
- Enabling flexible use of care leave spread over time along with part-time employment (e.g. using one or two days of care leave per week, while continuing employment in the remaining days).

The Dutch model is based on such flexible work, with flexible leave arrangements over the life cycle. Parental leave entitles and incentivizes both parents to reduce working time during the early years of child-rearing, so as to be able to share childcare while staying attached to the workplace. Fathers are more inclined to use leave on a part-time basis over a stretch of time rather than going on full-time leave in one go. Plantenga (2010) calls this the "¾ x 2 breadwinner and ½ x 2 carer model."

The French model presents a combination of a high-quality, widely accessible childcare services system along with shorter statutory employment hours (at 35 hours per week). This provides an environment where women's employment rate remains high, along with a remarkably high fertility rate.

Research on South Korea, by contrast, shows that despite fairly well-developed social care services (both childcare and long-term care), very long statutory (and de facto) employment hours pose a major obstacle to women's labour market attachment and are a driver of low fertility. A policy simulation with South Korean time-use data finds that regulating statutory labour market hours towards a shorter working week has a significant impact on increasing men's engagement in unpaid care work, with positive spillover effects on women's employment (Ilkkaracan and Memiş 2024).

Definitions of leave rights/policies[4]

Care leave:

Entitlement of employees to a leave period in order to care for care-dependent family members, such as maternity, paternity, parental, long-term, sick leave or emergency care. Can be paid or unpaid.

Maternity leave:

Entitlement of employees (mothers) to a leave period for childcare (including pre-birth pregnancy care).

Paternity leave:

Entitlement of employees to a leave period for childcare that can be used exclusively by fathers. It does not include parental leave provisions that can be used by the father or mother, or parts of maternity leave entitlements that the mother can transfer to the father.

Note that there are concerns as to whether paternity leave would serve its intended purpose of fathers caring for children in a context of strong conventional gender social norms, where women are perceived as the main caregiver and the main person responsible for household chores.

Parental leave:

Entitlement of employees to a leave period for childcare that can be used either by mothers or fathers. In some countries, such as Sweden, a certain segment of parental leave can be reserved solely for fathers (i.e. the couple loses the right to that segment of parental leave unless taken up by fathers).

Note that between 1994 and 2023, the share of countries with paid maternity leave legislation slightly increased, from 95.7 per cent to 97.8 per cent, and the global average duration of paid maternity leave increased from 12.8 weeks to 17.6 weeks (ILO 2025b: 11).

Long-term care leave:

A special leave entitlement available to employed persons to take care of family members (both children and adults) who have a long-term functional dependency, e.g. persons who have difficulties in carrying out daily living activities, such as bathing, dressing and getting in and out of bed.

Emergency leave:

A special leave entitlement of short duration that a worker can take for urgent family reasons because the immediate presence of the worker is indispensable.

Nursing breaks:

Entitlement of employees who are nursing mothers to daily breaks or a reduction of working time to breastfeed or express breast milk.

Care leave financing schemes:

The source of funding of care leave for workers. This can be covered by contributory or non-contributory social security or care insurance schemes, or via an employer mandate. It can cover provision of care leave for self-employed workers (i.e. workers without employers).

Definitions of flexible work for care-supporting workplaces

Flexible workplace practices allow for flexibility in work schedules and workplaces in order to facilitate a better work–life balance for their employees. They include:

Remote work:

Employees performing their paid work tasks from home or from a location other than the workplace.

Hybrid work:

Employees performing their paid work tasks partially at the workplace and partially at home or another location.

Compressed working week:

Allowing employees to work fewer days of the week but longer hours per day, e.g. 4 days at 10 hours per day to fulfil a statutory working week requirement of 40 hours.

Sliding work hours:

Allowing employees to choose when to start/end their paid work hours as long as they fulfil the total weekly required hours of work or complete the required tasks.

Shorter working week:

Typically means employees are required to perform paid work four days a week rather than the usual five days.

Note that flexible work practices have limited scope in a labour market context where informal employment is the dominant form of work.

It is also important to note that not all women in employment can benefit from the workplace policies listed above, as these often pertain to wage and salary earners in formal employment. Wage and salary earners in informal employment and own-account workers do not necessarily benefit from these regulations.

DISCUSSION

Ask participants to reflect on how access to and utilization of existing policies varies across different working contexts.

Things to consider:

- Universal access to high-quality and affordable care services
- Decent work hours
- Maternity, paternity, parental and care leave with equal opportunities and incentives for men and women
- Harmonization of workplace hours with hours of care services
- Access to temporary flexible work practices for both men and women

How do these policies apply to different countries in different contexts? For example, to:

- A self-employed woman
- Women employees in a factory
- Informal women farmers
- Informal market vendors
- A woman working in a bank
- A domestic worker
- Civil servants

Note to the Facilitator: The objective of this discussion is to reflect on how access to and effectiveness of care and labour market policies vary across different employment statuses and labour market contexts. Encourage participants to think about who is legally covered by these policies, who can realistically make use of them and what conditions are implicitly assumed in these policies. Help them notice key contrasts, such as public versus private, formal versus informal, wage employment versus self-employment, and high-skilled versus low skilled.

3.3.2 ACTIVE LABOUR MARKET POLICIES (ALMPS)

Active Labour Market Policies (ALMPs) entail skills and job training, career and job-search counselling for unemployed workers, and measures aimed at improving the efficiency of job placement processes, notably by matching unemployed workers with open vacancies. They are among the most widely applied labour market policies from a mainstream economics perspective, aiming to reduce unemployment rates. ALMPs are typically implemented by ministries of labour, public employment services and national employment agencies, often in coordination with regional or local authorities, private training providers, employers' associations, and, in some cases, non-governmental organizations.

In practice, implementation usually involves a sequence of administrative and programmatic steps. These include: registering unemployed individuals with public employment services; profiling and assessing job seekers' skills, employability and barriers to work; assignment to specific support measures such as training programmes, wage subsidies or job-search assistance; and ongoing monitoring of compliance and outcomes. Funding is commonly

provided through national budgets, social insurance schemes, or supranational sources such as the European Social Fund, while delivery is frequently decentralized to regional or municipal levels to account for local labour market conditions.

ALMPs typically focus on the supply-side of the labour market, based on the assumption that unemployment stems primarily from mismatches between labour supply and demand. In this sense, ALMPs are rooted in a mainstream approach that seeks to correct market failures by improving the efficiency of labour market functioning and facilitating worker–employer matching. Their rationale is that by addressing skills gaps and mismatches, labour markets can move closer to full employment.

The focus of mainstream economics on ALMPs as the primary labour market policy area is critiqued by non-mainstream economics. Keynesian economics argues that the primary structural cause of unemployment is aggregate demand deficiency, i.e. the inability of macroeconomic growth to generate sufficient employment demand for the potential workforce. In other words, the lack of open jobs is a crucial area of concern, rather than (or in addition to) a mismatch between open jobs and unemployed workers. Keynesian economics therefore argues for full employment policies, i.e. macroeconomic policies which prioritize creation of decent jobs, thus advancing inclusive growth. As discussed earlier, decent employment creation intensity of macroeconomic growth is critical for gender equality in the labour market. The different approaches by mainstream and non-mainstream economics to the problem of unemployment and its relation to economic growth are further discussed in Module 4 (Macroeconomics and Public Finance).

ALMPs are also criticized by feminist economics for being gender-blind. Skills training, career counselling and worker–job matching programmes often have embedded gender biases. For example, evaluations of ALMPs in different countries show that training schemes often channel women into short-term training programmes in traditionally feminized, lower-paid sectors such as care services, clerical work or retail, while men are more likely to access training in technical and higher-paying fields. Moreover, job-matching requirements frequently assume full-time availability and continuous labour market attachment, overlooking gendered care responsibilities. As a result, women, especially mothers, experience lower placement rates and higher sanction risks within these programmes.

Engendering ALMP requires the following (Balakrishnan et al. 2016; ILO 2025d):

- Extend coverage of ALMP beyond exclusive focus on the unemployed to also include the non-participant working-age population, primarily women, who are interested in being in employment given a supportive context.
- Design and implement employment retention measures preventing women from losing their jobs and measures supportive of women's re-entry into employment, such as targeted training, reskilling, job matching and placement support.
- Ensure women's equal access to training and skills enhancement, including:
  - Incentives for entry into, and training in, non-traditional fields.
  - Pre-employment and on-the-job training and retraining in vocational and technical skills.
  - Training in new skills to enable adaptation to changing technological demands.
- Ensure gender equality in job-search counselling and placement services by providing counselling and mentoring to women job seekers to encourage them to break out of labour market segmentation and enter new (non-traditional) fields of training and employment; and by tackling employers' discriminatory hiring practices.

- Promote self-employment and small and medium-sized enterprise (SME) development for women through training programmes and by enhancing their access to credit, land, property, technology, markets, information and networks.
- Adopt gender-responsive public works schemes (PWS) as an ALMP tool. PWS are public employment schemes that legally guarantee access to paid, usually low- or semi-skilled work at a statutory minimum wage for a set number of days per year, typically delivered through public works projects. They traditionally target long-term unemployed workers, aiming to refresh basic labour market skills, support work attachment, and provide recent employment experience and employer references. PWS can be utilized as a gender-responsive ALMP by also targeting potential workers excluded from the labour market (predominantly women) in addition to workers registered as unemployed. The traditional focus on capital-intensive physical infrastructure development of PWS can be reformed to also include public works schemes such as social infrastructure schemes on care services, green infrastructure and organic agriculture for rural women (see Box 3.3).

BOX 3.3

PUBLIC WORKS PROGRAMME ON SOCIAL CARE JOBS IN MACEDONIA[5]

UNDP Macedonia works with municipalities to identify services needed by vulnerable groups. With funding from the Ministry of Labour, UNDP then supports municipalities to recruit and hire unemployed local people to provide those services. The programme has been running since 2012.

The result is a win-win situation: Long-term unemployed people gain some work experience and a part-time job while vulnerable groups receive services they would not otherwise access. Typically, local service needs entail standard unpaid work: care for older persons, care for preschool and school-age children and care for persons with disabilities. Women account for 75 per cent of the long-term unemployed who benefit. For many women, this experience is their first entry into the labour force. By early 2017, the programme had employed 320 people in 42 (out of 81) municipalities to serve some 10,000 clients.

Source: Personal communication with Louisa Vinton, UNDP Resident Representative, Macedonia.

3.3.3 ANTI-DISCRIMINATORY LABOUR LEGISLATION AND INSTITUTIONS

While policies for care-supporting workplaces and gender-responsive ALMPs are essential for advancing gender equality in employment, they are insufficient on their own. Achieving substantive equality requires a broader transformation of labour market institutions to directly confront employer discrimination, gendered norms and structural biases embedded in hiring, pay-setting, promotion and everyday workplace practices. This part of the session therefore focuses on labour legislation and institutional frameworks that explicitly aim to eliminate gender discrimination across the employment relationship, drawing on guidance from UN Women (2016b) and the ILO (2019).

A central pillar of this agenda is the principle of equal pay for work of equal value. This extends beyond equal pay for identical jobs and instead addresses the systematic undervaluation of work predominantly performed by women. Comparable worth and pay equity policies seek to ensure that jobs requiring similar levels of skill, effort, responsibility and working conditions are remunerated equally, even when they differ in occupational content or sectoral location. Such approaches are increasingly complemented by wage transparency measures, including mandatory gender pay audits and employer action plans, which aim to expose and correct discriminatory pay-setting practices. Raising statutory minimum wages and extending their coverage to previously excluded or informal groups, alongside effective enforcement through labour inspection regimes, further strengthens the wage floor and disproportionately benefits women workers.

Beyond wages, gender equality in employment requires robust legal frameworks governing hiring, promotion and career progression, as inequalities are often reproduced at entry points and through internal labour market dynamics. Anti-discrimination legislation plays a foundational role by prohibiting both direct and indirect discrimination in recruitment, selection and advancement, including practices that appear gender-neutral but have disproportionate adverse effects on women. Gender quotas and affirmative action measures have been adopted in many contexts to address persistent vertical and horizontal segregation, particularly in senior, decision-making, or traditionally male-dominated occupations. These measures seek not only to correct historical disadvantage but also to disrupt self-reinforcing norms and employer biases that limit women's access to leadership and higher-quality jobs.

Transparency in recruitment, promotion and performance evaluation criteria further strengthens these legal frameworks by reducing discretionary decision-making and increasing employer accountability. Clear job requirements, standardized evaluation procedures, and disclosure of promotion pathways and outcomes can help expose unequal treatment and provide workers with mechanisms to challenge discriminatory practices. Together, these policies aim to ensure that career advancement is based on merit and competencies rather than gendered expectations, informal networks or stereotypical assumptions by employers which relate to women's availability, commitment or leadership potential.

Collective institutions, such as unionization and collective bargaining, also play a crucial role in promoting gender-equal outcomes. Coordinated and inclusive systems of collective bargaining can help reduce gender wage gaps by limiting discretionary pay-setting and ensuring more equitable wage structures across sectors and occupations. In parallel, legislation supporting the right to organize, engage in collective action and participate in effective social dialogue is essential for enabling workers, particularly women, to challenge discrimination and influence workplace decision-making.

At the same time, feminist scholarship has highlighted that trade unions themselves are not gender-neutral institutions. Historically, union agendas, leadership structures and bargaining priorities have often reflected male-dominated employment patterns and norms, resulting in underrepresentation of women and the marginalization of issues such as pay equity, care responsibilities, part-time work, and protection against harassment and violence at work. As a result, unions and collective bargaining systems are an important arena for institutional reform. Strengthening women's representation in union leadership, integrating gender equality objectives into bargaining agendas, and adopting gender-sensitive bargaining practices are critical for ensuring that collective institutions effectively advance gender equality rather than reproducing existing labour market inequalities.

These measures are closely linked to policies aimed at preventing and addressing gender-based violence and sexual harassment at work, which are significant barriers to women's labour market participation and retention. Increasingly, labour legislation has begun to recognize the interconnections between the labour market and the private sphere, for example through provisions such as family and domestic violence leave, which support victims of domestic violence and facilitate continued or renewed attachment to employment.

Finally, effective enforcement is critical to the success of all these measures. Labour standards governing employment contracts, working hours and earnings must be actively monitored and upheld. Ensuring safe and healthy working environments requires sustained investment in labour administration, including well-resourced labour inspectorates, the enforcement of occupational safety and health standards, and workplace-level training to prevent and respond to harassment and violence. Together, these institutional and legislative measures form an integrated framework for addressing the structural roots of gender inequality in labour markets.

More broadly, labour market equality is embedded within a wider framework of constitutional, civil and social rights. Equal rights in areas such as marriage, parenting, inheritance and property ownership shape women's economic security and bargaining power, both within households and in labour markets. Similarly, gender equality in education and health, including access to reproductive health services and technologies that enable bodily autonomy, is key for overall gender equality, including equal participation in employment.

3.3.4 PRIVATE SECTOR PROGRAMMES FOR ADVANCING GENDER EQUALITY

As discussed in the previous session, it is the state that legislates and enforces corporate obligations, creating a regulatory framework within which business performance and disclosure on gender equality can improve. While governments develop the necessary legislation and policy measures, the extent to which workplaces and corporate practices evolve depends both on the state's enforcement capacity and on how deeply the private sector internalizes these measures.

Programmatic interventions engaging private sector employers play an important supportive role in advancing gender equality in employment. However, it is important to note that such initiatives based on the goodwill of employers alone are insufficient as a primary strategy, particularly given that corporate employers represent only a portion of overall employment. In addition, in competitive market environments, gender equality measures introduced by individual companies are more likely to be sustained when they are embedded within a broader regulatory and policy framework, with effective public enforcement ensuring equal conditions across employers.

Women's Empowerment Principles (WEPs), introduced in 2010 by UN Women and the United Nations Global Compact, represents a first multilateral attempt at a framework to help businesses advance gender equality through inclusive and responsible practices (see Box 3.4).

BOX 3.4

WOMEN'S EMPOWERMENT PRINCIPLES

In 2010, UN Women and the United Nations Global Compact jointly introduced the Women's Empowerment Principles (WEPs) as a framework to help businesses advance gender equality through inclusive and responsible practices. Today, more than 11,500 companies from 180 countries have become signatories, pledging to apply seven core principles that promote gender equality across corporate leadership, workplace culture, market participation, community engagement and accountability (UN Women 2025a).

Principle 1	Establish high-level corporate leadership for gender equality.
Principle 2	Treat all women and men fairly at work – respect and support human rights and nondiscrimination.
Principle 3	Ensure the health, safety and well-being of all women and men workers.
Principle 4	Promote education, training and professional development for women.
Principle 5	Implement enterprise development, supply chain and marketing practices that empower women.
Principle 6	Promote equality through community initiatives and advocacy.
Principle 7	Measure and publicly report on progress to achieve gender equality.

UN Women (2025a) proposes the following guidelines for private sector companies towards achieving gender equality in the workplace:

- Provide decent work and living wages and expand opportunities for women.
- Aim for gender parity in the workforce and recruit women into roles where they are underrepresented.
- Ensure equal pay for work of equal value.
- Adopt workplace policies for care-supporting workplaces.
- Adopt zero-tolerance policies, prevent harassment and extend protections through robust grievance mechanisms, including in supply chains.
- Strive for gender parity in leadership and enhance women's promotion pipelines.
- Build gender-responsive supply chains and expand procurement from women-owned businesses.
- Help to close digital gaps by investing in women's connectivity, skills and equitable access to technology.

DISCUSSION

Lead a discussion to help participants:

- Understand the purpose and structure of the WEPs Gender Gap Analysis Tool (https://weps-gapanalysis.org/).
- Reflect critically on what the tool captures well and what it may overlook.
- Discuss how such tools can (or cannot) help to promote gender equality in the private sector.

Guide the discussion by asking the following questions:

- What assumptions does the WEPs Gender Gap Analysis Tool make about how change happens in the private sector?
- In what ways can such a tool help companies make progress on gender equality?
- How can it support accountability, transparency or learning?
- Which aspects of gender equality might be hard to quantify or might be missing from such assessments?
- Could there be biases when companies assess themselves?
- How can data from this kind of tool feed into policy dialogue or public reporting?

BOX 3.5

GOOD PRACTICES: UN WOMEN–BUSINESS PARTNERSHIPS FOR GENDER EQUALITY

UN Women and the private sector collaborate to advance women's economic empowerment and gender equality worldwide. In 2024, 12 countries adopted or improved laws and incentives for gender equality in the private sector with UN Women's support. Since 2018, more than 8.7 million women and girls have directly benefited from these joint initiatives (UN Women 2025b). Partnership examples include:

- **Safer Tourism in India (Madhya Pradesh, 2021).**
  Joint effort with state authorities, hotels and NGOs to make tourist sites safe and violence-free for women workers and travellers (UN Women 2025b).
- **Financing Women and Youth-Led Enterprises in Niger (2024).**
  A public–private partnership between UN Women, the Government of Niger, Fonds de Solidarité Africain and commercial banks created a US$35 million guarantee line to expand access to capital for women and youth entrepreneurs (UN Women 2025b).
- **Digital Entrepreneurship for Indigenous Women in Argentina (2024).**
  Partnership with the Google Foundation supported 471 rural and Indigenous women to access seed funding and digital-skills training, reaching 897 women in total (UN Women 2025b).
- **Asia-Pacific Care Accelerator (2023).**
  This initiative supported 12 care enterprises to develop gender-responsive business models, adopt anti-harassment and non-discrimination policies, and provide decent work for care workers (UN Women 2025b).
- **Digital Leadership Partnership with Nokia (2022–2025).**
  The partnership reached 450 women in 8 countries—including Türkiye, India, South Africa and Tunisia—with digital literacy, entrepreneurship and leadership training. More than 100 Nokia volunteers mentored marginalized and refugee women; the programme planned to scale to 12 countries in 2025 (UN Women 2025a).

3.3.5 WOMEN'S ENTREPRENEURSHIP AND MICROCREDIT PROGRAMMES

Women's entrepreneurship programmes

Women own and operate approximately one-quarter to one-third of formal sector enterprises worldwide (ILO 2019: 90). The proportion and characteristics of women-owned and women-led enterprises vary significantly across countries, sectors and levels of development. In OECD countries, women were about 30 per cent less likely than men to be involved in starting or managing a new business in 2021. Women were most active in entrepreneurship in Chile (25 per cent), Brazil (19 per cent) and Canada (16 per cent), while their participation was lowest in Poland (2 per cent), Norway and Italy (less than 4 per cent) (OECD 2023: 276).

Women entrepreneurs face a range of formal and informal barriers, along with discriminatory norms and practices, restricting their access to finance, information, skills development, business networks and markets, which also limits their potential and capabilities. Entrepreneurship programmes and policies refer to measures designed to create, support and strengthen businesses owned and/or managed by women—including micro, small and medium enterprises (MSMEs), cooperatives and social enterprises. They include (ILO 2025d: 25):

- Access-facilitation measures for women entrepreneurs to strengthen institutional capabilities of financial and non-financial service providers to serve women's specific needs.
- Entrepreneurship training schemes focused on business management, marketing, digital skills and leadership development.
- Coaching and mentoring programmes tailored to women entrepreneurs, providing hands-on guidance for enterprise creation and growth.
- Networking and peer-support platforms that facilitate access to markets, investors and professional associations.
- Gender-sensitive access to finance mechanisms, including microcredit, credit guarantees, venture funds and public procurement opportunities.
- Intersectional inclusion strategies to reach rural, migrant and minority women entrepreneurs.
- Representation and participati on of women entrepreneurs in public policy design, and local, national and regional business chambers and economic decision-making bodies.
- Policy and regulatory reforms which address gendered constraints in:
  - Taxation systems.
  - Access to land titles and property rights.
  - Business registration procedures.

However, it is important to recognize that entrepreneurship requires a set of capabilities that go beyond those associated with participation in employment, and that it should be a choice, not a necessity. In OECD countries, women entrepreneurs were about 20 per cent more likely than men to report starting a business because they lacked employment opportunities. Data also indicate that countries with higher shares of women involved in entrepreneurship tend to have both higher overall entrepreneurship rates and a larger share of people who report starting a business out of necessity rather than opportunity (OECD 2023: 276).

In many emerging and developing economies, women entrepreneurs are concentrated in local markets and low-growth activities, often confined to the informal economy. It is therefore critical to understand the conditions under which women engage in entrepreneurship programmes, and the needs these programmes are expected to address. Many women turn to entrepreneurship as a survival strategy, driven by limited access to decent employment opportunities in the formal labour market. Addressing this challenge requires tackling the structural issue of informality by adopting policies that extend beyond finance and training to include social protection measures that support the transition of informal workers into decent work, which is emphasized by ILO Recommendation No. 204 (2015) (ILO 2019: 90).

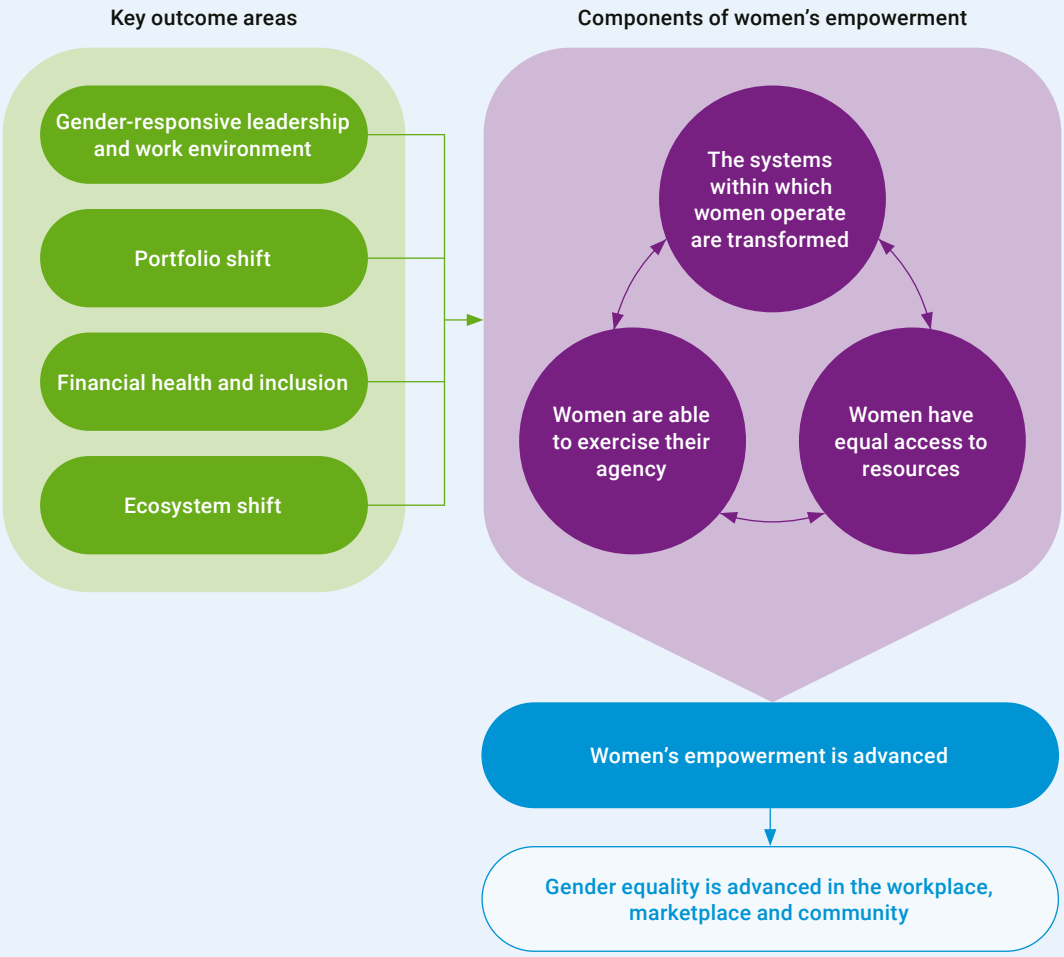
BOX 3.6

HOW BANKS CAN ADVANCE GENDER EQUALITY: WOMEN ENTREPRENEURS AND ACCESS TO CREDIT

Women continue to face significant barriers in accessing, using and benefiting from financial products and services due to barriers rooted in structural inequalities, restrictive gender norms and institutional biases. Despite women being proven low-risk clients, the global gender credit gap is US$1.5 trillion. Surveys of the International Finance Corporation (IFC) consistently show that women-owned and women-led MSMEs have lower non-performing loan rates than the average. Moreover, it is estimated that closing the gender credit gap could generate US$30 billion in new annual interest income.

Some key gender-egalitarian actions banks can take are (UNEP FI and UN Women 2024):

- **Demonstrate gender-responsive leadership.** Senior management commitment is essential. CEOs and executive teams should embed gender equality within corporate culture and decision-making, ensuring that gender inclusion goals are reflected in governance, staffing and operational priorities.
- **Shift portfolios to empower women entrepreneurs.** Integrate gender criteria into due diligence and risk assessment; adopt gender risk screening; expand access to credit for women-led MSMEs; and deploy innovative gender financing instruments, such as blended finance, impact investment tools and credit guarantees.
- **Use gender-disaggregated data strategically.** Establish systems to collect, manage and analyse gender-disaggregated financial data. These data should inform a continuous cycle of gender-responsive product design, targeted outreach and evaluation to ensure that financial services meet women's diverse needs, enhance financial resilience, and support both short-term management and long-term planning.
- **Strengthen the broader ecosystem.** Partner with governments, suppliers, chambers of commerce, trade unions, education institutions and women-led organizations to amplify gender equality efforts and expand the reach of financial inclusion initiatives.
- **Invest in gender data for inclusion (Fin Equity 2020).** Collecting and analysing gender data enables banks to identify:
  - Who remains excluded from financial systems.
  - Which financial products are used, and by whom.
  - The differential impacts of financial inclusion initiatives.
  - How women's financial needs differ from men's.
  - Why and how products and delivery mechanisms must be adapted.



Source: UNEP FI and UN Women. 2024: 8.

Microcredit programmes: Promises and pitfalls

Microcredit emerged in the 1970s to extend small, collateral-free loans to low-income households. Most of them were to women, who were previously excluded from formal financial systems. The concept, pioneered by 2006 Nobel Peace Prize winner Muhammad Yunus's Grameen Bank in Bangladesh, sought to democratize access to finance and reduce poverty through collective responsibility and group lending (Grameen Bank 2025). Historically, people living in poverty had been considered 'high-risk clients' because of their lack of collateral, guarantors or steady income, forcing them to rely on costly and unreliable informal financial services.

Microcredit institutions, particularly the Grameen model, demonstrated poor women could reliably borrow with high repayment rates, contradicting long-held assumptions about creditworthiness. Since its inception in 1976 as an action-research pilot in Jobra village, Grameen Bank has scaled nationwide, now reaching over 10.75 million borrowers and serving some 45 million people across 94 per cent of villages in Bangladesh (Grameen Bank 2025).

Microcredit is commonly defined as the provision of small-scale loans to individuals within groups, often targeted at poor women, with collective liability ensuring repayment. Loan amounts are typically repaid weekly, and administrative costs are subsidized rather than interest rates.

Microfinance refers to an expanded suite of finan-cial services for low-income populations, including savings, insurance and housing loans, emphasizing financial inclusion and stability over short-term credit cycles.

Proponents argue that microcredit has played a pivotal role in promoting women's empowerment, household well-being, economic participation and access to income. Women's access to microcredit is associated with increased non-land asset ownership, labour force participation and children's education (Pitt et al. 2003).

However, critics of microcredit point to the following:

- **Debt burden and over-indebtedness:** Microcredit has, in many cases, become a mechanism for debt expansion rather than sustainable development. Multiple borrowing and the social pressures of group repayment can trap women in cycles of indebtedness.
- **Questionable empowerment outcomes:** Empowerment effects are uneven and context specific. Goetz and Gupta (1996) found that many women borrowers, particularly married women, had little control over their loans, with decisions often made by male family members. Some studies show little or no change in intra-household bargaining power, while others suggest that the burden of repayment increases women's stress and vulnerability. Kabeer (2001) argues that empowerment indicators should capture not only improvements in household living standards or children's welfare, but also structural shifts in gender relations within the family and community for improvement in gender equality.
- **Limited sustainability:** Microcredit-funded enterprises frequently remain at the subsistence level, characterized by low profitability and limited growth potential. Without adequate training, market access or infrastructure, women tend to invest in saturated, low-margin activities such as petty trade or tailoring. These limitations highlight the structural mismatch between credit provision and broader economic opportunities.
- **Increasing informality and deteriorating working conditions:** The proliferation of small-scale informal enterprises leads to overcrowded local markets, where most participants work excessively long hours yet continue to earn meagre incomes. Serving a customer base that remains largely in poverty, these microenterprises often compete over stagnant demand rather than creating new economic opportunities (Bateman 2023).
- **Structural blind spots:** Critics emphasize that microcredit individualizes responsibility for poverty reduction by shifting the burden to women, while ignoring structural barriers such as inadequate social protection, poor labour market opportunities and systemic gender discrimination.

Recognizing these limitations, alternative models of financial inclusion emphasize collective and sustainable approaches. Credit unions and financial cooperatives, which combine lending with savings and community ownership, are highlighted as more equitable and resilient models. They recycle wealth locally, prioritize financial literacy, and balance profit with social objectives (Bateman 2023).

3.3.6 MACROECONOMIC POLICIES FOR AN ENABLING FRAMEWORK FOR GENDER EQUALITY IN EMPLOYMENT

As discussed under Session 3.2, a crucial structural driver of gendered patterns in employment pertains to macroeconomic growth trends. At the macro level, policy impacts are reflected in employment outcomes, such as availability of decent jobs and changes in the gender composition of jobs and employment conditions. Hence, macroeconomic policies for full employment—along with industrial (sectoral) and trade policies—are crucial compon-ents of the policy framework for gender equality in the labour market. These policies are discussed in Module 4 (Macro-economics and Public Finance) and Module 5 (Inter-national Trade and Open Economy Macroeconomics).

This sub-session summarizes on how to complement macroeconomic and sectoral policies with a gender equality in employment perspective.

An enabling macroeconomic policy framework for gender equality in employment requires:

- Prioritizing decent job creation – when generating new and quality employment opportunities is a central goal of macro-economic policy, the expansion of jobs creates fertile ground for advancing equality objectives.
- Integrating gender equality into national employment policies as a core objective rather than an add-on.
- Designing targeted industrial and sectoral policies that expand opportunities for women in emerging and growth sectors.
- Setting time-bound targets for gender equality in employment, specifying how to reach these targets, and establishing monitoring mechanisms.
- Engaging women-led organizations and gender equality specialists throughout the policymaking process.
- Challenging horizontal and vertical gender segregation by aligning employment goals with education and skills policies.
- Progressively formalizing micro and small enterprises to expand decent work opportunities, particularly for women.
- Collecting and using gender-disaggregated data to track progress, identify persistent dis-parities and design evidence-based policies.

ILO's GENSEC Policy Tool (Esquivel and Fontana 2024) provides a framework for integrating gender equality into sectoral prioritization and industrial policy as part of structural transformation strategies. It starts from the premise that employment potential is inherently gendered and that women's access to decent work is not an automatic outcome of growth. The tool addresses two core questions: which sectors to prioritize to generate decent jobs for women, and how to reduce the structural, institutional and social barriers that restrict women's access to these jobs.

GENSEC proposes a set of criteria for sector selection that combine traditional economic considerations, such as employment generation capacity, economic linkages, export potential and opportunities for technological upgrading, with gender-relevant and sustainability concerns, including resource availab-ility, climate and environmental impacts, and food security. Sectoral prioritization is conceived as a political and institutional process involving govern-ments, employers, trade unions and civil society, and requiring negotiation among competing interests, rather than as a purely technocratic exercise.

Analytically, the tool identifies frameworks such as growth identification and facilitation, economic complexity and product space analysis, and export diversification indicators, explicitly embedding gender analysis within these approaches. Its central message is that gender equality should be treated as a core criterion rather than a secondary outcome in sectoral and industrial policy design, ensuring that structural transformation strategies contribute to both economic development and more equitable labour market outcomes. See Box 3.7.

BOX 3.7

ILO GENSEC POLICY TOOL: GENDER-RESPONSIVE SECTORAL PRIORITIZATION

Structural transformation through a gender lens must address two key questions:

A. Which sectors should be prioritized to create decent jobs for women, acknowledging that women's employment fosters growth and innovation?

B. How can barriers restricting women's access to these jobs be reduced?

Criteria for sector selection:

- Economic linkages, export potential, technological upgrading.
- Employment generation capacity.
- Resource availability, climate/environmental concerns, food security.

Decision-making process:

- Involves governments, business, trade unions and civil society.
- Requires political negotiation among competing interests.
- Grounded in rigorous, country-specific analysis.

Analytical methods:

1. **Growth identification and facilitation Framework.** Sectors aligned with comparative advantage, benchmarked internationally.
2. **Economic complexity and product space.** Diversifying exports by mapping current productive structures.
3. **Export potential and diversification indicators.** Identifying untapped and new opportunities.

Key insight: Employment potential is gendered. Gender equality should be a core criterion in sectoral prioritization and industrial policy for structural transformation.

Source: Esquivel and Fontana 2024.

GROUP EXERCISE:

GENDER-AWARE POLICY DESIGN

This exercise demonstrates how gender-aware data analysis and policy design must be integrated to move from identifying inequalities to transforming labour market outcomes. Participants will address the gender gaps in labour markets that they identified and analysed in the exercise on 'Labour market statistics and gender gaps', by applying the policy measures discussed in Session 3. The objective of the exercise is not to list all possible policies but to assess which policies are most relevant to the gaps identified.

Break participants up into smaller groups. Ask the groups: Which of the following types of policies could most effectively address the gender gaps in the labour market that you identified in the exercise at the end of Session 3.1?

List of policies for gender equality in the labour market:

- **Labour market policies for care-supporting workplaces:**
  - Universal access to high-quality and affordable care services.
  - Decent work hours.
  - Maternity, paternity, parental and care leave with equal opportunities and incentives for men and women through universal and collectively financed care leave insurance schemes.
  - Harmonization of workplace hours with hours of care services.
  - Access to flexible work practices for both men and women.
- **Active labour market policies:**
  - Jobs training and skills enhancement.
  - Job placement and counselling, including training in and guidance to non-traditional fields.
  - Public works schemes.
- **Anti-discriminatory labour legislation and institutions:**
  - Legislative measures and practices such as affirmative action; and enforcement measures including closer examination of hiring and promotion processes; and equal pay for work of equal value.
  - Legislation on securing the right to organized collective action and effective social dialogue mechanisms.
- **Private sector programmes for gender-equitable employment practices.**
- **Women's entrepreneurship and microcredit programmes.**
- **An enabling macroeconomic framework and decent jobs generation.**
- **Legislation and policies ensuring gender equality in education and health.**

The groups then come back to the plenary to share and discuss their findings.

Wrap up the discussion by addressing the similarities and differences among groups' suggested policies and identify the gender gaps that were unaddressed, if any.

KEY TAKEAWAYS FROM SESSION 3.3:

- Gender equality in employment requires an integrated policy approach, addressing the structural drivers of gender gaps in the labour market.
- Accessible, affordable care services and care-supporting workplace policies address a core structural root cause of gender inequality by reducing unpaid care constraints.
- Care-supporting workplace policies must target both women and men. Policies such as care leave, flexible work and shorter working hours promote gender equality only when they strengthen women's labour market attachment while increasing men's engagement in care and enabling dual-earner/dual-carer models.
- While ALMPs are central to mainstream labour market policy, gender-blind ALMPs reproduce existing inequalities. Gender-responsive ALMP design is essential to expand women's access to training, placement and re-entry, including to non-traditional, higher-productivity jobs.
- Private sector programmes can play an important supportive role in advancing gender equality at work, but they are not a substitute for strong public regulation and enforcement. Employer-led initiatives are most effective and sustainable when embedded within binding legal frameworks that create level playing fields and align corporate practices with broader gender equality goals.
- While microcredit has expanded low-income women's access to finance and challenged assumptions about their creditworthiness, its empowerment effects are uneven and often overstated. Without complementary investments in skills, markets, labour opportunities and social protection, microcredit can deepen informality and indebtedness, shifting responsibility for poverty reduction onto women rather than addressing structural constraints.
- Macroeconomic policies and growth regimes matter, as they determine availability of decent jobs. Macro policies based on wage suppression, export competitiveness or austerity have often widened gender employment gaps. Gender-responsive sectoral and fiscal policies are required to translate growth into gender equality in employment.

3.4 SOCIAL PROTECTION AND GENDER EQUALITY

This session introduces gender inequalities in social protection by examining how labour market structures and care responsibilities shape women's access to income security and social services across the life course. The session builds on the prior discussion on gender inequalities in the labour market and highlights how accumulated inequalities over the life cycle translate into gender inequalities in social protection.

3.4.1 AN OVERVIEW OF GENDER INEQUALITIES IN SOCIAL PROTECTION

Social protection is the provision of access to a minimum income and to healthcare for dependent groups , which include children and older persons, as well as working-age people, in cases of sickness, unemployment, maternity and disability. Healthcare, unemployment, disability and maternity insurance, retirement pension schemes, (conditional) cash transfers, minimum income guarantees and public works programmes constitute the various tools of social protection systems.

Most social protection measures like retirement pensions, unemployment insurance and maternity protection are contributory schemes tied to the conditions of employment. For the most part, this is wage and salary employment, although there may be mandatory or voluntary schemes for the self-employed. Gender inequalities in unpaid work and paid employment translate into gender gaps in access to social protection. This is because women's exclusion from the labour market means that women are automatically excluded from most contributory social security schemes.

To the extent that women do engage in the labour market, they are more likely than men to be in informal, hence unprotected, employment. Women are also more likely to show intermittent patterns of participation with fewer years of employment, leading to their exclusion from contributory social security schemes. Finally, when women do have enduring engagement in formal employment, their lower levels of pay and seniority translate into gender gaps in pension benefits.

Gender gaps in social security coverage can be assessed through the following measures:

- The gender gap in social security coverage in employment (wage and salary earners and self-employed): difference in the share of employed women versus men covered under a social security scheme.
- The gender gap in social security coverage for all women and men: difference in the share of women versus men covered under a social security scheme, independent of employment status or age.
- The gender in pension beneficiaries: the difference in the share of women and men above retirement age receiving a pension.
- The gender in pension levels: difference in male versus female average (or median) pension payments.
- Maternity protection: share of employed women covered for maternity leave and for cash benefits.

Under contributory and compulsory social protection schemes, coverage is substantially lower for women than for men due to lower participation rates of women in the labour market and their less favourable employment conditions. In 2023, at the global level, 63.2 per cent of men above the statutory retirement age received a contributory pension, compared to 49.2 per cent of women, highlighting the persistent gender gap in access to income security in old age (ILO 2025b: 11). Women's lower coverage can be partly offset by the development of non-contributory pension schemes as well as programmes to extend coverage through voluntary affiliation. However, in

terms of their levels of protection, levels of effective pension coverage, reliability and financial sustainability, these mechanisms are not sufficient to close the coverage gap (ILO 2016b).

Women also receive lower benefits than men due to lower female wages, shorter periods of contribution, career breaks and higher incidence of part-time work. A higher proportion of women receive benefits from survivors' pensions and from non-contributory old-age pensions. These are usually associated with lower levels of benefits. Even in countries where women enjoy broad access to pensions, their benefit levels are often a fraction of men's. In the European Union, for example, women's pension pay is 40 per cent lower than men's (UN Women 2015c).

3.4.2 SOCIAL PROTECTION POLICIES FROM A GENDER PERSPECTIVE

As the above review of global and regional trends illustrates, the root cause of gender gaps in the extent and level of social security coverage lies in gender imbalances in unpaid care work and the resulting inequalities in employment. The situation is due to the dominance of employment-based contributory schemes combined with the lower coverage of non-contributory schemes; hence, their effectiveness in lifting people out of poverty is limited. In the long run, the elimination of gender inequalities in the labour market is an important strategy for eliminating gender gaps in social security. In the short run, however, and given the context of substantial gender inequalities in the labour market, there is significant need to assess the gender gaps in social security through a universal social protection floor (SPF).

The United Nations has defined four basic social services that governments must provide to all citizens as a SPF (UN Women 2015a):

1. Quality and accessible healthcare, including maternal care.
2. Basic income security for children, including access to nutrition and education.
3. Basic income security for working-age people, particularly in cases of sickness, unemployment, maternity and disability.
4. Basic minimum income security for older persons.

While the 2030 Agenda for Sustainable Development promises to increase the quality and coverage of services and the social protection system to provide a floor for all, it is not yet clear how this will be financed (Razavi 2016).

UN Women (2015b) suggests that national SPFs can be a powerful tool for closing gender gaps in social security if their design accounts for the sources of gender discrimination. Such a gendered assessment of social security systems would need to address women's disproportionate responsibility for unpaid care and domestic work and the unequal power relations that prevail in the household.

A social protection floor that aims at gender equality and women's empowerment would eliminate reliance on assumed relationships with a male breadwinner as the main mechanism of access to social security. The provision of access to necessary social care services is as important as providing access to social transfers. Any cash transfer programme, e.g. child allowances, would need to be guided by the principle of women's empowerment and the transformation of gender roles towards equality. Consequently, linking social transfers to improved employment opportunities would establish a crucial strategy for closing the gender gap in social protection (Box 3.8).

BOX 3.8

GENDER EQUALITY PRINCIPLES FOR THE DESIGN OF SOCIAL PROTECTION FLOORS

- Women's rights to income security and to access basic social services cannot hinge on a presumed relationship to a male breadwinner which risks either exposing women to abuse, humiliation or violence or excluding them to access these rights. In order to prevent unwanted economic dependence, social policies must treat women as individual rights-bearers.
- The most effective way to realize economic and social rights for all without discrimination is through a comprehensive approach to social policy that combines universal access to social services with social protection through contributory and non-contributory transfer systems.
- Delivery of universal quality social services—primarily social care, education and health services, as well as housing and water and sanitation—need to be considered an indispensable component of a gender-egalitarian social protection floor.
- In defining national SPFs, countries should conduct thorough assessments of the needs of caregivers and care receivers to ensure that the expansion of transfers and services contributes to the recognition, reduction and redistribution of unpaid care and domestic work.
- Given the prevailing economic climate of crisis and austerity, and the substantial costs of investing in universal social protection and social services, narrow targeting to the poorest households may be deemed more affordable in the short term. However, the long-term gains need to be weighed against the short-term costs; adequate social protection prevents the depletion of skills during times of widespread unemployment and ensures continued investment in child nutrition, health and schooling.
- The introduction of such a universal system of coverage would need increased efforts to expand fiscal space and in many low-income countries these benefits need to proceed gradually. Moreover, building universal systems that benefit everyone can expand financing options by increasing the willingness of middle- and higher-income groups to pay taxes for well-functioning education, health or pension systems that they would also access.

Source: UN Women 2015b.

Razavi et al. (2024) propose a life-cycle approach to gender-responsive social protection, emphasizing the need for universal, inclusive and adequately financed systems that address gendered risks and inequalities at different stages of life. The study highlights the importance of comprehensive health coverage, including maternity, sexual and reproductive health services, and long-term care, alongside

investments in health infrastructure and the care workforce. For children and families, child benefits are central to improving well-being while reducing women's unpaid care burden and supporting young women's transitions from education to employment.

For working-age populations, the approach calls for a shift away from fragmented, employer-based protection toward social insurance and universal schemes that ensure risk-sharing, income security, and coverage for non-standard and informal workers. Gender-responsive design features are essential for challenging discriminatory norms and improving labour market outcomes. These include adequate maternity, paternity and parental leave, strengthened sickness and unemployment protection, and occupational safety and health measures tailored to women's risks. In old age, combining contributory and non-contributory pensions with care credits and minimum guarantees is key to offsetting the long-term effects of unpaid care work, while accessible and affordable long-term care services are necessary to support dignity and economic security in later life (Box 3.9).

BOX 3.9

A LIFE-CYCLE APPROACH TO BUILDING A GENDER-RESPONSIVE SOCIAL PROTECTION SYSTEM

- **Protection against healthcare costs**
  - Ensuring that universal access includes maternity care, sexual and reproductive health services, and long-term care, with special attention to women with disabilities and adolescent girls.
  - Strengthening health infrastructure and investing in the health workforce.
- **Protection for children and families**
  - Providing child benefits to improve children's well-being while easing the unpaid care burden on women.
  - Extending child benefits into early adulthood to support the transition of young women from education to employment, especially where NEET rates are high.
- **Protection for persons of working-age**
  - Moving beyond employer liability toward social insurance and universal schemes that ensure risk-sharing and reliable income protection.
  - Extending coverage to part-time, temporary, self-employed and informal workers, with pathways from informal to formal employment.
  - Allowing shorter contributory periods, and setting contribution rates in line with earnings while guaranteeing adequate minimum benefits.
  - Ensuring comprehensive maternity, paternity and parental leave to challenge gender norms and to avoid gender discrimination in recruitment.
  - Strengthening sickness leave to protect people's health and incomes, including when taking care of sick family members.

  - Reinforcing unemployment protection to ensure income security and better job matching, linked with skills development, public employment services and active labour market policies.
  - Adapting occupational safety and health and employment injury protection to the risks women face, particularly in care and service sectors.

- **Protection in old age**
  - Guaranteeing minimum benefits, through a combination of well-coordinated contributory and non-contributory schemes that ensure universality of coverage.
  - Recognizing and offsetting the accumulated effects of unpaid care responsibilities via care credits, minimum pension guarantees and other measures.
  - Providing affordable, quality long-term care services.

Source: Razavi et al. 2024.

KEY TAKEAWAYS FROM SESSION 3.4:

- Social protection systems are not gender neutral. Because most schemes are employment-based and contributory, gender inequalities in paid work and unpaid care translate directly into gaps in coverage and benefits.
- Women's exclusion from formal employment leads to exclusion from social protection. Lower labour force participation, higher informality, intermittent employment and part-time work significantly reduce women's access to contributory social security schemes.
- Even when covered, women receive lower benefits than men. Gender pay gaps, low tenure and career breaks produce substantial pension gaps, with women more likely to rely on survivors' or non-contributory pensions with lower benefit levels.
- While reducing gender gaps in unpaid and paid work, and gender equality in employment is the long-run strategy, universal social protection floors offer a critical short- and medium-term strategy to reduce gender gaps by ensuring basic income security and access to care and health services independent of employment status.

3.5 TECHNOLOGY, AI AND THE FUTURE OF WORK

While new technologies promise productivity gains and rising living standards, the benefits remain highly concentrated, often reinforcing the dominance of large multi-national corporations. Data mining and processing open new rent-seeking opportunities, strengthening firms that control digital data and narrowing the policy space of developing economies. Addressing these imbalances and avoiding marginalization in the face of radically transformed competitive conditions requires stronger collective advocacy by developing countries to safeguard their policy autonomy.

Module 2 (The Care Economy and Transformative Care Systems) presented a discussion on digitalization and AI from the perspective of the future of unpaid and paid care work and gender equality. This session further unpacks the discussion with a focus on potential impacts on labour markets and gender equality. Module 5 on International Trade and Open Economy Macroeconomics approaches the topic from the perspective of global value chains and gender equality.

Women are set to face new challenges in the automation age, layered on top of long-established ones. The adoption of new technologies could displace millions of workers from their jobs, while many others will need to change the way they work, often requiring transitions into higher-skilled roles. If women can make these transitions, they may gain access to more productive and better-paid employment; however, failure to do so could result in a widening gender wage gap or even women's withdrawal from the labour market. Thus, while both men and women must be skilled, mobile and technologically adept to thrive in the automation age, in the absence of targeted measures, women will encounter systemic barriers in making this shift.

Projections on the impact of digitalization and AI on employment show some 20 per cent of all workers needing to shift occupational categories by 2030 in advanced and emerging countries (McKinsey 2019). In manufacturing, while male-dominated jobs in capital-intensive sectors (e.g. machinery, transport equipment and electronics) are at greater risk of automation, women's concentration in developing countries in labour-intensive export sectors (e.g. textiles, apparel and leather) means they may face indirect disadvantages. Although these sectors are less likely to be automated in the short term due to low wages, in the long run, as automation costs fall, even labour-intensive sectors could be displaced, creating risks of mass job losses and deepening global inequality (UNCTAD 2017).

Among women, the biggest job losses are expected in service sectors (30 per cent) and the biggest job gains are expected to be in the healthcare sector (25 per cent). The manufacturing sector will go through a transformation resulting in job losses as well as job gains, particularly for men. Among men, the biggest job losses are expected for machine operators and craft workers (40 per cent) and the biggest job gains are expected to be in the manufacturing sector (25 per cent). Job displacement, particularly of men from some segments of manufacturing, could increase competition in lower-wage sectors. This oversupply of labour may depress wages and working conditions in those segments, resulting with some women withdrawing from the labour market.

Advanced economies will face a widening gap between high-wage and low-wage occupations, as demand for low- and middle-wage jobs declines. Given persistent occupational segregation and gender wage disparities, women are particularly vulnerable to being concentrated in lower-paid and less secure forms of work unless corrective measures are adopted.

Emerging economies are expected to have rising demand for higher-wage jobs. Ensuring women's access to skills development and training would prepare them to enter these more productive and better-paying occupations, enhancing their economic opportunities.

OECD (2023) identifies substantial gender gaps in information and communication technology (ICT) skills. Girls and women are less likely to enrol in science, technology, engineering and mathematics (STEM) fields and are particularly underrepresented among new entrants in ICT education. Women, especially those aged 16–24, are less than half as likely to be able to program compared to men of the same age. Women are underrepresented in ICT task-intensive jobs and in the segment of the workforce with the skills to develop and maintain AI systems. As ICT- and AI-related jobs are relatively well paid, women's underrepresentation here contributes to risks of increased inequality in employment and income as the digital transformation advances.

Only a few countries with strong skills, infrastructure and energy capacity can access high-value digital economy segments, while many others, even some that are digitally advanced, see growing numbers of workers confined to gig-based and digital platform jobs with poor conditions and limited mobility (ILO 2025c). Advances in ICT have expanded employment through digital labour platforms, but evidence suggests the online economy is unlikely to offer more decent jobs.

'Crowdwork' is recognized as a form of platform-based employment that has emerged with the digitalization of work. It offers flexibility and location independence, allowing workers to perform tasks remotely through digital platforms. However, it is characterized by lack of social protection, low pay, algorithmic control and high levels of job insecurity.

Women account for only one in three crowdworkers globally and just one in five in developing countries. Many women, especially those who have young children (0–5 years old), combine platform work with care responsibilities, work on average 20 hours on the platform, and work evenings or nights. Studies show a gender pay gap at the lower end of the distribution, linked to women's concentration in less demanding and lower-paid gig-based jobs that better align with household and caregiving duties. Without investment in care, crowdwork risks reinforcing traditional gender roles by confining women to low-paid, irregular, home-based work, thereby limiting its potential to advance gender equality (ILO 2019: 50–51).

To mitigate gender-inequitable impacts of digitalization and AI on employment, there is a need for integrated gender-responsive labour market, sectoral and care policies. These policies should:

- Address gender job segregation by challenging occupational gender norms and enforcing anti-discrimination legislation.
- Ensure women's equal access to higher education, technical education, reskilling and on-the-job training to prevent them from being left behind.
- Promote women's equal participation in both emerging capital-intensive and higher-wage industries to improve employment as well as income equality.
- Expand diffusion of labour-saving technologies in household and care work to reduce unpaid labour burdens and enable more balanced gender roles, while tackling income and infrastructure barriers to equitable access (for further discussion, see Module 2: The Care Economy and Transformative Care Systems).
- Regulate digital labour platforms to prevent low-paid, insecure and informal work, including through extending labour rights, social protection, and transparency in algorithmic management.

At the global level, stronger collective action is needed by developing countries to preserve policy space, to regulate data-driven economic activity, and to ensure digital transformation supports inclusive development rather than reinforcing global and gender inequalities.

KEY TAKEAWAYS FROM SESSION 3.5:

- Digitalization, automation and AI interact with pre-existing gender inequalities in labour markets, skills and care responsibilities, risking the deepening of gender gaps in employment without targeted policy responses.
- Gender segregation in employment and skills means women are exposed disproportionately to displacement risks, exclusion from emerging high-productivity jobs and widening wage gaps unless gender-responsive transition policies are adopted.
- Proactive skills and education policies, including equal access to STEM, ICT, reskilling and lifelong learning, are essential to enable women to transition into higher-wage, technology-intensive occupations and participate in development and governance of digital and AI systems.
- Labour market and sectoral policies must actively promote women's participation in emerging sectors and capital-intensive industries, and enforce anti-discrimination legislation to counter occupational segregation and biased hiring and promotion.
- Care and social protection policies are critical complements to technology policy. Expanding affordable care services and diffusing labour-saving technologies in domestic and care work are necessary to reduce unpaid care workloads and support women's labour market entry and attachment.
- Regulation of digital labour platforms is essential to prevent expansion of precarious and vulnerable forms of employment.

3.6 WOMEN IN AGRICULTURE AND THE RURAL ECONOMY

This session focuses on gender inequalities in agriculture and rural employment, beginning with a discussion on the gender gaps in agricultural employment and access to land. It then addresses the productivity differences and their structural determinants, and presents a gender-transformative agricultural policy framework designed to address the identified gaps. The session concludes with a group exercise that enables participants to critically assess the gender-responsiveness of agricultural policies and engage with real-country examples.

3.6.1 GENDER GAPS IN AGRICULTURE

Women are at the centre of global food production, as producers, workers and the household members mainly responsible for household nutritional security. However, women's abilities and conditions in agricultural production are determined by gender norms and gender inequalities that are often stronger in rural settings. Women's economic empowerment is systematically constrained by unequal access to

land, credit, technology, decent employment and extension services. There are still many countries without a gender-egalitarian legal framework in land ownership; globally, women in agriculture hold significantly less wealth in terms of farmland and livestock (FAO 2023). Even when women hold plots of land, differences in yields are observed. The Food and Agriculture Organization of the United Nations (FAO) (2011) stated over a decade ago that the yield gaps between women and men farmers largely reflect differences in access to inputs, tenure security and services, and more recent data confirm that these barriers persist (Anríquez et al. 2024).

Agricultural employment continues to constitute a significant share of women's employment, especially in low- and middle-income countries, yet women continue to be concentrated in low-paid, informal, insecure positions along agricultural value chains, often as 'contributing family workers' without direct remuneration or rights (FAO 2023).

Trends and gender gaps in employment

Agricultural and rural transformation reshapes employment structures, producing shifts with clear gendered patterns. FAO's latest report on the status of women moves beyond focusing on women in agriculture and examines women's position across agrifood systems (AFS) (see Box 3.10).

The latest estimates by FAO (2025) indicate that as of 2022, 1.3 billion people worldwide are employed in AFS. Along with rising productivity, employment in AFS has begun to decline; this decrease is driven by reductions in agricultural employment (FAO 2023). Employment in AFS as a share of total global employment declined from 52 per cent in 2000 to 39.1 per cent by 2022. The most substantive transformation in employment has occurred in Asia, where the AFS employment share decreased from 60.4 to 41.2 per cent. Europe also has shown a steady decline, from 23 to 14.2 per cent.

Agricultural versus non-agricultural employment composition within agrifood systems reflects regional differences in levels of economic development as well as the extent of structural transformation in the region. In Africa and Asia, approximately two-thirds of AFS employment remains concentrated in agricultural employment, whereas in Europe, the Americas and Oceania the majority of AFS employment has shifted towards off-farm activities (FAO 2025: 3–5). The share of agricultural employment in total employment has been declining in Africa and Asia and has long remained as low as around 10 per cent in Europe, the Americas and Oceania (see Figure 3.3). On the other hand, non-agricultural AFS employment is stable and even increasing in many regions and globally, indicates diversification of employment in AFS.

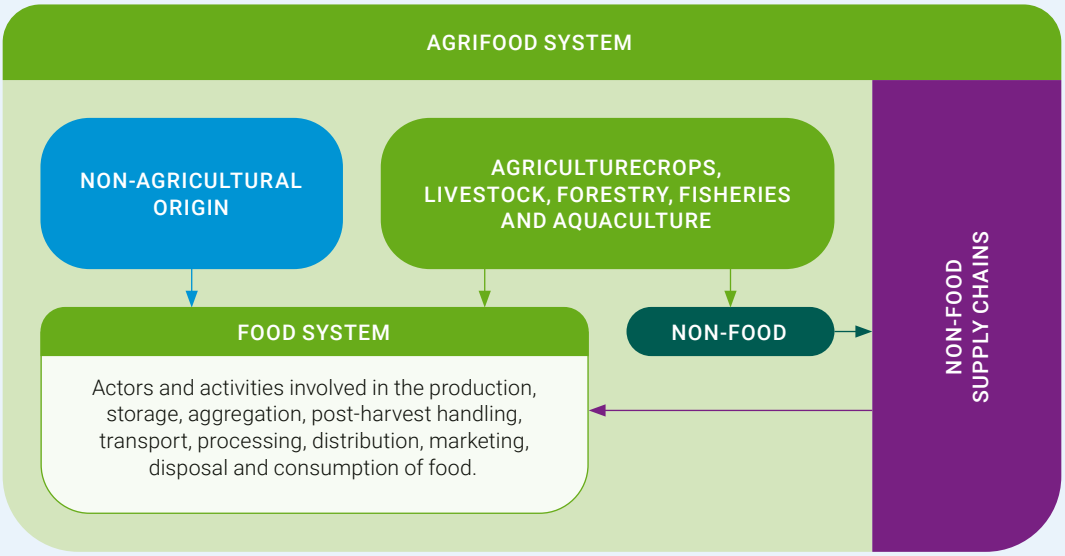
BOX 3.10

AGRICULTURE VERSUS AGRIFOOD SYSTEMS

Agriculture refers narrowly to primary production, the cultivation of crops and rearing of animals.

Agrifood systems (AFS) encompass the entire value chain, including food and non-food agricultural production as well as off-farm activities such as storage, post-harvest handling, aggregation, transport, processing, distribution, marketing, disposal and consumption. This broader perspective shifts the analysis from farming alone to all interconnected activities that add value to food systems.

Structural transformation leads to labour moving out of agriculture into higher-productivity, better-paid jobs in off-farm agrifood activities and beyond. However, women are consistently disadvantaged compared to men in accessing these opportunities (FAO 2023).



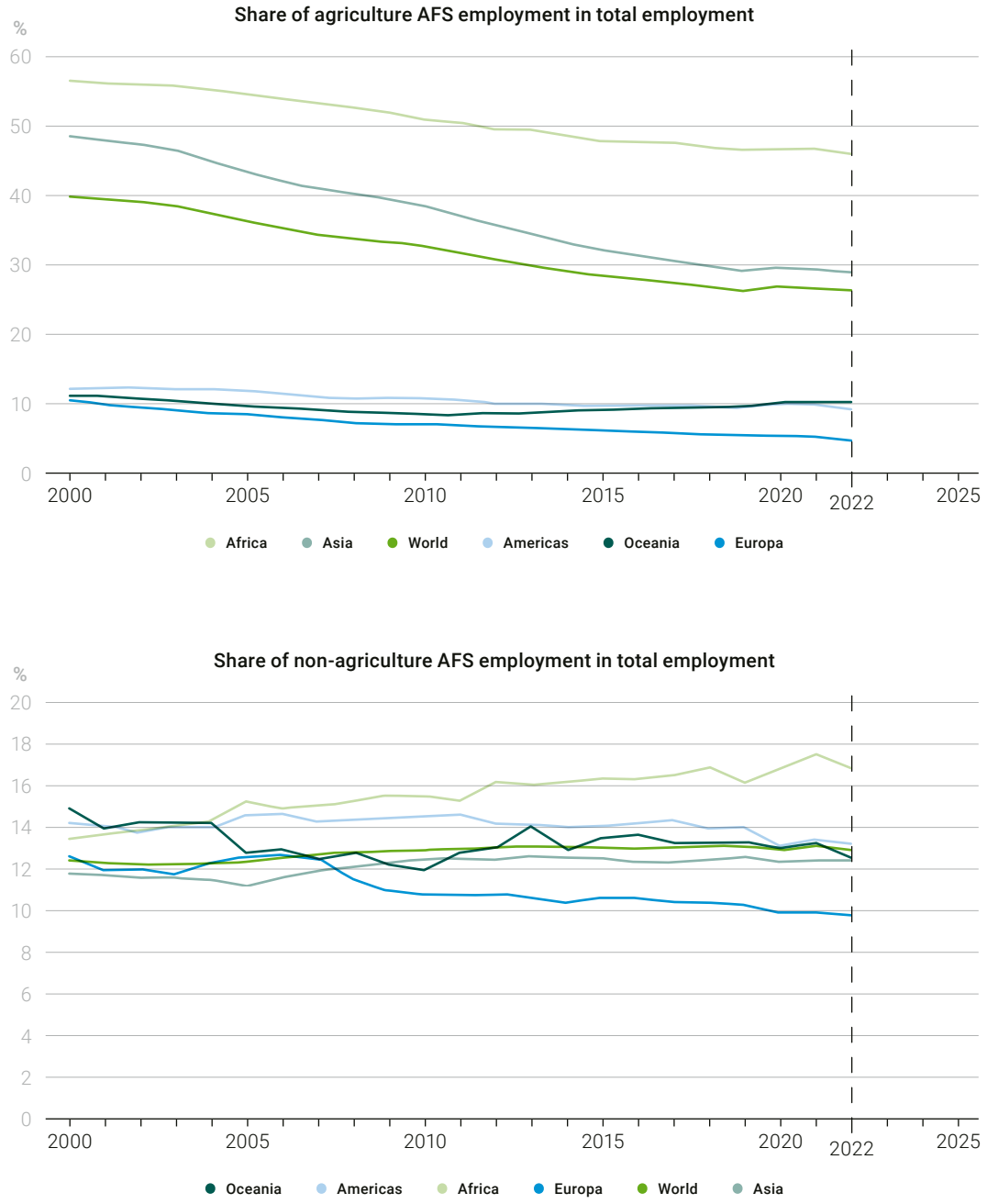
Source: FAO 2023: 5.

Between 2005 and 2019, the proportion of both men and women employed in agrifood systems globally fell by nearly 10 percentage points. By 2019, 36 per cent of working women were employed in AFS, compared to 44 per cent in 2005, while for men the figure dropped from 47 to 38 per cent (FAO 2023: 26). The decline is due to trends in primary agricultural production, yet the share of employment in off-farm work has remained fairly stable for both women and men.

Typically, women's share in agricultural employment is higher in countries with lower levels of economic development, where alternative rural employment opportunities are scarce and gender disparities (in access to education, basic infrastructure and markets, as well as a high unpaid workload) limit women's ability to participate in off-farm employment. Reflecting this pattern, FAO estimates that in sub-Saharan Africa and in Southern Asia, AFS employment is 66 per cent and 71 per cent of total women's employment, respectively (FAO 2023: 26).

FIGURE 3.3

Share of agrifood systems employment in total employment by component and region (%)



Source: FAO 2025: 5.

ILO estimates for 2023 also reveal stark regional disparities: the share of women's employment in agriculture, forestry and fishing in total women's employment is 45.5 per cent in Africa, 30.3 per cent in Asia, and as low as 3.7 per cent in Europe (FAO 2025: 7).

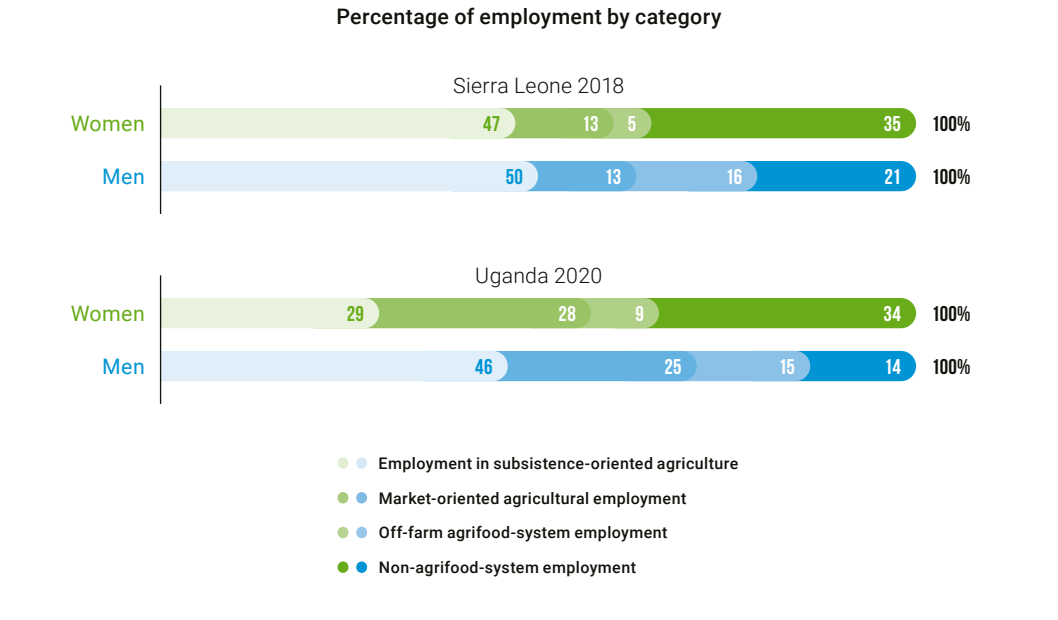
Women in agriculture are disproportionately concentrated in unpaid family work or casual labour. Their working conditions are more precarious than those of men, as they are more likely to be in informal, part-time, low-skilled and labour-intensive employment. Globally, 49 per cent of women in agricultural

employment are unpaid family workers, compared to 17 per cent of men. Women's employment patterns are significantly constrained by social norms, which restrict their entry into the activities and segments where men are predominantly concentrated. Moreover, women's and girls' disproportionately high unpaid care responsibilities, beginning at an early age, limit their opportunities in terms of education, employment, working hours and access to better employment conditions. As a result, women earn on average only 82 cents for every dollar earned by men in agricultural wage employment (FAO 2023: 22–26). Women also remain disadvantaged within off-farm employment in AFS, as they are disproportionately concentrated in lower-value segments of value chains and in less secure or lower-paid activities.

BOX 3.11

HOW EMPLOYMENT IS DEFINED? IS SUBSISTENCE AGRICULTURE COUNTED AS EMPLOYMENT?

- In agrifood systems, both women and men can be:
  - Own-account workers.
  - Contributing family workers on family farms or agrifood enterprises.
  - Wage or salaried workers in family-run or commercial agrifood enterprises.
- They may operate at different scales (small to large), serving local, national or international markets, or producing mainly for their own household consumption.
- All these activities are classified as work in agrifood systems, but not all count as employment.
- Employment is limited to activities performed for pay or profit.
- The definition of employment based on the 13th ICLS included own-use production, while the 19th ICLS and 21st ICLS exclude own-use production. At the same time, since the 19th ICLS, a broader definition of work is adopted to include all productive activities (21st ICLS, ILO 2023a).
- Agricultural households in developing countries generally depend on a combination of employment and non-employment activities for their livelihoods. When own-use production and other unpaid work are taken into account, women in many rural settings work considerably longer hours than men – yet data that exclude these activities significantly underestimate rural women's contributions (FAO 2018).
- In Sierra Leone and Uganda, half of the female population work in subsistence agriculture.



Source: Costa et al. 2023: 23.

Land ownership and productivity differences

Women continue to be markedly disadvantaged in terms of land ownership. From a feminist perspective, the gender gaps in access to land and resources, as well as the gender productivity gap, are a question of power and voice. Land is not only a productive asset but also the basis for social status and political power in the village, and hence land ownership shapes power structures and relationships both within and outside the household.

Agarwal (1994) emphasizes the importance of the struggle for land rights, arguing that women's independent right to land is strategically significant and has transformative potential. She makes three interrelated arguments relating to welfare, efficiency, and equality and empowerment. First, the welfare argument challenges the assumption that women's well-being can be adequately assessed through their household's overall economic status. Agarwal asserts that women's direct access to land reduces poverty risk and betters the well-being of household members, especially women and children. Second, the efficiency argument highlights the productivity gains that may arise when women cultivate their own land, which they independently control. It stresses that ownership strengthens incentives, investment and overall efficiency. The equality and empowerment argument, lastly, emphasizes that land ownership is transformational: independent land rights improve women's position relative to men, and strengthen their bargaining power and their ability to challenge patriarchal constraints. Moreover, their right to land is crucial for safeguarding claims in the event of break-ups and for enabling them to exit marital conflict or situations of violence.

However, even today, half of the countries reporting on SDG Indicator 5.a.2 (Proportion of countries where the legal framework (including customary law) guarantees women's equal rights to land ownership and/or control) indicate that they maintain weak legal protections for women's land rights (FAO 2023). In most countries with available data, women are

less likely than men to own agricultural land (Figure 3.4). Even when women manage plots, gender impacts on production processes, which result in differentials in agricultural productivity (Doss 2018). Women's access to agricultural inputs, services, finance and digital technologies are more limited than men's, and their plots are often smaller, less fertile, and with limited access to irrigation and inputs, leading to systematically lower yields (FAO 2011; FAO 2023; Deere and Leon 2001; and Quisumbing and Doss 2021). Anríquez et al. (2024) analysed differences in productivity across 11 developing countries in Africa, Asia and Latin America, and showed the productivity difference between male- and female-managed same-sized farms is 24 per cent.

Cumulative inequalities in land ownership, access to resources, productivity and decent employment reinforce persistent gender disparities in economic empowerment in rural settings and lead to food insecurity. As of 2023, approximately one-quarter of adult women were moderately or severely food insecure (UN Women and UN DESA 2024: 4; see Figure 3.4). Conversely, narrowing gender gaps in agriculture and agrifood production would generate not only empowerment gains but also substantial macro-level benefits. FAO's modelling suggests that equalizing women's access to inputs could raise yields on their farms by 20 to 30 per cent and hence agricultural output in developing countries by 2.5 to 4 per cent, translating into fewer undernourished people worldwide (FAO 2011). These findings align with more recent 2023 FAO evidence that women's empowerment in agrifood systems contributes not only to productivity but also to nutrition, resilience and intergenerational welfare (FAO 2023).

Women's relatively vulnerable position in agriculture production and employment, and in off-farm segments of agrifood systems, also determines the strength of their coping mechanisms and resilience to shocks. The precarious nature of informal forms of employment, limited inclusion in crisis-response measures, and women's comparatively lower levels of savings and resources make them disproportionately vulnerable to economic crises and external shocks. With the climate crisis, we are observing both an increase in the frequency and intensity of natural disasters and the deepening of long-term climate impacts, giving rise to significant gender differences in terms of exposure to risks and adaptive capacities (see Module 7: Ecological Crisis and the Green Transformation).

3.6.2 A GENDER-RESPONSIVE POLICY FRAMEWORK FOR AGRICULTURE

Agricultural employment constitutes a major source of employment and livelihoods globally, even more so for women in low- and middle-income countries. Therefore, empowering women and closing the gender gaps in agriculture identified above would represent a significant leap forward towards greater equality and improved well-being for large segments of the population, generating substantial benefits not only for women but for society as a whole. With the aim of creating renewed momentum to address the structural challenges women face in agriculture, the United Nations declared 2026 the International Year of the Woman Farmer (FAO 2026).[6]

A meaningful and lasting gender-egalitarian transformation in agriculture depends on reshaping both the social norms and the formal policy frameworks that reproduce existing inequalities. In this context, a gender-responsive agricultural policy can be conceptualized around three core pillars.

First, gender mainstreaming in agricultural policy must be explicitly pursued, and gender equality should be established as a core objective of agricultural policy. This requires a policy framework that systematically identifies and addresses gender gaps and internalizes a gender-responsive perspective throughout the entire policy cycle: from priority-setting to implementation strategies, budgeting to monitoring and evaluation mechanisms. Only when gender equality is institutionalized across these dimensions can it become an integral part of agriculture policy.

FIGURE 3.4

Gender snapshot of agriculture

Source: UN Women and UN DESA 2024: 4.

Second, gender-responsive policy formulation must recognize and confront the prevailing gender norms-related structural inequalities that shape agricultural outcomes. This means addressing the agriculture-specific implications of disproportionate unpaid work, uneven care responsibilities, gender discrimination, restrictive social norms, gender-based violence and intersectional disadvantages. Identifying how these fundamental dimensions of gender inequality generate specific constraints and gaps for women in the agricultural context is essential for designing effective and transformative policy interventions.

Third, gender responsiveness must be embedded within agriculture-specific thematic areas. To ensure that agricultural advancement is gender equitable, agricultural policies should systematically address gender-differentiated needs and constraints across key sectoral domains and policy priorities. In this regard, some thematic areas of intervention, together with illustrative examples of policy measures, are as follows:

- **Employment-oriented policies:** Policies should promote women's access to income-generating activities under decent working conditions, moving beyond vulnerable and informal forms of employment. This includes facilitating women's participation in higher-paying segments of agricultural value chains, particularly those characterized by greater technological intensity, improved working conditions, and stronger resilience to economic and climate-related shocks. Mechanization in traditionally female-dominated value chains can displace women's labour; therefore, inclusive technology distribution should be complemented by reskilling programmes, targeted training, and social protection measures to support those whose livelihoods may be affected. In addition, policies should aim to ensure women's control over their own income and explicitly target the gender wage gap through effective equal pay measures and enforcement mechanisms.
- **Land rights and ownership:** Gender-responsive land policies and legal frameworks are essential to protect and enforce women's land rights. Community-based legal aid initiatives can increase women's awareness of their land rights and improve their access to justice in cases of land-related disputes.
- **Representation and voice in rural organizations:** Increasing women's participation, voice and leadership in rural organizations is critical both for inclusive policymaking and for improving women's access to services, markets, technical assistance and financial resources. However, women's representation is often constrained by unpaid care responsibilities, participation fees and restrictive gender norms. Policies such as providing childcare services, reducing or eliminating membership fees, and actively promoting women's leadership can help ease these barriers and foster meaningful inclusion.
- **Access to and control over technologies and productive resources:** Gender-responsive agricultural policies must ensure that women have equitable access to improved seeds, fertilizers, mechanization, digital tools and climate-resilient agricultural practices.
- **Infrastructure and mobility:** Ensuring accessible, safe and affordable transportation systems is crucial for women's mobility, market access, and participation in training, extension services and organizational activities. Investments in rural infrastructure directly influence women's economic participation and time use.

GROUP EXERCISE:

ASSESSING THE GENDER RESPONSIVENESS OF AN AGRICULTURAL POLICY

The purpose of this exercise is for participants to think critically about the core dimensions of a gender-responsive agricultural policy. Encourage participants to go beyond identifying whether gender is merely mentioned in the policy and instead assess the depth and quality of the integration of gender in the policy.

Select an agricultural policy document (use the FAOLEX policy database[7] or any other resource, for example, FAO, "International Year of the Woman Farmer") and share this with participants, along with the Gender in Agriculture Policy Analysis (GAPo) tool (Appendix 3B).

Individually, each participant should review the document and assess its gender responsiveness using the GAPo tool.

Following the individual review, facilitate a group discussion to engage participants in comparing assessments, identifying strengths and gaps in the policy, and reflecting on areas for improvement.

KEY TAKEAWAYS FROM SESSION 3.6:

- Despite their key roles as producers, workers and caregivers for household nutrition, women face persistent constraints in access to land, credit, technology, extension services and decent employment.
- Secure and independent land rights enhance women's bargaining power, autonomy and resilience. Despite this, weak legal protections for women's land rights continue to be a problem in many parts of the world.
- Productivity differences between women and men farmers are significant and largely reflect structural inequalities in access to financial resources, technology, land and support services.
- A gender-responsive agricultural policy requires gender equality objectives to be embedded and institutionalized throughout the entire policy cycle, encompassing vision, design, implementation, budgeting, monitoring and evaluation.
- Gender-responsive policy formulation must recognize and confront the structural inequalities that shape agricultural outcomes, addressing cross-cutting constraints such as unpaid care work, discriminatory norms, gender-based violence and intersectional inequalities.
- For an equitable agricultural policy, gendered patterns in critical sectoral thematic areas must be identified and targeted policy measures developed.

APPENDICES

APPENDIX 3A
MEASURES OF THE LABOUR GENDER GAP

Horizontal (industrial and occupational) gender segregation: The difference in the distribution of male and female employees among the different industries and occupations.

The Industrial Gender Segregation Index or Occupational Gender Segregation Index (***IGSI*** or ***OGSI***) is a quantitative measure used for expressing the extent of the different distributions, where ***i*** stands for occupation, industry or jobs classification and ***Mi*** and ***Fi*** means share of males and females in category ***i*** (in %).

$$IGSI \text{ or } OGSI = 1/2 \sum i \mid Mi - Fi \mid$$

As such, IGSI (OGSI) shows the share (%) of employed women and men who would need to trade places with one another across industries (occupations) for their distribution to become identical (Blau et al. 2014).

It is important to note that jobs are defined at the intersection of industries and occupations. For instance, a quality controller in textiles is a job in the textiles industry and in the occupational category of technicians and assistants. The extent of gender segregation of jobs becomes more obvious when comparing the distribution of men and women across a more detailed job disaggregation.

For example, a recent study on the extent of gender segregation in the Istanbul labour market indicates that while the ***IGSI*** (***OGSI***)—calculated based on 17 (9) aggregate industry (occupation) categories— is 17.16 (22.56), the Jobs Gender Segregation Index (JGSI)—calculated based on close to 3,000 jobs identified in the Istanbul labour market—is 49.6.

This means that almost half (49.6 per cent) of women and men employees would need to trade places across the approximately 3,000 job categories for their distribution to become identical (Ilkkaracan 2016).

Gender wage/earnings gap (GWG): The difference between average (median) male wage (***Wm***) and female wage (***Wf***) as a share of male average (median) wages.

$$Gender\ Wage\ Gap\ (GWG) = ((Wm - Wf)/Wm) \times 100$$

The GWG shows how much more men earn than women in percentage terms. The gender wage differential can also be expressed as the ratio of the average (median) female wage to male wage (***Wf/Wm***). This figure shows how much women wage workers earn on average as a ratio of male workers' average wages. Note that this is also equal to one minus ***GWG***:

$$1 - GWG = Wf/Wm$$

GWG can be expressed in unadjusted (raw) form, which is calculated based on all wage and salary workers. It is also expressed in forms adjusted for education groups, industries or occupations.

Here, the GWG is measured based on the average (median) wages of female versus male workers disaggregated by the level of education or by occupation or by industry. A fully adjusted GWG accounts for all observable determinants of wages including age, marital and parental status, workplace and job characteristics in addition to education, occupation and industry. This fully adjusted narrow GWG reflects wage differentials due purely to gender, i.e. the difference between female and male wages for two workers with the same demographic, workplace and job characteristics. Typically, the fully adjusted GWG is smaller than the unadjusted GWG because male–female differentials in occupational and industrial distribution, as well as male versus female workplace and job characteristics, are major determinants of the gender wage gap.

APPENDIX 3B
GENDER IN AGRICULTURE POLICY ANALYSIS (GAPO) TOOL

The GAPo is a policy assessment tool developed by the FAO to evaluate the gender responsiveness of agricultural policy. The tool has been piloted with governments and national partners of Ghana in 2015, the Kyrgyz Republic (2016–2017) and Sri Lanka (2019), and based on the pilot experiences and evolving literature has been further refined (Acosta et al. 2025).

The GAPo tool has two main components: (i) general assessment; and (ii) thematic and cross-cutting issues assessment.

The general assessment (GA) looks at four quality criteria, as shown in the table below.

TABLE 3B.1
GAPo quality criteria: General assessment

Category	Quality criteria	Analysis question code	
GENERAL ASSESSMENT	**GA.1 Prioritization of gender equality and women's empowerment**	GA.1.1	Does the policy recognize women's roles and/or challenges in agriculture and rural development?
		GA.1.2	Does the policy include measures to address gender inequality and support women's empowerment?
		GA.1.3	Does the policy have gender equality in agriculture and/or rural women's rights as explicit policy objectives?
	GA.2 Institutional capacities and women's participation	GA.2.1	Does the policy support women's representation and strengthen gender capacities in agricultural-related institutions?
		GA.2.2	Does the policy promote rural women's participation in policy formulation, implementation and evaluation processes?
	GA.3 National and international contextualization	GA.3.1	Does the policy include mention of national mandates for gender equality (e.g. gender equality provisions in the Constitution, National Development Plan, Gender Policy)?
		GA.3.2	Does the policy include mention of international mandates and agreements for gender equality (e.g. CEDAW, SDG 5)?
	GA.4 Gender-responsive monitoring, evaluation and budgeting	GA.4.1	Does the policy promote the use of sex-disaggregated data for policy monitoring and evaluation?
		GA.4.2	Does the policy include gender indicators for monitoring and evaluation?
		GA.4.3	Does the policy include budget lines for the gender activities proposed?

Source: Author's elaboration.

Cross-cutting (CC) issues and agriculture themes constitute the second component of the assessment tool. The five key cross-cutting issues related to various aspects of agricultural policy assess both awareness of, and measures to address, gender-discriminatory social norms, care responsibilities, gender-based violence, climate change and disaster resilience, and intersectional inequalities.

The agricultural themes (AT) evaluate (i) consideration of gender equality in access to land, rural organizations, financial services, rural employment, agricultural markets and agrifood value chains, and agricultural research, technology and advisory services; and (ii) measures to advance gender equality in these dimensions.

TABLE 3B.2

GAPo quality criteria: Cross-cutting issues

Category	Quality criteria	Analysis question code	
CROSS-CUTTING ISSUES	**CC.1 Gender discriminatory social norms**	CC.1.1	Does the policy include consideration of gender discriminatory social norms?
		CC.1.2	Does the policy include measures to address gender discriminatory social norms?
	CC.2 Unpaid care	CC.2.1	Does the policy include consideration of care responsibilities, including direct care (childcare, eldercare) and indirect care (household chores, fetching firewood, collecting water)?
		CC.2.2	Does the policy include measures to address care responsibilities, including direct care (childcare, eldercare) and indirect care (household chores, fetching firewood, collecting water)?
	CC.3 Gender-based violence	CC.3.1	Does the policy include consideration to address gender-based violence?
		CC.3.2	Does the policy include measures to address gender-based violence?
	CC.4 Climate change and/or disaster resilience	CC.4.1	Does the policy include consideration of gender in climate change and/or disaster resilience?
		CC.4.2	Does the policy include measures to address gender in climate change and/or disaster resilience?
	CC.5 Intersectional gender inequalities	CC.5.1	Does the policy include consideration of gender inequalities with an intersectional approach (e.g. Indigenous women, migrant women, disabled women, young women)?
		CC.5.2	Does the policy include measures to address gender inequalities with an intersectional approach?

Source: Author's elaboration.

TABLE 3B.3

GAPo quality criteria: Cross-cutting issues and agricultural themes

Category	Quality criteria	Analysis question code	
AGRICULTURE THEMES	**AT.1 Land**	AT.1.1	Does the policy include consideration of gender equality and rural women's issues in land control and ownership?
		AT.1.2	Does the policy include measures to address gender equality and rural women's issues in land control and ownership?
	AT.2 Rural organizations	AT.2.1	Does the policy include consideration of gender equality and rural women's issues in rural organizations?
		AT.2.2	Does the policy include measures to address gender equality and rural women's issues in rural organizations?
	AT.3 Financial services	AT.3.1	Does the policy include consideration of gender equality and rural women's issues in financial services?
		AT.3.2	Does the policy include measures to address gender equality and rural women's issues in financial services?
	AT.4 Rural employment	AT.4.1	Does the policy include consideration of gender equality and rural women's issues in rural employment?
		AT.4.2	Does the policy include measures to address gender equality and rural women's issues in rural employment?
	AT.5 Agricultural markets and agrifood value chains	AT.5.1	Does the policy include consideration of gender equality and rural women's issues in agricultural markets and agrifood value chains?
		AT.5.2	Does the policy include measures to address gender equality and rural women's issues in agricultural markets and agrifood value?
	AT.6 Agricultural research, technology and rural advisory services	AT.6.1	Does the policy include consideration of gender equality and rural women's issues in agricultural research, technology and rural advisory services?
		AT.6.2	Does the policy include measures to address gender equality and rural women's issues in agricultural research, technology and rural advisory services?

Source: Author's elaboration.

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ENDNOTES

1. The Laeken indicators represent an important step in European employment policy, as they constitute a practical move towards the application of an increased interest in improving job quality. In 2001, during the Stockholm European Council, Member States requested that the Commission and the Council develop a set of indicators on job quality, which was subsequently presented at the European Council in Laeken in December 2001.
2. The Nobel Prize (2026). "Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2023." 26 May.
3. This section is based on the *UN Women Care Economy Training Manual*. The care economy training modules are available upon request from UN Women.
4. *UN Women Care Economy Training Manual*. Available on request from UN Women.
5. This case study is from the first edition of this training manual (2017), based on the UN programme in what is now known as North Macedonia.
6. Food and Agriculture Organization of the United Nations (FAO) (2026). "International Year of the Woman Farmer."
7. FAOLEX is a rich repository of national laws, regulations and policies on food, agriculture and natural resource management. The repository includes both thematic and country-based categorizations of policies.

MODULE 4

MACROECONOMICS AND PUBLIC FINANCE

Author: Yelda Yucel
(Building on 1st edition Module 3 by Ipek Ilkkaracan and Module 7 by Yelda Yucel)

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will be able to:

- **Interpret core macroeconomic indicators such as GDP, growth, inflation, unemployment and fiscal balance.**
- **Assess conventional and alternative measures of well-being from a gender perspective (including a focus on the 'Beyond GDP' debates).**
- **Compare different macroeconomic frameworks in terms of how they address growth, income distribution and economic crises.**
- **Understand the gender biases in different macroeconomic frameworks.**
- **Understand how fiscal and monetary policies influence gendered economic outcomes such as gender gaps in labour markets, income distribution, access to resources and wealth.**
- **Assess the gender-differentiated impacts of taxation and public spending.**
- **Include consideration of the role of unpaid care and reproductive labour in sustaining the economy.**
- **Evaluate policy tools designed to promote inclusive and equitable outcomes from the lens of feminist macroeconomics.**

KEY CONCEPTS AND DEFINITIONS

Macroeconomics:

Macroeconomics is the study of economic aggregates, while microeconomics entails the study of individual consumer, worker or producer behaviour and of single product markets. Macroeconomics explores the aggregated outcomes that emerge from the everyday microeconomic decisions and actions of millions of individual consumers, workers and producers. These outcomes include macroeconomic variables such as aggregate consumption spending, national income and output, economic growth, aggregate labour supply and demand, unemployment and inflation. Going beyond the mere aggregation which synthesizes the preferences and endowments of the individuals who make up the economy, the macro level continuously interacts with the micro level, affecting the everyday decisions of economic agents.

National income and output (*GDP*) and growth:

National income, measured by gross domestic product (***GDP***), is the total market value of all final goods and services produced in a country in a given period of time (typically a year). ***GDP*** measures aggregate production (national output). Production generates income and hence serves as a measure of the total national income of a country. National income and growth constitute the most important indicators of economic performance in mainstream macroeconomics. This focus has been criticized intensively, as reflected in 'Beyond ***GDP***' debates (Session 4.1).

GDP per capita:

GDP is divided by the total population to serve as an indicator of average production (income) per person.

GDP per capita = GDP/total population

To assess changes in the productive (and income-generative) capacity of an economy, we assess the progress of real ***GDP*** over time. The assessment requires an adjustment of ***GDP*** from its nominal value (value expressed in current domestic currency units) to its real value (value corrected for any inflationary effects). A change in nominal ***GDP*** over time entails both price and production changes. To identify the component of ***GDP*** that has increased purely due to expansion of productive capacity, we correct for inflationary effects by choosing a fixed base year and calculating the real ***GDP*** of different years using market prices from the base year.

Economic growth rate:

The per cent change (***Δ***) in real ***GDP*** from one year to another.

Growth rate = % annual Δ real GDP

Inflation:

Inflation is the increase in the general price level. The price level is measured through a weighted average of the prices of different goods and services, for instance, the Consumer Price Index (***CPI***) or the ***GDP*** deflator.

Consumer Price Index:

An average of the prices of all goods and services consumed by the typical consumer household, weighted by their average shares in total household consumption.

GDP deflator:

An average of the prices of all final goods and services produced in an economy, weighted by their average shares in total output.

Inflation rate:

Inflation rate is the per cent change in a price index, such as the ***CPI*** or ***GDP*** deflator, over a given period of time.

Inflation rate = % annual Δ in CPI

Inflation rate = % annual Δ in GDP deflator

Inflation is also measured and reported as monthly or quarterly inflation. While the most commonly used price index in measuring and reporting inflation is the ***CPI***, other price indices, such as the ***GDP*** deflator or Producer Price Index, are also used.

Interest rate:

The rate of return to savings or the price of borrowing credit. There are different interest rates charged by private banks to clients for borrowing and lending. There is also the central bank (CB) interest rate, the rate charged by the bank in its role as a lender of last resort. Changes in the CB interest rate determine the direction of the changes in the other market interest rates. The real interest rate is adjusted for the price of inflation such that it shows the net returns in purchasing power.

real i rate = nominal i rate - inflation rate

Unemployment rate:

The ratio of the unemployed to the labour force (sum of employed and unemployed).

Unemployment rate = unemployed/labour force

(See Module 3: Employment, Decent Work and Social Protection for a more detailed discussion on different measures of the unemployment rate and other labour market indicators).

Exchange rate:

The value of a local currency in terms of foreign currency. For national economies to engage in international transactions, local currency needs to be convertible into foreign currency.

Public sector:

Public sector refers to the part of the economy that is owned, managed and operated by government institutions at the central, regional or local level. It includes structures such as government ministries, public enterprises, social security institutions, municipalities

and services such as education, healthcare, defence, infrastructure and law enforcement. Its primary goal is to provide goods and services that serve collective needs and promote social welfare.

Public budget:

The financial plan of a government that sets out expected revenue (taxes and non-tax revenues such as property income, grants, and the sales of goods and services) and planned expenditure (e.g. payments of public employees, public services, investments, pensions and other social transfers) for a specific period, usually one fiscal year. It reflects the government's economic and social policy priorities, resource allocation and redistribution mechanisms.

Budget balance:

The difference between a government's total revenues and its total expenditures over a fiscal period. When there is a deficit in the public budget, this means the government cannot sufficiently raise revenue to finance its expenditures. Therefore, the financing requirement needs to be compensated by other resources such as internal and external borrowing, increasing the public debt levels and future interest payments. The deficit, balance or surplus in the public budget has implications for how fiscal balance affects growth, debt, inflation and income distribution.

Fiscal policy:

The use of government spending and taxation to influence the economy. The legislative and executive branches are responsible for these, including bodies such as parliament, the treasury, the ministry of finance and the ministry of economy.

Monetary policy:

The management of interest rates and the total supply of money in circulation. It is conducted by a nation's CB, such as the Federal Reserve in the United States or the European Central Bank (ECB) in the Eurozone.

Expansionary policy:

Macroeconomic policy intended to stimulate economic growth and decrease unemployment. Fiscal policy is expansionary if government spending increases or tax cuts are used to stimulate a higher level of economic activity. An expansionary monetary policy expands credit and lowers interest rates throughout the economy.

Contractionary policy:

Macroeconomic policy intended to slow down excessive growth to control the ensuing inflation. Contractionary fiscal policy is conducted through reductions in government spending or increases in taxes, leading to a lower level of economic activity. Similarly, contractionary monetary policy tends to shrink the volume of credit and raise interest rates throughout the economy to affect the decisions of businesses and individuals.

Austerity:

A contractionary macroeconomic policy approach focused on reducing public spending and budget deficits, often through cuts in social programmes and raising tax rates, and/or raising interest rates and reducing the volume of credit.

Structural adjustment programme (SAP):

A set of economic policies that countries must implement to secure loans from international financial institutions, primarily the International Monetary Fund (IMF) and the World Bank. These programmes are typically designed for developing countries experiencing economic crises. Typical components of these programmes include fiscal discipline (austerity), the flexibilization of the labour market, the privatization of state-owned economic enterprises, and trade and financial liberalization, following the principles of neoliberalism. SAPs were frequently imposed on developing countries during the 1980s and 1990s to promote a market-oriented environment, attract foreign capital and generate export-led growth (this topic is further discussed in Module 5: International Trade and Open Economy Macroeconomics).

Economic crisis:

A period of severe economic downturn marked by declining output, rising unemployment and falling incomes.

Financial crisis:

A collapse in the financial system, such as banking or credit markets, that leads to loss of confidence, reduced investment and economic downturn.

Progressive taxation:

A tax system that imposes higher tax rates on higher-income groups, thereby reducing income inequality and generating resources for redistribution and social spending.

Regressive taxation:

A tax system that takes a larger proportion of income from lower-income groups than from higher-income groups. Examples include value-added taxes (VAT) or consumption taxes on basic goods. Such taxation violates the principles of equity among taxpayers.

MODULE 4 OVERVIEW

Macroeconomics is a highly technical area, with ongoing debates and differences in analysis and policy responses among different approaches in economics (mainstream versus non-mainstream). Feminist macroeconomics has made several major contributions to the field in the past three decades. Gender-aware macroeconomics argues for a two-way relationship between macroeconomic events and gender equality. On the one hand, macroeconomic trends, growth patterns and policies have gendered outcomes. On the other hand, gendered economic patterns impact macroeconomic outcomes.

This module explores the main insights of gender-aware macroeconomics through the following sessions. Session 4.1 introduces the fundamental elements of this framework and highlights its primary contributions to the field of economics. Session 4.2 then explores GDP and economic growth in contrast to alternative indicators of well-being and economic performance, with a specific focus on gender-aware indicators. Sessions 4.3 and 4.4 introduce the debates between mainstream and non-mainstream frameworks for macroeconomic analysis and policy. These sessions provide an entry point into the discussion of the foundations of feminist macroeconomics in Session 4.5 and gender-responsive macroeconomic policies in Session 4.6. The module concludes with a summary of feminist contributions to economic theory, research and policy design, highlighting pathways for gender-equitable growth and sustainable human development.

CORE SESSIONS

4.1 INTRODUCTION TO GENDER AND MACROECONOMICS

This is a warm-up session that aims to encourage participants to identify the entry points for a gender analysis of macroeconomics. It introduces the main elements of different macroeconomics approaches and debates to frame the discussion before going into specifics.

Gender-aware macroeconomics argues that macroeconomic outcomes and policies are not gender neutral. For example, an economic crisis may trigger different types of impacts on women's and on men's economic status. At the same time, trends in gender economic inequalities affect macroeconomic outcomes. For instance, narrowing the gender pay gap influences savings and consumption spending, and over a longer time period has impacts on human capabilities.

A clear example of gendered outcomes of macroeconomic events is inflation (discussed in detail in the following sessions). An increase in prices hurts lower-income groups more than higher-income groups, as the incomes of the lowest quintiles typically do not keep pace with the rising cost of living. Moreover, low-income groups allocate a larger share of their incomes to essential goods, which often represent a significant portion of inflation pressure. Moreover, these groups are less able to protect themselves against the inflation, as they have limited access to financial assets that retain value. Since women have a higher probability of being in the lower income and asset brackets, inflation is more likely to adversely affect women through these multiple channels. Furthermore, a macro environment of price volatility under high inflation is likely to lead to an increase unpaid work time in household procurements.

Another macroeconomic phenomenon with distinct gendered outcomes is the economic crisis. Crises often increase joblessness and may result in a more negative impact on women's employment than men's, depending on sectoral concentration or women's perceived status as 'secondary earners'. The loss of income in the household may compel women to opt for longer hours in the labour market to compensate for the deficit, often pushing them to informal, insecure jobs with poor working conditions (the 'added worker effect' introduced in Module 3: Employment, Decent Work and Social Protection). Simultaneously, the unpaid workload increases when governments respond to crises by cutting social expenditures such as healthcare and care services.

Gender (in)equalities are not only outcomes of macroeconomic phenomena and policy but also factors that determine macroeconomic trends. The outcomes vary depending on the global context, economic structure and institutional interactions. For instance, gender gaps in earnings and assets reduce domestic savings, thereby limiting the funds available to finance investments. Conversely, gender gaps in education hamper development of human capabilities, which reduces productivity and lowers economic growth in the medium to long term. And ultimately, gender gaps in resource access risk both social cohesion and sustainability.

These examples reflect the dynamic and multi-layered structure of the economy, composed of micro, meso and macro levels (Elson 2025a). Firstly, the micro level focuses primarily on individuals and households. Secondly, the meso level encompasses mediating institutions and structures, such as private and public firms, markets, legal frameworks and the government, that link individuals to the broader economy. Finally, the macro level examines the economic aggregates resulting from the combined decisions and interactions at the micro and meso levels.

Different macroeconomic schools (mainstream/orthodox/neoclassical versus alternative/critical/heterodox) diverge in their analysis of these levels and the ensuing policy proposals. Two central debates define the divisions between the two approaches:

- **Self-regulating markets versus government intervention:** The tension between the faith in 'free' (unregulated) competitive markets as the best strategy to achieve maximum economic efficiency and growth versus the perceived necessity of state regulation to prevent/recover from crises and to ensure sustainable and inclusive growth.
- **The macroeconomic focus:** The call to shift from a narrow focus on economic growth and price stability as exclusive performance indicators or policy targets, towards the integration of distribution (equality) and sustainability as the ultimate policy objectives.

The mainstream approach considers the macroeconomy a consensual environment of individual choice and 'optimal' household decisions, supported by self-regulating free competitive markets, and argues for minimal state intervention. This tradition remains largely gender blind. Non-mainstream approaches view the macroeconomy as a system vulnerable to instability and crises, shaped by class dynamics, and advocate for government intervention to achieve inclusive and sustained growth. Yet the non-mainstream traditions also remain for the most part indifferent to gendered structures and outcomes.

By contrast, feminist macroeconomics highlights the gendered nature of the macroeconomy, which rests on the interplay between the market economy and the reproductive economy, which has historically been neglected by economic theory and analysis in both conventional and alternative traditions (Elson 2025a).

Feminist economics acknowledges the reproductive sphere as one of the primary economic domains where power struggles and gender norms jointly dictate the division of labour. At the meso level, it identifies institutions not as gender-neutral constructs but as structures which are shaped by gendered laws, social networks and norms. Together, these devalue 'women's work'. Then, at the macro level, it highlights the bidirectional relationship of gender and macroeconomic phenomena, and integrates the multiple linkages between the market and the reproductive spheres.

GROUP EXERCISE:

ICE-BREAKING DISCUSSION

Ask participants to brainstorm potential gender differential impacts of the macroeconomic phenomena introduced in the session. Examples of macroeconomic phenomena triggering gendered outcomes include:

- **Inflation** – how price volatility affects purchasing power differently based on gendered income distribution and spending patterns and gender imbalances in unpaid work.
- **Economic crises** – the differential employment impacts in different sectors and occupations, or the 'double burden' of paid and unpaid work during austerity.
- **Physical infrastructure investment** – how improvements in water distribution or sewerage systems reduce 'time poverty' for women.
- **Tax exemptions on assets** – how tax breaks on property or capital gains may disproportionately benefit men, who hold a larger share of global assets.

Now flip the perspective, asking how gender inequalities in access to resources influence macroeconomic outcomes. Examples include:

- **Gender wage gap** – how lower (higher) female earnings reduce (increase) aggregate domestic savings and consumption with implications for GDP growth (and different types of spending by women versus men, with implications for human capabilities development, productivity and GDP growth).
- **Educational inequality** – how widening (or narrowing) gender gaps in education hamper (or promote) long-term human capabilities development, productivity and GDP growth.
- **Inequality in asset ownership** – how a lack of collateral for women limits access to credit for women entrepreneurs, contributing to deepening poverty.

KEY TAKEAWAYS FROM SESSION 4.1:

- Macroeconomic phenomena do not affect everyone in society evenly. Polices can generate further inequalities, or they can be used to reduce them.
- Specifically, practitioners should be sensitive to the causal relationships between gender inequality and macroeconomic phenomena. While policies may shape gender gaps, existing inequalities such as those in education, wages and assets simultaneously affect macro-level performance including productivity, GDP growth and sustainability.
- Feminist macroeconomics integrates the reproductive economy (unpaid care work) into the analysis as a primary economic domain. Development interventions must address the macro, meso and micro levels of the economy and the interactions between them to understand the gendered norms and institutions that often devalue 'women's work'.

4.2 INDICATORS OF MACROECONOMIC PERFORMANCE AND WELL-BEING

This session aims to critically evaluate the standard tools used to measure a country's economic progress and introduces alternative metrics for a more holistic view of human well-being.

We first focus on GDP and GDP per capita as the primary indicators of economic performance, which are often used in economic discourse and political circles as proxies for well-being and quality of life. Their comparison across countries in a given year implicitly refers to differences in the average quality of life across nations. Similarly, a country's growth over time is interpreted as a signal of success and expected to improve the standards of living for its citizens.

However, exclusive focus on GDP as the main reference point in the evaluation of macroeconomic performance or the design of policies has faced numerous critiques. Scholars argue that it is neither a sufficient nor an accurate indicator of human well-being (Goodwin et al. 2023; Cypher and Dietz 2009).

Like much of the macroeconomic data, GDP and its derived indicators are gender blind. They overlook non-market activities such as domestic work and unpaid care, which are disproportionately performed by women. Without gender-sensitive measures, this essential economic contribution remains invisible, leading to policies that may inadvertently deepen gender inequality. Feminist economics advocates for alternative measures to better identify what is really being produced and consumed in a macro-economy (including household production) and how macroeconomic trends affect men and women differently, ensuring that 'economic performance' translates into equitable well-being for all members of society.

GROUP EXERCISE:

THE GDP MYSTERY – WHERE'S THE VALUE?

This mini quiz with engaging and humorous questions prompts participants to reflect on their background knowledge of GDP and how they conceptualize economic value. Use it at the start of the session to prompt a critical discussion on what GDP measures, its limitations and what it fails to capture.

Sample questions are provided in the mini quiz in Appendix 4A. These demonstrate that GDP measures capture all market activity as adding positive value and contributing to overall well-being, while ignoring the value produced by unpaid domestic, care and volunteer work. However, GDP includes certain activities that increase the market value of goods and services—and are reflected in statistics as economic growth—at the expense of human well-being and the environment (Goodwin et al. 2023). Examples include rising military expenditures during armed conflict, or costly clean-up efforts after environmental disasters. At the same time, GDP excludes those vital contributions that cannot be easily valued in market terms, such as leisure activities or voluntary labour during floods or earthquakes. While these contribute immensely to human well-being, GDP fails to account for them as they lack a market price.

4.2.1 LIMITATIONS OF GDP IN CAPTURING ECONOMIC PERFORMANCE AND WELL-BEING

Major criticisms regarding the insufficiency of GDP as a measure of economic performance and well-being are as follows:

1. **GDP excludes 'home-based and volunteer' production and its significant contribution to well-being.** This category includes a vital set of goods and services that are produced and consumed within a household or community through unpaid labour. Examples of such labour are assisting a child with their education at home, the extensive domestic work required to maintain house hygiene during COVID-19 lockdowns, or volunteering at a soup kitchen. As discussed in Module 1 (Introduction to Gender-aware and Feminist Economics) and Module 2 (The Care Economy and Transformative Care Systems), the sphere of domestic non-market production—based mainly on women's unpaid labour—is an important focus of feminist economics. This feminist critique of GDP for excluding production by unpaid labour has led to the development of 'satellite accounts of household production'. *(Mini quiz question no.3 illustrates these points.)*
2. **GDP excludes sustainability in a broad sense.** While identifying the current value of marketed activities, it leaves the long-term spillover of these activities unaddressed. Specifically, GDP growth does not guarantee sustainability across three dimensions: economic/financial, ecological and social/political.

- **Economic/financial sustainability:** Today's economic strategies, when designed with a short-run perspective, may exacerbate intergenerational unemployment and poverty, potentially intensifying the feminization of these systemic problems. For instance, an economic growth strategy which is fuelled by populist spending and financed by public borrowing at high interest rates is not economically/financially sustainable over the longer run, and transfers the burden of debt to future generations.
- **Ecological sustainability:** Ecological degradation through current economic activity eventually results in a decline in net value of economic output and significant erosion of well-being. For instance, while an industrial investment plan which does not impose environmental regulations may generate high short-term profitability and boost growth rates, the long-term value lost through environmental destruction is likely to result in a negative net impact. To address these gaps, environmental economists have developed 'satellite environmental accounts' (similar to satellite household production accounts) to factor in the depletion of natural resources during the production process.
- **Social/political sustainability:** When economic growth is based on widening inequalities in income and wealth distribution, this is likely to trigger social unrest and political instability. The recent uprisings in many countries across the world stem from increasing inequality, resource deprivation and power disparities. For example, The Yellow Vest movement in France in 2018 was triggered by rising fuel prices. The Iranian 'Woman, Life, Freedom' movement in 2022–2023 turned into massive protests that paved the way for tragic mass killings in January 2026. This was the result of economic collapse, food inflation, increased taxes and resentment towards the wealthy elite *(mini quiz question no.2 illustrates these points).*

3. **GDP per capita is an average number and does not reflect the extent of inequalities in income distribution.** In the presence of inequalities in income distribution, GDP per capita as an average might not serve as an accurate indicator of the average purchasing power in an economy. Elite groups might have purchasing power considerably above the average, while disadvantaged groups have income levels much lower than this average. Under some conditions and policies, a strong growth rate can come at the expense of worsening income distribution and increasing inequalities. Such an unequal growth process can neither be defined as development, nor is it socially or economically sustainable over the long term. This critique has led to the notion of 'inclusive growth', whereby the benefits of the increase in production and income are shared equally by different segments of society.

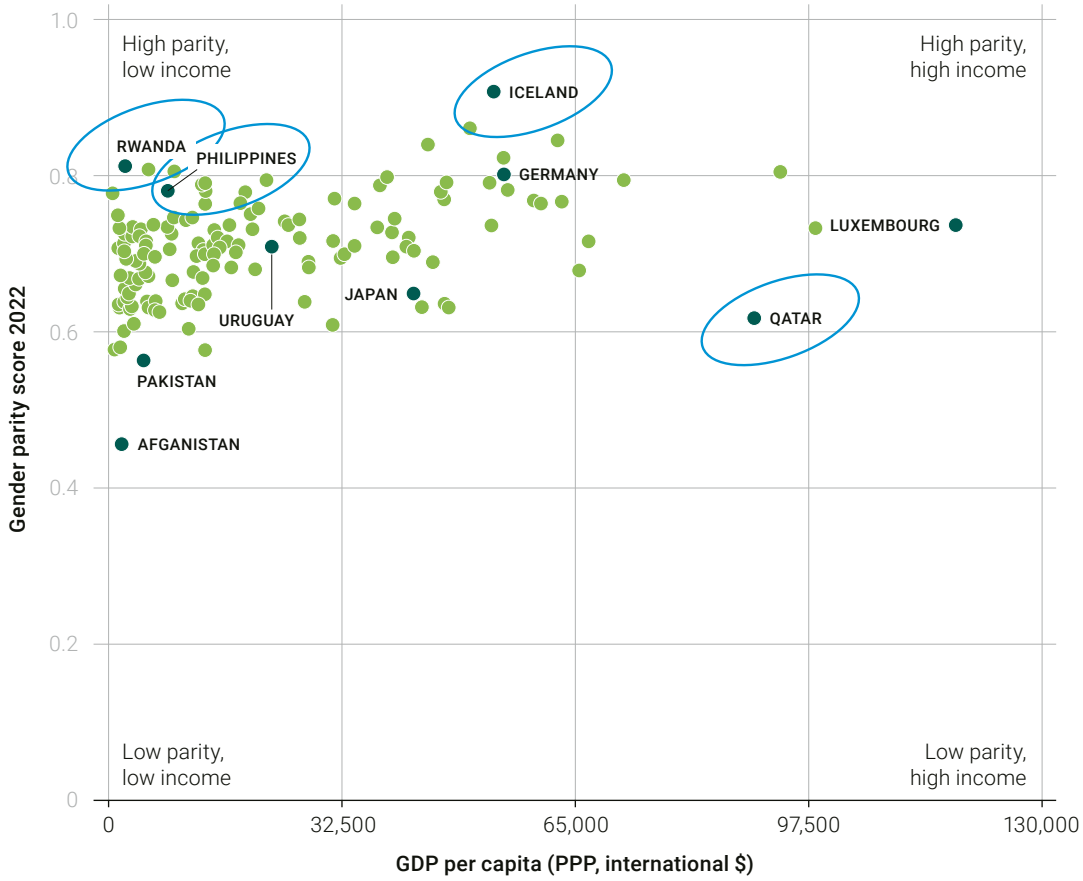
   Measures of income inequality, such as the Gini coefficient, the Palma ratio or wage share in value added, are also important indicators of well-being and should be included in assessments of economic performance and policy evaluation (see Module 6: Income Inequality and Poverty; mini quiz question no.4 illustrates these points).

4. **Quality of life is far more encompassing than just GDP per capita, which primarily measures average purchasing power over commodities.** Quality of life (QoL) entails the following components: access to quality education and health services; time for care and leisure; peace and freedom from violence; access to a healthy environment; participatory and transparent democracy and rule of law; and equality of opportunity by gender, class and origin. Purchasing power over commodities, to some extent, improves access to several of these QoL components such as education and health, yet it has hardly any effect on some of the other important components.

GDP per capita might be inversely related to some QoL dimensions, such as time for care and leisure. For example, GDP per capita might increase due to higher labour market work hours by employed workers. This means, however, that the time available for care and leisure has decreased, helping to deteriorate QoL. Moreover, some lower GDP per capita countries show better performance on several of these indicators, such as health and education or gender equality, than some higher-income countries, suggesting that the link is not automatic (Figure 4.1.; *mini quiz question no.1 illustrates these points).*

FIGURE 4.1

Relationship between gender equality and GDP per capita



Notes: * PPP = purchasing power parity; plot features values for the 146 countries included in the 2022 edition.

Source: World Economic Forum 2022: 49.

4.2.2 BEYOND GDP: ALTERNATIVE MEASURES OF WELL-BEING AND ECONOMIC PERFORMANCE

The shortcomings of GDP per capita as an indicator of well-being and economic performance, as outlined above, have important ramifications in terms of how we define development and design policy. The common distinction between developed and developing economies rests on their respective GDP per capita. In the footsteps of critics of GDP per capita, Amartya Sen (1985 and 1999) countered the conventional definition of development based on GDP per capita, by defining it as "the expansion of freedoms and human capabilities". This has come to be known

as the 'capabilities approach' to development and it ultimately culminated in the human development paradigm[1] (please see Module 1: Introduction to Gender-aware and Feminist Economics). The human development paradigm is an approach to well-being that goes far beyond the narrow focus of macroeconomics on GDP per capita and the growth rate. It also provides a more appropriate and useful model for the introduction of gender and development issues.

UNDP has developed these measures as alternatives to GDP per capita, based on the human development paradigm and the capabilities approach:[2]

- Human Development Index (HDI)
- Inequality-adjusted HDI (IHDI)
- Multidimensional Poverty Index (MPI)
- Planetary Pressures-adjusted HDI (PHDI)

These UNDP indices use a combination of three types of indicators: access to health, education and standards of living. The IHDI adjusts the original development levels to account for inequalities across dimensions and the PHDI incorporates the costs associated with environmental pressure.

There are other alternative measures of development or well-being. Some, such as happiness or life satisfaction indices, rely on subjective evaluations by individuals as to how happy/satisfied they are with their lives. Others estimate the costs and benefits of some activities not included in GDP.

The Genuine Progress Indicator (GPI), with its most recent version termed GPI 2.0, is a prominent example. It seeks to include natural and social capital to measure the sustainable monetary value of economic progress (Berik 2020; Goodwin et al. 2023). Under this framework, benefits include the public provision of goods and services, value of household and volunteer work, leisure time, and services derived from protected natural capital. Conversely, costs include income inequality, environmental destruction and pollution. As a standardized global methodology for the GPI is still under development, its use for cross-country comparisons is limited (Berik 2020), but the research conveys significant insights at the national and local levels. A 2013 study, using data from 17 countries representing more than 53 per cent of the world's population, revealed that while GDP has increased steadily, GPI has remained stagnant or has declined since the 1980s. This signals that both social and environmental sustainability are at risk (Kubiszewski et al. 2013; also see Appendix 4B, Figure 4B-1 for more).

The OECD Better Life Index is an alternative well-being indicator, a multidimensional approach to measuring well-being. It goes beyond GDP, assessing human's material living conditions and quality of life. It covers 11 dimensions: income, jobs, housing, health, education, work–life balance, environment, social connections, civic engagement and governance, safety, and life satisfaction. Importantly, it allows comparisons across OECD countries and lets users assign their own weights to the 11 dimensions, reflecting different views on what matters most for their well-being.

Comparing of GDP per capita to alternative measures of well-being indicates that while there is some positive correlation between the two sets of measures, GDP per capita is an imperfect indicator of well-being. In some cases, countries with the same level of GDP per capita are observed to have vastly different levels of well-being as measured by the HDI, MPI and other indices. In response to these critiques, the United Nations System Chief Executives Board for Coordination launched the 'Beyond GDP' initiative to lead coordinated global action in capturing well-being and sustainability (Box 4.1).

BOX 4.1

VALUING WHAT COUNTS: UN SYSTEM-WIDE CONTRIBUTION ON BEYOND GDP

The 'Beyond GDP' initiative was launched by the United Nations System Chief Executives Board for Coordination in 2021, building on the Secretary-General's 'Our Common Agenda' and Sustainable Development Goal (SDG) target 17.19.[3] Its purpose is to create measures of progress that better capture well-being, sustainability and the new economic challenges than GDP alone.

The initiative is built on four main components:

First, it develops a conceptual framework that emphasizes outcomes such as well-being and agency, environmental sustainability, reduced inequalities and solidarity.

Second, it proposes to develop a headline 'value dashboard' consisting of around 10 to 20 universal and comparable indicators instead of a single composite index (see Appendix 4C for examples of the indicators under discussion).

Third, it commits to advancing statistical and accounting reforms, including integration with the 2025 update of the System of National Accounts (SNA) and expanded use of the System of Environmental-Economic Accounting (SEEA) and ecosystem valuation.

Finally, it establishes an institutional and political process, with a High-Level Expert Group (HLEG) guiding indicator development and Member States encouraged to embed these metrics in policymaking.

So far, the outputs include the technical report *Valuing What Counts: UN System-wide Contribution on Beyond GDP,* a 2023 policy brief[4] based on this report, and ongoing work to refine a shortlist of indicators, in parallel with the 2025 SNA update.

Feminist economics contributes to the Beyond GDP initiative by advocating for the inclusion of gender-sensitive valuations. In line with this, the HLEG on the Measurement of Economic Performance and Social Progress treats gender as a horizontal inequality variable that intersects with multiple dimensions of well-being and proposes the systematic use of time use surveys and indicators of gender disparity to obtain a more accurate view of human welfare (HLEG 2025).

4.2.3 GENDER-AWARE MEASURES OF WELL-BEING

While the alternative well-being indices discussed above do not address gender directly, some have incorporated gender-aware components, e.g. GPI includes the value of household and volunteer work, and the OECD Better Life Index includes work–life balance. This reflects the influence of gender-aware (feminist) economics advocacy, which has long argued that well-being measures should capture not just market output, but also time use, unpaid and domestic work, and quality of life. The fact that these dimensions have now been embedded in major well-being frameworks shows the policy and conceptual

success of gender-aware economics in reshaping how economic performance and social progress are measured (as discussed in Session 4.5).

Other efforts to integrate gender into alternative well-being metrics include, the UN publishing several gender indices, three of which stand out: the Gender Development Index (GDI), Gender Inequality Index (GII) and the Gender Social Norms Index (GSNI).

Gender-aware metrics can address three dimensions to measure gender inequalities (van Staveren 2021). First, they can reflect women's experiences and their disadvantaged positions in society, which is a necessary step in identifying gender gaps. Second, they can shed light on the social and economic differences between women and men, including the intersections of class, race and ethnicity. Finally, they can serve to trace absolute and/or relative improvements in gender equality over time.

Among the UN's gender indices, GDI and GII have been published for a long time. GDI has the same dimensions as the HDI, but measures human development levels among men and women separately to determine women's position relative to men. GII is a composite index that combines women-only indicators with relative gap indicators. Specifically, it includes reproductive health (women-only), empowerment and labour market participation indicators (women's and men's relative position). (See Module 6: Income Inequality and Poverty for further discussion on gender-aware measures of inequality and poverty, and deprivation of well-being). GSNI is a more recent index that reveals gender biases in social norms and values. It examines bias across four dimensions: political, educational, economic and physical integrity, and uses data from the World Values Survey.

Other gender-aware composite indices include the OECD's Social Institutions of Gender Inequality (SIGI), EIGE's Gender Equality Index (GEI) and the World Economic Forum's Women's Empowerment Index (WEI). Each conveys important and distinct information about women's deprivations or gender disparities and facilitates cross-country comparisons. However, the methodological limitations of such composite measures should be recognized, including the narrow representation of populations through a limited set of indicators, the omission of intersecting statuses that interact with gender, and issues related to data reliability or availability across countries. For more detailed discussions, see van Staveren (2021) and Berik (2022). See Appendix 4D for an optional group discussion on gender-aware well-being indices.

KEY TAKEAWAYS FROM SESSION 4.2:

- Conventional economic performance indicators, such as GDP and GDP per capita, have significant conceptual limitations regarding what constitutes 'economic activity' and how it is measured. Specifically, from a gender perspective, GDP fails to capture essential non-market activities such as unpaid household care services.
- Critics of the focus of macroeconomics on economic progress through market-based valuations have expanded global efforts to develop a more holistic approach and accurate measurements of well-being, equality and inclusiveness.
- International institutions, such as UNDP, OECD and the European Union, and independent organizations are operationalizing these concepts through various dashboards and indices.

- Frameworks like the Genuine Progress Indicator and the OECD's Better Life Index integrate social and natural capital, while incorporating gender-sensitive components. Other metrics such as the UNDP's Gender Development Index, Gender Inequality Index and Gender Social Norms Index are specifically designed to measure gender disparities and marginalized positions of women within labour markets, social and political spheres.
- Feminist economics has expanded the boundaries of well-being analysis by contesting market-based valuations of economic performance, positioning reproduction and sustainability of life at the core of economic inquiry.

4.3 MAINSTREAM MACROECONOMIC FRAMEWORK

This session presents the broad contours of the mainstream macroeconomic analytical and policy framework. In doing so, it provides a background for the critiques by non-mainstream alternative macroeconomic approaches and in particular feminist macroeconomics, which are discussed in the following two sessions.

The session starts with a brief overview of the general purpose of macroeconomic policies. It goes on to examine how mainstream macroeconomic analysis and policy frame core macroeconomic phenomena such as growth, income distribution and economic crises. The session underlines the gender-blind nature of the mainstream macroeconomics approach in treating the economy as a set of gender-neutral aggregates. Participants are expected to question how gender factors are at play through these channels.

4.3.1 OVERVIEW OF MACROECONOMIC POLICIES

Macroeconomic policies are designed and implemented at the national level by governments through public sector institutions such as the ministry of finance (MoF), ministry of economy (MoE), the treasury and the central bank (CB). At the multilateral level, organizations such as the IMF, the World Bank, specialized UN agencies such as UNDP and the UN Conference on Trade and Development (UNCTAD), and regional development banks also impact macroeconomic policies through policy advice, loans and financing.

Broadly, macroeconomics is about management of national output production, aggregate employment levels, the mobilization and allocation of resources, the distribution of wealth, and the provision of public goods and institutional support, all of which ultimately shape aggregate demand.

The primary objectives of conventional (mainstream) macroeconomic policy include:

- Achieving a high economic growth rate and an increase in GDP per capita.
- Maintaining price stability and low inflation.
- Reducing the unemployment rate.
- Stabilizing the economy in the face of economic crises.

Most macroeconomic tools adopted in support of these objectives are fiscal and monetary policies (Figure 4.2).

Note that non-mainstream approaches propose additional or alternative objectives such as inclusive (equitable) and sustainable growth beyond simply growth, even degrowth within the context of sustainability, and full employment beyond simply reducing the unemployment rate. Feminist macroeconomics proposes a gender-equitable and caring economy as another objective of macroeconomic policy. These are discussed in the following sessions. The degrowth framework is discussed in Module 7: Ecological Crisis and the Green Transformation.

'Fiscal policy' pertains to taxation and spending policies, through which the government obtains tax revenues and decides how much to spend and where to allocate public spending. Typically, the MoF is responsible for fiscal policy design, subject to approval by the national cabinet of ministers and the parliament.

FIGURE 4.2

Macroeconomic policies and examples of tools

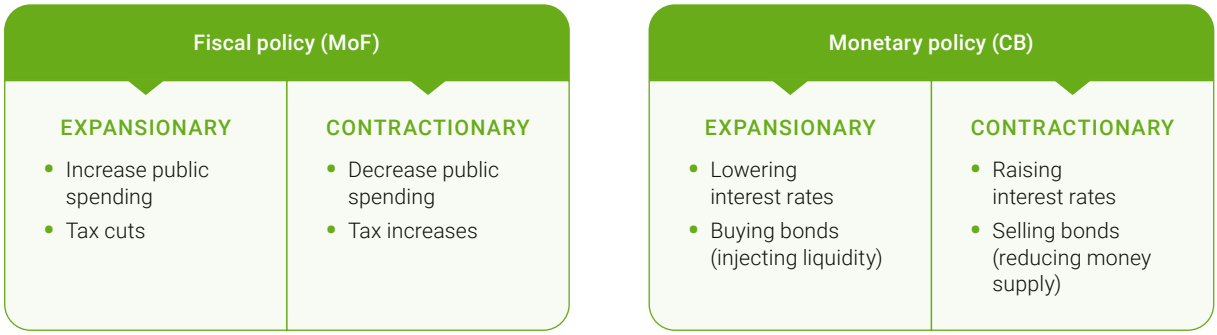


TABLE 4.1

Macroeconomic approaches in a nutshell

	Mainstream	Post-Keynesian
Key focus	Efficiency, individual utility, market exchange, equilibrium and price stability.	Employment, distribution, stability and demand management.
Growth	Supply driven, determined by capital accumulation, labour-force growth and technological progress.	Demand-led growth; wage-led vs profit-led regimes; state intervention to sustain full employment.
Income distribution	Determined by 'marginal productivity'. Factors are paid according to their contribution to output; relies on 'trickle-down' effects.	Distribution affects demand; inequality weakens growth.
Crises and cycles	Viewed as temporary 'shocks' (exogenous) or market failures; corrected by price/wage flexibility or minor monetary adjustments.	Caused by demand shortfalls, financial fragility and distributional conflict; stabilization via countercyclical fiscal/monetary policy.
Main tools	Inflation targeting, fiscal discipline, structural reforms to deregulate markets.	Demand management, industrial policy, public investment.

'Expansionary fiscal policy' increases public spending and/or reduces taxes with the objective of stimulating aggregate spending and economic expansion. While the growth rate is consequently expected to increase, fiscal expansion risks an increase in inflation, if the economy is operating at or close to its full potential output. It also risks a (widening) public budget deficit to the extent that a fiscal expansion is financed through public borrowing.

'Contractionary fiscal policy' decreases public spending and/or raises taxes (also known as austerity measures) with the objective of depressing aggregate spending so as to reduce inflation and ensure price stability (and improve public budget deficits). However, it negatively impacts growth (at least in the short-run), risks increasing unemployment, and leads to declining quantity and quality of public services.

'Monetary policy' refers to the Central Bank's control over interest rates and the money supply. In many countries today, it is primarily conducted through changes to the Central Bank's interest rate charged on borrowers (financial institutions such as banks and the government), which alters the cost of money available in the system.

'Expansionary monetary policy' entails lowering interest rates to thereby reduce the cost of borrowing, increase availability of money in the system, and stimulate economic growth through consumption and investment. The CB can also control the quantity of money directly through various instruments, for example, by buying or selling bonds in the financial markets. Purchasing bonds from financial institutions injects liquidity into the system, lowers interest rates, and is again expansionary. However, as with fiscal policy, an expansionary monetary policy has the risk of generating inflationary pressures.

'Contractionary monetary policy' is based on raising interest rates or reducing the money supply, such as by selling bonds in the financial markets. These measures reduce the funds available for borrowing. Hence, they reduce investment and consumer spending and thus contribute to price stability and inflation control.

Macroeconomic policies at the national level include choosing combinations of tools to achieve major economic goals. To understand, for example, why expansionary rather than contractionary policies or a mix of the two are adopted, it is necessary to distinguish between supply-side approaches and demand-side approaches.

Institutional and evolutionary	Ecological	Feminist
Institutions, norms, historical evolution, and power structures.	Sustainability, ecological limits, environment –economy interactions.	Gender relations, unpaid care work, social reproduction, equality and sustainability.
Growth shaped by institutions, technology, norms and path dependence.	Questions growth as main goal; emphasizes ecological limits, degrowth or steady state.	Critiques GDP; calls for gender equality-led and inclusive growth; recognizes unpaid work and social reproduction.
Distribution shaped by institutional settings and power; inequalities persist.	Focus on fair distribution of ecological resources and environmental justice.	Emphasizes gender wage gap, occupational segregation, unpaid work; intersectional analysis.
Linked to institutional rigidities, cycles linked to innovation and institutional change.	Ecological crises (climate, biodiversity loss) are systemic and long term.	Redefines crises to include care and reproduction; highlights how women bear disproportionate burden in downturns and austerity.
Institutional reform, rule of law, governance.	Environmental regulation, ecological taxation, green jobs.	Care investment, feminist tax reform, gender-responsive public finance management.

'Supply-side macroeconomic policies' refer to neoclassical long-term growth strategies that emphasize the supply side of the economy (i.e. companies and producers). They have been adopted as the dominant approach in mainstream economics. In this view, companies are considered the primary driver of investment and growth. Policy choices are thus designed to enable an efficient business environment that promotes production and include measures such as tax incentives and subsidies for firms, along with interventions to lower the costs of production (production-led or profit-led growth; see Session 4.4 for details). The main focus of supply-side macroeconomic policies is price stabilization and inflation control, labour market flexibilization to ensure lower wage costs, and trade and financial liberalization. This combination of outcomes (stable and low inflation, wage flexibility and access to global markets and finance) is expected to have a positive impact on investments and supply-side growth.

'Demand-side macroeconomic policies', by contrast, aim to manage the level of aggregate demand (total spending in the economy, namely consumption, investment, government expenditures and net exports) in order to influence output, employment and inflation. They are based on the idea that fluctuations in economic activity are largely driven by changes in aggregate demand rather than supply. Keynesian economics (as discussed in detail in Session 4.4.2) relies predominantly on demand-side policies and calls for public spending and investments, tax incentives and subsidies to consumers to support consumption-led (or wage-led) growth.

4.3.2 MAINSTREAM MACROECONOMICS APPROACH TO GROWTH, INCOME DISTRIBUTION AND CRISES

The rest of this session and the next session present a comparison of mainstream and non-mainstream macroeconomics, focusing on their respective views of three important macroeconomic phenomena: economic growth, income distribution and economic crises, and their associated policy frameworks.

Growth

The mainstream (neoclassical) macroeconomic framework analyses the economy through three distinct time horizons:

- **Short run:** Output (GDP) and employment are determined by aggregate demand.
- **Medium run:** The economy reaches its 'natural rate of output', where supply is determined by full employment of available capital, labour, natural resources and technology. At this stage, the economy reaches full employment, leaving only 'frictional' (voluntary/temporary) unemployment.
- **Long run:** Growth is driven by structural changes, specifically technological innovation and the accumulation of physical capital.

The mainstream aggregate demand and aggregate supply model argues that in an unregulated free market environment the economy will, sooner or later, settle into a medium-run equilibrium whereby the economy produces at full capacity and unemployment is reduced to the minimum possible level at the natural rate.

In the short run, unexpected negative shocks, leading to an unanticipated fall in aggregate demand or supply, can throw the economy off this medium-run equilibrium. Therefore, a short-run equilibrium might prevail whereby the economy produces below full capacity and the unemployment rate remains above its natural rate, with involuntary unemployment (a situation of economic recession/crisis). Such a state of crisis results in downward pressure on the price level.

In such an environment, a decline in inflationary expectations, combined with higher unemployment rates, impacts wage bargaining. Under these conditions, workers will demand lower wage increases than previously (provided that labour markets are unregulated, i.e. flexible). Declining real wages (along with falling interest rates) are expected to restore the conditions of profitability for firms and supply is expected to increase gradually, finally bringing the economy back to its medium-run equilibrium, even in the absence of any government intervention.

Mainstream (neoclassical) macroeconomics sees growth as an essentially universal and automatic process that occurs through capital investments and technological change, given a free competitive market. Once an economy enters the phase of capital accumulation and provides the conditions for a competitive free market economy based on profit maximization, it is inevitable that growth will occur automatically, the mainstream supply-side approach argues, and even late starters will catch up with more developed economies in the long run.

It is presumed that the primary source of sustained growth is technological change. All that countries need to do is support capital investments and adopt technological innovations in a free market environment. This characterization of how growth occurs, however, neglects the effects of any historical, geographical or institutional variables on the process of growth.

Income distribution

Income distribution is not a primary objective of mainstream economics. Incomes (wages, rents and profits) are determined by the marginal product of labour, land and capital, respectively, with each factor being paid according to its contribution to output in competitive markets. Thus, factors of production are assumed to get 'what they are worth'. Distribution is not considered a policy concern, based on the assumption that once economic growth is achieved, GDP will raise incomes for all and eventually 'trickle down' to every income group in the economy. Structural factors such as bargaining power, social norms or institutional settings are usually ignored. If any income inequalities exist, they are seen to be because of market imperfections (e.g. discrimination, information asymmetries or government interventions). Therefore, governments should only intervene for targeted redistribution (e.g. taxes and transfers) without altering underlying free market mechanisms.

Crises and economic cycles

Mainstream economics interprets crises within the framework of business cycles, i.e. fluctuations around a long-run equilibrium trend. Shocks (technological, policy or external) cause deviations, but markets are assumed to have a natural tendency to return to equilibrium. Crises such as inequalities in income distribution are treated as occasional. To remedy the impacts of crises, the proposed policy response is to implement stabilization programmes (or austerity measures) to smooth out fluctuations in the economy.

Stabilization and structural adjustment programmes (SAPs), originally created as a policy package for developing economies in the aftermath of the oil crisis of the 1970s, are examples of neoclassical supply-side macroeconomic policies. The global economic crisis of the 2000s and later the 2008 global recession generated similar policy approaches in developed and developing economies (Bargawi et al. 2017). The primary aim is to create the best conditions possible on the supply side, in other words for companies, to encourage private investment in physical capital. It is assumed that actions such as depressing domestic demand, and prices and wages, will increase export competitiveness. Along with institutional, legal and structural changes in favour of free markets, these actions are expected to be sufficient to facilitate growth.

These seemingly 'neutral' frameworks often ignore the gendered and intersectional structure of the economy, failing to account for how policies affect men and women (by different household income and skills levels) differently due to their distinct roles in production and reproduction. For example, women often act as 'shock absorbers' during crises, through multiple channels. Gender analysis highlights how stabilization programmes and SAPs increase the likelihood of paid and unpaid care work disproportionately for women as public services and employment decline (see Session 4.5 and Box 4.2).

KEY TAKEAWAYS FROM SESSION 4.3:

- The mainstream framework assumes that economies, functioning in unregulated, 'free' markets, will naturally return to a medium-run equilibrium of full employment and capacity. Consequently, government intervention is generally viewed as unnecessary and undesirable for long-term recovery from shocks and crises.
- Long-run economic growth is seen as an automatic process which is driven primarily by capital investment and technological innovation. This view often neglects the role of historical or institutional variables.
- Income distribution is determined by rules of perfectly competitive markets and the marginal productivity of factors of production. For example, lower wages are attributed to insufficient skills or voluntary choice at the prevailing market wages. In any case, it is assumed that growth will eventually 'trickle down' to all groups.
- Crises are interpreted as temporary fluctuations, often to be managed through austerity policies and structural adjustment programmes that prioritize private investment and export competitiveness to return to recovery and growth.
- These frameworks are gender blind, failing to account for how 'neutral' policies like austerity disproportionately impact women, who often serve as shock absorbers, e.g. by increasing their unpaid care work as public services decline or cutting their jobs in the public sector.

4.4 ALTERNATIVE (NON-MAINSTREAM) APPROACHES TO MACROECONOMICS

As a critique of mainstream macroeconomics, alternative schools have established their own frameworks and proposed analyses, policies and tools to address issues of production, distribution, inequality and sustainability. The terms critical, heterodox and non-mainstream are used interchangeably to refer to these alternative economic disciplines.

This session presents the logic and proposals of non-mainstream schools compared to the mainstream framework. The session shows the historical evolution and coexistence of the major strands of economic thought. Each heterodox school not only builds upon the preceding theories but also interacts with others, enriching the methodologies and findings within heterodox space. The session will focus specifically on how these schools respond to issues of growth, income distribution and crises.

Participants are expected to understand the broad contours of heterodox economics before advancing to feminist macroeconomic policy and analysis in the next session. Feminist macroeconomics benefits from these non-mainstream macroeconomics approaches, but goes further by addressing the limitations of approaches that fall short of integrating gender as a core analytical category.

4.4.1 DEFINING PARAMETERS FOR ALTERNATIVE ECONOMICS

Economic growth has been reformulated in various ways by the critical approaches, and more recently debated in terms of 'inclusive (equality-enhancing) and sustainable growth', 'de-growth for well-being and sustainability' and a 'gender-equal and caring economy'.

'Inclusive (equitable) and sustainable growth' refers to an economic process that distributes benefits fairly across society. This includes reducing income, gender and social inequalities, while ensuring long-term environmental sustainability and social cohesion.

The concept 'de-growth for well-being and sustainability' refers to practices of deliberate reductions of excessive production and consumption, particularly in wealthy economies. It reorients macroeconomic policies towards human well-being and ecological balance rather than prioritizing GDP growth. This involves changing consumption patterns and production modes towards environmental sustainability, such as reducing airline travel, promoting fair trade or recycled products, and prioritizing green inputs such as wind or solar energy instead of fossil fuels (this is discussed in detail in Module 7).

Finally, a 'gender-equal and caring economy' (also called the 'purple economy') envisions an economic system that values and redistributes unpaid care work, ensures equal opportunities and outcomes across genders, and places social well-being and interdependence over profit and productivity. This is discussed in detail in Session 4.5.

The alternative macroeconomic approaches range from those closer to liberal economic views to more radical positions that envisage societal and structural transformation. This session focuses on the three major schools, which have evolved interdependently and in historical sequence: Keynesian and post-Keynesian economics, institutionalist and evolutionary economics, and ecological economics. As shown in the next session, feminist economics has drawn on these traditions in developing its theoretical and empirical frameworks, while at the same time critiquing them for neglecting gender inequalities in their formulations (Table 4.1).

Broadly, the alternative macroeconomic approaches introduce distributional conflicts, uncertainty and instability as fundamental elements of the macroeconomy. They highlight economies' structural weaknesses and the dependent relationships between countries as root causes of global and local economic problems; emphasize the dynamic, historic and contextual nature of the economy; and trace its evolution through technological innovations and interactions between institutions and society. Most importantly, they differ from mainstream economics in their vision of the state's role in the economy and welcome public interventions by governments to address instabilities, economic crises and social inequalities.

When faced with economic crises, in contrast to the mainstream neoclassical macroeconomic approach, non-mainstream macroeconomic approaches call for long-term policy interventions to improve capital and labour productivity in export and related sectors. These include public investments in research and development, human capabilities formation and strategic investment subsidies.

4.4.2 KEYNESIAN AND POST-KEYNESIAN ECONOMICS

Keynesian (later post-Keynesian) economics made fundamental contributions to macroeconomics (Hein 2017). Distribution and distributional conflict became central to analysis of both the short and long run, and macroeconomic models began to integrate monetary, financial and real sectors to present a more comprehensive view of the economy.

Growth

In contrast to the supply-side approach of mainstream economics, Keynesian economics argues economies function below their capacity utilization and therefore growth is driven by demand (mainly through consumption, investment, government spending and net exports). Growth is historically

specific, unstable and dependent on expectations under fundamental uncertainties, for example, asymmetric information or erratic individual or company behaviour. Moreover, economic processes are path-dependent, which is why the probability of equilibrium in the long run is very low, and it is more likely that there will be instabilities and deviations from the long-run equilibrium path. Therefore, there is room for government intervention, especially through spending, which is expected to trigger multiple economic activities and hence stimulate both aggregate demand and economic growth.

Income distribution

Both Keynesian economics and post-Keynesian economics in particular put income distribution at the centre of analysis, not only based on an ethical and social motivation for equality, but also for purely macroeconomic reasons. This approach argues there is a causality from increasing (decreasing) inequality in distribution of income to decreasing (increasing) economic growth. This mechanism works through the impact that income distribution has on aggregate demand. For example, when a larger share of income becomes concentrated in the hands of top income earners, all others have little to spend, resulting in declining consumption demand with negative spillover effects on investment spending, what Keynesian economics calls 'aggregate demand deficiency', which triggers an economic slowdown or recession. Hence, in contrast to the mainstream framework where income distribution is a marginal issue, in the Keynesian framework income distribution and distributional conflicts affect national output, employment, inflation and growth. Functional income distribution, i.e. distribution of national income between wages and profits, is a central variable.

The post-Kaleckian approach belongs to the broader heterodox school of post-Keynesian economics, which emphasizes that a country's total income distribution, specifically the share of wages versus profits, is a primary driver of aggregate demand and economic growth. In this vein, post-Keynesian research uses empirical modelling to identify two different economic growth regimes, depending on how the functional income distribution affects economic growth (Bhaduri and Marglin 1990; Stockhammer 2015). A 'wage-led growth regime' occurs when an increase in the wage share of national income (and corresponding fall in the profit share) raises aggregate demand and promotes economic growth. Higher wages boost household consumption because workers tend to have a higher propensity to consume than profit earners, and this positive effect on demand offsets any negative impact of higher labour costs on investment or net exports. In a wage-led growth regime, improving income equality will raise demand in the short run and stimulate capital accumulation and productivity growth over time, leading to a higher long-term growth path.

A 'profit-led growth regime' occurs when a higher profit share (lower wage share) increases aggregate demand and promotes economic growth. This happens if the positive effects of lower labour costs on investment (through higher profitability) and/or on net exports (through improved cost competitiveness) are stronger than the negative effects of depressed wage incomes on domestic consumption and demand. In a profit-led growth regime, higher profit share encourages more investment (and possibly export expansion), so growth is sustained despite lower consumption from reduced wages.

In a wage-led growth regime, in which austerity measures are implemented as a response to an economic recession, the post-Keynesian approach argues that cuts in public spending aimed at achieving fiscal discipline may further deepen the recessionary environment and therefore create a vicious cycle of prolonged crisis.

In summary, post-Keynesian economics disagrees with the mainstream view that the benefits of economic growth will inevitably 'trickle down' to the bottom layers of society. Instead, it argues that such growth is highly likely to deepen income inequalities, with negative implications for economic growth prospects depending on the type of growth regime.

An empirical study by Onaran and Galanis (2012), using data from G20 countries, estimates the effects of a change in the wage share on growth using a post-Keynesian/post-Kaleckian model, analyses the interactions among different economies, and also calculates the global multiplier effects of a simultaneous decline in the wage share. Various countries are identified as wage-led growth regimes, such that a decrease in the wage share leads to lower growth. This applies to the Euro area (12 countries) as well as individual nations such as Germany, France, Italy, the United Kingdom, the United States, Japan, Türkiye and the Republic of Korea. Other economies are identified as profit-led, as a decrease in the wage share stimulates growth (Canada, Australia, Argentina, Mexico, China, India and South Africa).

The study finds, however, that a simultaneous decline in the wage share in all these countries leads to a decline in global growth. Furthermore, Canada, Argentina, Mexico and India also contract when they decrease their wage share along with their trading partners. Thus, the study concludes that the global economy in aggregate is wage-led, highlighting policy implications for the limits of strategies of international competitiveness based on wage competition in a highly integrated global economy. Authors point to the possibilities for correcting global imbalances via coordinated macroeconomic and wage policy, where domestic demand plays an important role.

Feminist post-Keynesian macroeconomic analysis makes important contributions to this line of research and policy debates by introducing gender distribution of income as a central variable determining macroeconomic outcomes such as productivity and growth (see Session 4.5 for further discussion).

Crises and economic cycles

Keynesian economics, especially more recent post-Keynesian traditions, presumes that the economy is inherently unstable and prone to crises. Expectations are formed based on an uncertain future; individuals' rationality is limited by the social, cultural and historical circumstances that may lead to wrong choices or erratic, herd behaviour. Financial markets, when left unregulated, are driven by a pursuit of short-term profit that sooner or later becomes destabilizing. Most importantly, when left solely to market dynamics, the exchange of goods and services through the medium of market prices may result in failures such as environmental disruptions or lack of accessible basic social services like health and education, leading to worsening humanitarian conditions. Therefore, in contrast to austerity and structural adjustment programmes of the mainstream economic approach, fiscal and monetary policies are required to stabilize economic cycles in the Keynesian policy framework. Government spending is a central policy tool used to counteract downturns, stabilize aggregate demand and reduce unemployment.

Feminist economics finds an entry point here by advocating fiscal expansion targeted towards social infrastructure, care services and public employment. This then links countercyclical policy to gender equality outcomes (see Sessions 4.5 and 4.6 for further discussion).

4.4.3 INSTITUTIONAL (AND EVOLUTIONARY) ECONOMICS

Institutional economics focuses on institutions (e.g. laws, customs, norms, organizations and habits) as the foundation of economic behaviour, and analyses structures and processes of change, especially technological and industrial ones (Acemoglu and Robinson 2012; Hodgson 2004). Because arguments in institutional and evolutionary economics overlap, these are discussed in the rest of this session together under 'institutional economics.'

Growth

According to this school, economies are dynamic systems that evolve through time. Economic changes and institutions are path dependent. Economies constantly change due to technology, conflict and adaptation. Institutions act as central factors in determining individual behaviour and economic outcomes. Growth therefore is an evolutionary

process, characterized by path dependence, cumulative causation and systemic change, and cannot be separated from institutional frameworks (property rights, corporate structures, financial systems) and power relations. Institutional economics stresses innovation and institutional adaptation. As in other heterodox approaches, growth is not bound to result in benefits for all, but may reinforce inequality, instability or ecological strain.

Income distribution

Power relations and conflict, especially corporate power and class conflicts, shape institutional change and outcomes. Income distribution is explained through institutional arrangements, power structures and historical trajectories. Property rights, labour markets, corporate governance and state regulations all shape how income and wealth are distributed. Unions and employers, along with legal frameworks and welfare state regulations, are among the key actors and institutional settings that influence distributional patterns in the economy.

Crises and economic cycles

According to institutional economics, institutional rigidities, conflicts between business interests and workers, industrial productivity pressures and technological disruptions are some of the factors leading to economic crises. This approach underlines that such crises are resolved through legal and political processes, as part of the evolutionary process and institutional adaptation.

Feminist economics finds an entry point in this framework by highlighting that institutions also operate according to gendered patterns and norms, affecting economic outcomes (see Session 4.5 for further discussion).

4.4.4 ECOLOGICAL ECONOMICS

Growth

Ecological economics is critical of growth as an exclusive goal of the mainstream macroeconomic framework and its treatment of natural resources and ecological processes as external to the functioning of the macroeconomy. It argues that infinite GDP expansion is ecologically unsustainable due to finite resources and planetary boundaries, and that the unregulated free competitive market economy is the source of resource depletion and the ecological crisis. Growth beyond a certain scale becomes 'uneconomic growth' (Daly 1996 and 2007), where environmental and social costs outweigh benefits. Ecological economics advocates growing moderately or degrowth in advanced economies, prioritizing ecological sustainability and human well-being rather than output maximization. Growth must be redefined by quality (in terms of well-being, equity and resilience) rather than by quantity (by GDP).

Income distribution

Income distribution is analysed through both social and ecological justice lenses. Inequality is not only about wages and wealth but also about access to resources, exposure to environmental harms, and intergenerational fairness. The Global North consumes disproportionate ecological resources; the Global South bears much of the environmental burden of this consumption. Ecological economics calls for redistribution to ensure sustainable and just resource use, including climate justice, repayment of ecological debt[5] and respect for the rights of future generations. In this view, distribution is central to sustainability.

Crises and economic cycles

Crises are not only financial or cyclical, but also ecological. Overshooting ecological limits (climate change, biodiversity loss, resource depletion) generates systemic crises that threaten long-term survival. Contemporary economic crises (food, energy, climate) are symptoms of unsustainable growth models. Crises are signals that economies must transition to sustainable scales and new paradigms of well-being.

Feminist economics expands this framework by highlighting the parallels between the externalization of provisioning by nature and ecological processes, and the externalization of unpaid care work and care provisioning processes (see Module 7: Ecological Crisis and the Green Transformation for further discussion).

GROUP EXERCISE:

COMPARISON OF DIFFERENT POLITICAL PARTY PROGRAMMES

Divide participants into two groups and assign a fictional country to each: The Republic of Auster (Global North) and The Federation of Solara (Global South).

Provide the groups with handouts outlining the economic programmes of Liberal Conservative versus Social Democrat parties from their fictional country (see Appendix 4E).

Participants examine the programmes and identify the differences between the parties' economic strategies and policy tools. Additionally, participants link gender equality priorities (or the lack thereof) to the specific proposals.

Note to the Facilitator: Each group is expected to identify whether the announced measures are demand-side or supply-side. Ask participants to:

- Discuss the theoretical foundations of these measures based on different economic schools. Spot the measures that specifically address unpaid work.
- Discuss labour market measures from the perspective of employment generation, and their gender implications.
- Discuss the 'flexibility' proposals in the programmes for employees, focusing specifically on their impact on women.

Ask both groups to present the key points of their discussion. Conclude the exercise by identifying the similarities and differences in programme designs within a Global South/North country context.

KEY TAKEAWAYS FROM SESSION 4.4:

- Alternative (non-mainstream) macroeconomic approaches challenge assumptions of mainstream economics by placing distribution, instability, power relations and sustainability at the centre of analysis, rather than treating them as secondary.
- Keynesian and post-Keynesian economics emphasize demand-driven growth and economic instability, arguing that economies often operate below full capacity and are prone to recessions. In this framework, government spending is a central policy tool to counteract downturns, stabilize aggregate demand and reduce unemployment. Feminist economics finds an entry point here by advocating fiscal expansion targeted towards social infrastructure, care services and public employment, linking countercyclical policy to gender equality outcomes.
- Income distribution is a macroeconomic variable with direct effects on growth, employment and stability, particularly in wage-led growth regimes identified by post-Keynesian economics. Feminist economics extends this analysis by emphasizing gender-equitable income distribution, arguing that reducing gender pay gaps and strengthening women's earnings improves aggregate demand, productivity and long-term growth, advancing equality and macroeconomic performance simultaneously.
- Institutional, evolutionary and ecological approaches highlight the role of institutions, power relations and biophysical limits in shaping economic trajectories, showing that growth and distribution outcomes depend on social norms, legal frameworks, technological change and environmental constraints. Feminist economics argues that institutions also operate through gendered patterns and norms.
- Across non-mainstream approaches, the state is assigned an active role in macroeconomic management including public investment, regulation and long-term policy coordination. Feminist economics builds on these perspectives while also critiquing them for insufficiently integrating gender, and contributes by reframing macroeconomic objectives towards sustaining life, well-being and social reproduction alongside economic stability.

4.5 FOUNDATIONS OF FEMINIST MACROECONOMICS

This session presents the core feminist economic critiques of both mainstream and heterodox approaches. The aim is to introduce the foundations of feminist theory, research and policy, while demonstrating how feminist economics extends the scope of macroeconomic analysis and policymaking. Furthermore, the session provides a comprehensive understanding of the historical context and evolution of developments in feminist macroeconomics, highlighting how feminist scientific inquiry can serve as a transformatory tool for enhancing gender equality and human well-being.

First, the session explores core feminist arguments regarding growth, income distribution and crises, providing a broad perspective through comparison with other economic approaches. It then discusses foundational empirical and theoretical contributions that paved the way for a holistic, gender-responsive policy framework (further discussed in Session 4.6).

4.5.1 INTERSECTIONS AND INTERACTIONS BETWEEN FEMINIST MACRO-ECONOMICS AND ALTERNATIVE SCHOOLS

Historically, feminist macroeconomic analysis has built first and foremost on the critique of neoclassical (mainstream) economics (UN Women 2015). In doing so, it draws on alternative economic traditions, sharing common ground with these approaches in their perspectives on growth, distribution and crises (Table 4.1). However, feminist macroeconomics also raises major critiques of non-mainstream approaches, particularly their gender-blindness in theoretical foundations, concepts and methods, which often appear 'gender neutral' while in fact disguising deeply rooted gender biases and gaps in the economy. The integration of the care economy and unpaid reproductive labour into macroeconomic analysis is a key contribution. Although class and power struggles are central to non-mainstream macro-economic approaches, feminist economics highlights that intersecting inequalities of gender, ethnicity, age and other factors are insufficiently addressed.

Growth and income distribution

Feminist macroeconomics builds on demand-led growth models and proposes an alternative, 'gender equality–led growth', emphasizing that sustainable and equitable growth depends on raising both the share of labour (wage-led) and the share of underpaid groups, especially women (gender equality-led).

Gender equality–led growth is a strategy, where reducing the gender wage gap (i.e. raising overall wages but raising women's wages more relative to men's) increases aggregate demand in the short run. Higher demand can lead to higher utilization of capacity, stronger investment incentives and induced productivity improvements. A gender wage–led strategy targets both the aggregate share of labour earnings in national income and the gender distribution of wage incomes within this aggregate category.

On average, women have lower incomes and are expected to have higher marginal propensities to consume than men. Empirical data show that women also have different consumption spending patterns than men. Women spend relatively more of their income on basic household consumption goods and services (such as food, education, healthcare), benefiting children and household members, while men tend to spend relatively more on individual consumption and non-basic goods and services (such as motor vehicles, leisure and hobbies). Increasing women's relative wages can be expected not only to boost overall consumption demand, but also

direct it towards consumption of goods and services benefiting the household. This positive effect can outweigh any potential negative impacts of higher (women's) wages (i.e. higher unit labour costs) on profits, investment or export competitiveness.

In the medium run, increasing women's wage share has a positive effect on labour productivity and output. However, if the increases in labour productivity (coupled with labour-saving technologies) lead to unemployment, it may have an offsetting impact on aggregate demand. The outcome depends on which of the effects dominate in the medium run (Onaran et al. 2022).

As clearly formulated in its growth approach, feminist macroeconomics incorporated into theory and practice the gender wage gaps and established the links between gendered labour market segmentation and distributional conflicts (Module 3: Employment, Decent Work and Social Protection and Module 6: Income Inequality and Poverty). In this regard, institutional economics helped feminist economists to conceptualize gender not just as a variable but as a category within an institutional and historical space, helping to locate gender inequalities within a system of rules, norms and power relations. Going beyond the critiques of growth orientation of economic policies, ecological and feminist economics both emphasize sustainability, interdependence, and valuing what markets undervalue (nature and care).

Economic crises

Feminist macroeconomics extended the boundaries of analysis of crises by introducing the 'gendered impact of financial and economic crises', a dominant feature of today's global economy. Feminist critiques of stabilization programmes and SAPs in the 1990s marked the first systematic attempts to explore the gendered outcomes of macroeconomic policies. Since then, a rich body of literature has examined the gendered impacts of crises and policy measures.

Implementation of these stabilization policies in the 1980s and 1990s in most developing economies resulted in a dismantling of the welfare state, reduction of public spending and employment, and an increase in inequalities. The impacts of recession and austerity programmes on gender inequality vary across countries, depending on institutional context, economic structure, severity of the crisis, prevailing gender regimes and the government measures for crisis management (Karamessini and Rubery 2014; Rubery 2021). Broadly speaking, dismantling of the social state and cutbacks in public spending, especially in health, education and public services, resulted in deficiency of these basic services and an increase in unpaid care work, hence exacerbating women's time poverty within households. Women's employment in the public sector is also likely to be negatively affected by austerity, as women are disproportionately employed in social sectors such as health and education. In labour markets, the effects of crises and austerity measures are less certain because outcomes depend on the degree of labour market segregation, the sectors in which crises originate or are most strongly felt, and crucially, how the government responds (Box 4.2).

Feminist macroeconomics followed in the footsteps of post-Keynesian arguments and supported active fiscal policy responses for economic recovery through public investment in care infrastructure, social protection and employment creation (see Session 4.4.1 and Module 2: The Care Economy and Transformative Care Systems).

BOX 4.2

GENDERED IMPACTS OF ECONOMIC, FINANCIAL AND HEALTH CRISES

Crises are gendered phenomena. Pre-existing gender inequalities may act as structural vulnerabilities that deepen financial volatility. In turn, crises may trigger a rollback in gender equality; as market and state provision of services contract, the burden of ensuring survival and recovery shifts to the unpaid care sector. The gendered outcomes depend on the specific socioeconomic context, the transmission mechanisms involved and the nature of the crisis.

A key phenomenon during economic downturns is the 'female added worker effect' (ILO 2009, Policy Note 12). This occurs when women (both married and single) enter the labour market or increase their working hours to compensate for the loss of household incomes during these periods (Antonopoulos 2014). Many country cases verify that female unpaid work time increases in response to a higher risk of male spouse's unemployment (Bahçe and Memiş 2014 for Türkiye; Berik and Kongar 2013 for the United States). While crises typically deepen existing gender vulnerabilities and violence against women, in certain contexts they can challenge gender roles and offer a window of opportunity to question gender stereotypes such as the 'male breadwinner' (Fukuda-Parr et al. 2015).

Gendered analyses of the impact of crises on employment and income found various and often seemingly contradictory results. Whether employment loss is higher for men or women depends upon the conditions of the crisis and the domestic economic structure. The 'hypothesis framework' outlines three distinct possibilities with respect to the impact of economic fluctuations on gendered patterns of employment. First, the 'segmentation hypothesis' suggests that the gender balance of job loss will depend upon gender segmentation in the labour market. If the economic downturn hits the sectors where women (men) are concentrated, job loss will dominate female (male) employment. Second, the 'reserve army of labour hypothesis' suggests that women constitute the ranks of unemployed (ready to be employed) workers, and that they will be the first to be laid off in an economic downturn and the first to be hired in an economic expansion. Finally, 'the substitution hypothesis' argues that in an economic crisis, women's employment can increase to the extent that they represent lower-cost labour and are hired to substitute for men (Izdes 2012).

In the initial phase of the 2008 global recession in the United States and Europe, it was observed that male employment was more affected than female employment due to severe job losses in male-dominated construction and manufacturing sectors. Evidence from developing economies like China, however, indicates that women were as vulnerable to job loss as men in some cases and more negatively affected in others where the main job losses were concentrated in export sectors characterized by intensive female employment (Fukuda-Parr et al. 2015).

During the COVID-19 pandemic beginning in 2020 and continuing in the following years, draconian measures such as lockdowns in business and services sectors, alongside the continuation of essential sectors like health and food provisioning, had multidimensional gendered consequences for employment and time use among women and men (Feminist

Economics 2021). UN Women (2021), through its rapid gender assessment surveys on the socioeconomic impacts of COVID-19, conducted in 58 countries between April 2020 and March 2021, found that women aged 24–44 were more likely to lose their job. Women living with children were more likely than men with children to lose their job, and this effect was especially pronounced among young women (aged 18–24). In Latin America, for instance, women's labour force participation fell to its lowest level in 15 years, with female job losses concentrated in the informal sector and domestic services (ECLAC 2021). In Europe, women in precarious, part-time service jobs, such as hospitality, retail and tourism, were disproportionately affected by business shutdowns, while furlough schemes did not fully compensate for lost hours and earnings (Rubery and Tavora 2021).

Regarding impact on care work under the COVID-19 pandemic, unpaid workload increased for both men and women, but only marginally for men, whereas women's unpaid workload rose sharply, for example, by as much as three to five additional hours per day in Türkiye, undermining women's well-being during the pandemic years (Ilkkaracan and Memiş 2021). As for paid care employment, in many labour markets women constituted the majority of so-called essential workers, who were protected from job loss yet exposed to increased health risks and prolonged work hours under distressed work conditions (Corsi and Ilkkaracan 2022).

The impacts of the crises, as well as the policy responses to it, had differential consequences for women and men. Although governments attempted to mitigate these inequalities through various measures, many responses overlooked the unpaid care economy and women's return to labour markets, highlighting the need for both ex ante and ex post gender assessments of government measures (UN Women and UNDP 2022).

4.5.2 FROM THEORY TO PRACTICE: KEY CONTRIBUTIONS OF FEMINIST MACROECONOMIC ANALYSIS AND EMPIRICAL EVIDENCE IN HISTORICAL CONTEXT

1. Early foundations of feminist macroeconomic analysis: 1995 and 2000 issues of *World Development*

The 1995 and 2000 issues of *World Development* (Çağatay et al. 1995; Grown et al. 2000) are cornerstones of feminist macroeconomics research. These special issues, dedicated entirely to gender and macroeconomics, paved the way for robust critiques of gender and class biases in economics. Furthermore, they provided the framework for integrating gender into macroeconomic models, a field that continues to flourish today.

The 1995 issue focused on SAPs and engendered macroeconomics at four levels: conceptual frameworks, formal models, empirical research and policy formulation. Engendering is defined as "making visible the way the structure of gender relations permeates" macroeconomics, trade or finance (Grown et al. 2000).

The collective efforts of the International Working Group on Gender and Macroeconomics (GEM-IWG) in these papers demonstrated the mutual interactions and two-way causality between macroeconomic variables/policies and gendered economic patterns/inequalities. Specifically, they revealed that macroeconomic policies such as trade and capital flow regimes affect men and women differently and, conversely, that gender inequalities such as wage and education gaps shape macroeconomic outcomes.

Their research highlighted unpaid work as a central mechanism through which these cause-and-effect relationships take place.

This body of work emphasized the interdependence between the monetized economy and the reproductive economy, requiring labour to be treated as a 'produced input' in contrast to the neoclassical assumption of an 'infinite labour supply'. This led to the integration of reproductive economy in the models. Hence, this issue featured early examples of formal modelling, including those based on Kaleckian, Goodwin and Kaldorian traditions that formed the basis of many subsequent models (Ertürk and Çağatay 1995).

The 2000 *World Development* issue extended the gender analysis to incorporate international investment, trade and financial liberalization (Grown et al. 2000), while unravelling biases in macroeconomic policymaking (Elson and Çağatay 2000). The papers in this issue also utilized diverse methodologies, such as Computable General Equilibrium (CGE) models (Fontana and Wood 2000) and structuralist models (Braunstein 2000). For instance, Fontana and Wood (2000) examined the association of trade and foreign capital related changes with shifts in the time use and incomes of the workforce across different sectors in market and non-market spheres in Bangladesh. Braunstein (2000) identified gender regimes and economic models characterized by varying capital mobility levels to examine how gender relations impact the profitability of foreign direct investment.

2. Gender satellite accounts

As gender became an analytical category in feminist macroeconomic analysis, the use of gender satellite accounts within the System of National Accounts (SNA) expanded in the early 1990s. The UN Statistics Division led this process based on feminist advocacy for integrating the value of unpaid work into GDP accounts.

These accounts extend the main system of national income calculations by incorporating unpaid care work and other neglected gendered economic contributions such as voluntary and community work, and subsistence work when unpaid. Using time-use survey data for estimations, research has found significant increases in measured national income in the scenario where 'women are counted'. For example, unpaid household service work was estimated at an average of 21 per cent of GDP in Georgia in 2021 (UN Women 2025). Similarly, Bridgeman et al. (2022) examined long-term trends in household production in the United States from 1965 to 2020, and estimated its contribution at 25 per cent of GDP in 2020, a pandemic year, showing that unpaid care work acted as a buffer against declining economic activity during the crisis (see Module 2: The Care Economy and Transformative Care Systems, for different methodologies for the valuation of unpaid care work).

Quantifying the value of household and unpaid work can help policymakers to identify links between the non-market and market sectors that are otherwise invisible. For example, it can reveal whether a recession is a 'he-cession' or a 'she-cession', thereby identifying who bears the burden of the crisis. By tracking the movement from market to non-market work, this data can help formulate better labour market and social policies. Similarly, it can help formulate public budgets more accurately by projecting the impact of planned cuts on the time use, and hence the living standards, of men and women. Module 2 provides further critical insights into the policy implications of gender satellite accounts that goes beyond their contribution to GDP through unpaid work.

3. Gender- and care-aware assessment of macroeconomic policy

Elson and Çağatay (2000), in their pioneering study critiquing mainstream macroeconomic policies (primarily austerity and SAPs), highlighted several gender biases which disproportionately hurt low-income groups, especially women: deflationary bias, commodification bias and the male-breadwinner bias. In later analysis of economic crises and macroeconomic policy responses, Elson (2013) discussed two more biases: risk bias and creditor bias.

a. **Deflationary bias** refers to the exclusive focus on inflation control and growth at all costs through contractionary monetary and fiscal policies, rather than on employment creation, human development, and sustainable and inclusive growth. As discussed in Session 4.3, contractionary monetary policy tools lead to high interest rates and lower money supply; they focus exclusively on price stability and inflation control. Contractionary fiscal policy and reduction in public spending, cuts in budget deficits, currency devaluation and depression of real wages accompany this process. These measures result in a reduction of domestic consumption that is expected to help control inflationary pressures.

   This bias materialized during the 2008 crisis following the shift from early fiscal stimulus policies to rigid austerity programmes, particularly in Western Europe after 2010. As the recession caused budget deficits and public debt to rise, Ireland, Greece and Portugal were pressured to implement stabilization policies in exchange for loans from the Troika (a consortium consisting of the IMF, ECB and European Commission). Austria, the United Kingdom and the Netherlands voluntarily implemented austerity at that time.

   Feminist macroeconomics is critical of deflationary bias on several fronts. First, the deflationary bias entails distributive outcomes by class and gender. This distributive impact becomes operational through various channels. Contractionary monetary and fiscal policies result in rising unemployment and lower wages. Given segmented labour markets, higher unemployment and lower wages hurt unskilled, informally employed workers (disproportionately women) more than workers with higher skills who are formally employed. In addition, higher interest rates (an outcome of contractionary monetary policy) hurt owners of small enterprises more than established firms and large businesses, since the former often have limited or no collateral and face higher borrowing costs, further restricting access to credit. Women are more likely to have limited access to wealth, and to be small business owners with fewer opportunities to obtain loans.

   Considering further gendered outcomes, women, especially those who are low-skilled, are disproportionately affected by a reduction in public spending, given their roles as primary family caregivers (Benería et al. 2016; Bargawi et al. 2017). Consequently, women's unpaid workload increases with negative consequences for their labour force participation, paid work hours and labour earnings (UNDP 2015). As fewer job opportunities become available, women are more likely to be pushed back into their secondary earner roles, whereby they combine part-time or intermittent market activity with unpaid work, or become trapped in permanent, full-time homemaking positions (Braunstein and Heintz 2008).

b. **Commodification bias** refers to mainstream macroeconomic policies on privatization of state-owned firms and public services. In the name of increasing efficiency and 'getting prices right', health, education and pension systems are privatized, excluding those who cannot afford to pay for them.

   The replacement of welfare state functions with market-based solutions has a disproportionate impact on women (Benería et al. 2016). For instance, a key impact concerns cuts in public employment, where women have higher shares, since these formal jobs with more decent work hours provide better work–life balance (see Module 3: Employment, Decent Work and Social Protection). Moreover, privatization leads to an increase in the prices of health, education and social services, contributing once again to the intensification of women's unpaid workload as these services become less affordable.

c. **Male-breadwinner bias** refers to the construction of labour market and social policies based on the norm of full-time, continuous employment, which is inherently pro-male. Although nowhere explicitly stated, women cannot gain equal access to the entitlements defined for full-time employment and lifelong uninterrupted labour force participation, such as unemployment insurance, pensions and other work-related benefits. Furthermore, in some cases, such as in South Korea during the Asian financial crisis, men were the first to be entitled to decent jobs or the first to be hired during the economic recovery, while married women were subject to unfair dismissals. This is a clear example of male-breadwinner bias, where women are assigned to secondary earner roles dependent on the primary (male) earner's income (Elson 2013).

d. **Risk bias** refers to the differential risk perception and procedures attributed to women and men. Women are considered riskier than men in credit markets because of lack of collateral, fewer assets and low incomes, and they are subject to higher interest rates and charges (Elson 2013). This was the case in the United States during the 2008 financial crisis regarding women's inclusion in the sub-prime market for loans for housing.

e. **Creditor bias** refers to the combination of norms and attitudes in the financial markets that favour large capital owners over small-scale borrowers. The latter are often subject to higher penalties in the event of default. During the 2008 crisis, while large entities such as banks and intermediary institutions were bailed out, the homes of women were foreclosed upon when loans were not repaid (Elson 2013).

4. Formal macroeconomic modelling

Economic models highlight the complex relations between various variables in a systemic way. They help us to understand social reality by simplifying sophisticated phenomena, and thereby providing a direction of research and policy.

Integrating gender into formal macroeconomic modelling has helped to capture the structure of gender relations within the economy and the interplay between the market and the unpaid reproductive economy. Understanding of the labour market changes when it is acknowledged that labour is a produced input generated through time-intensive care work. Feminist models visualize the circular flow between these spheres. This structural approach enables researchers to track how the distribution of paid and unpaid work dictates women's labour supply, the precarious jobs they occupy, the gendered distribution of income and wealth, and long-term intertemporal deprivations such as lack of pension entitlements and poverty in old age.

By deciphering growth dynamics in association with gender, macro models help to identify growth patterns that rely on gender inequalities versus those that promote gender equality. For example, feminist macro models have identified outcomes such as 'feminization of the labour force' as a distinct feature of many developing economies that adopted export-led growth. Some of these countries managed to acquire cost advantages not through innovation by itself, but by exploiting gender wage gaps (see Module 5: International Trade and Open Economy Macroeconomics).

Other methodologies have introduced 'two-sector' approaches, where one sector represents the market economy and the other the unpaid reproductive economy. Many researchers use a combination of several methods, including CGE and structural models, further disaggregating the macroeconomy into sectoral and gender decompositions (Çağatay et al. 1995; Grown et al. 2000). By treating the unpaid reproductive economy as a distinct sector, these models simulate how macroeconomic aggregates such as consumption, savings, investment and productivity respond to gender differentials. They show that gender inequality is a macroeconomic variable that affects the entire system's stability. Consequently, these findings provide a scientific

basis for policies such as increased public expenditure and the removal of gender gaps in labour and financial markets, to cite a few examples.

Gender-aware macro-modelling utilizes both neoclassical and heterodox frameworks, integrating gender into these structures (Çağatay et al. 1995; Seguino 2020). For example, mainstream (neoclassical) growth models rely on labour productivity, capital accumulation and technological progress. Researchers have engendered these models by incorporating human capabilities, arguing that gender gaps in education and health, for example, will lead to the erosion of a population's skills, and reduce productivity and growth over the medium term (Klasen and Lamanna 2009). In the same way, some models 'just add and stir' gender-disaggregated data to show how behavioural differences in consumption and spending generate differential outcomes in savings, investments and growth. These approaches, although mainly arguing that gender equality ultimately affects growth positively, provide limited information as they do not include the reproductive sphere or the feedback effects of social reproduction on human capabilities.

In this sense, feminist macro models provide a more realistic worldview and highlight the diversities in growth patterns and their gendered associations. They identify stylized growth trajectories that link structures of economic growth and development with those of social reproduction and gender inequality (Seguino 2020). For example, Braunstein et al. (2020) build a demand and supply model, with gender cross-cutting these dimensions. On the demand side, the authors differentiate between care-led and inequality-led growth. In the former, higher wage shares combined with investments in human capacities lead to growth; in the latter, higher profit shares generate growth through investment and exports that outweigh the negative impact of declining consumption. Similarly, on the supply side, the authors define 'low-road' versus 'high-road' trajectories, where higher female labour force participation leads to a decline in human capacity production in the former, contrasted with increased human capacities in the latter. The actual practice in the countries is expected to be in the intersection of these demand and supply possibilities. Table 4.2 shows these typologies. See Appendix 4I for an optional group exercise based on the Braunstein et al. (2020) taxonomy.

TABLE 4.2
Growth and social reproduction

	Supply: The distribution of social reproduction	
Demand: growth	Low road FRO	High road GE
Care-led	**Time squeeze** Higher wages for women are good for growth, but more market participation squeezes time and lowers human capacities production. Growth is elusive or unstable.	**Mutual** Higher wages for women are good for growth, and more market participation increases human capacities production. Growth and social reproduction reinforce one another.
Inequality-led	**Exploitation** Higher wages for women lower growth, and more market participation squeezes time and lowers human capacities production. Growth is partly based on exploiting women's labour and human resources.	**Wage squeeze** Higher wages for women lower growth, but more market participation enhances human capacities production. Growth is elusive or unstable.

Notes: FRO: Feminization of responsibility and obligation of social reproduction.
GE: Gender-egalitarian responsibility and obligation of social reproduction.

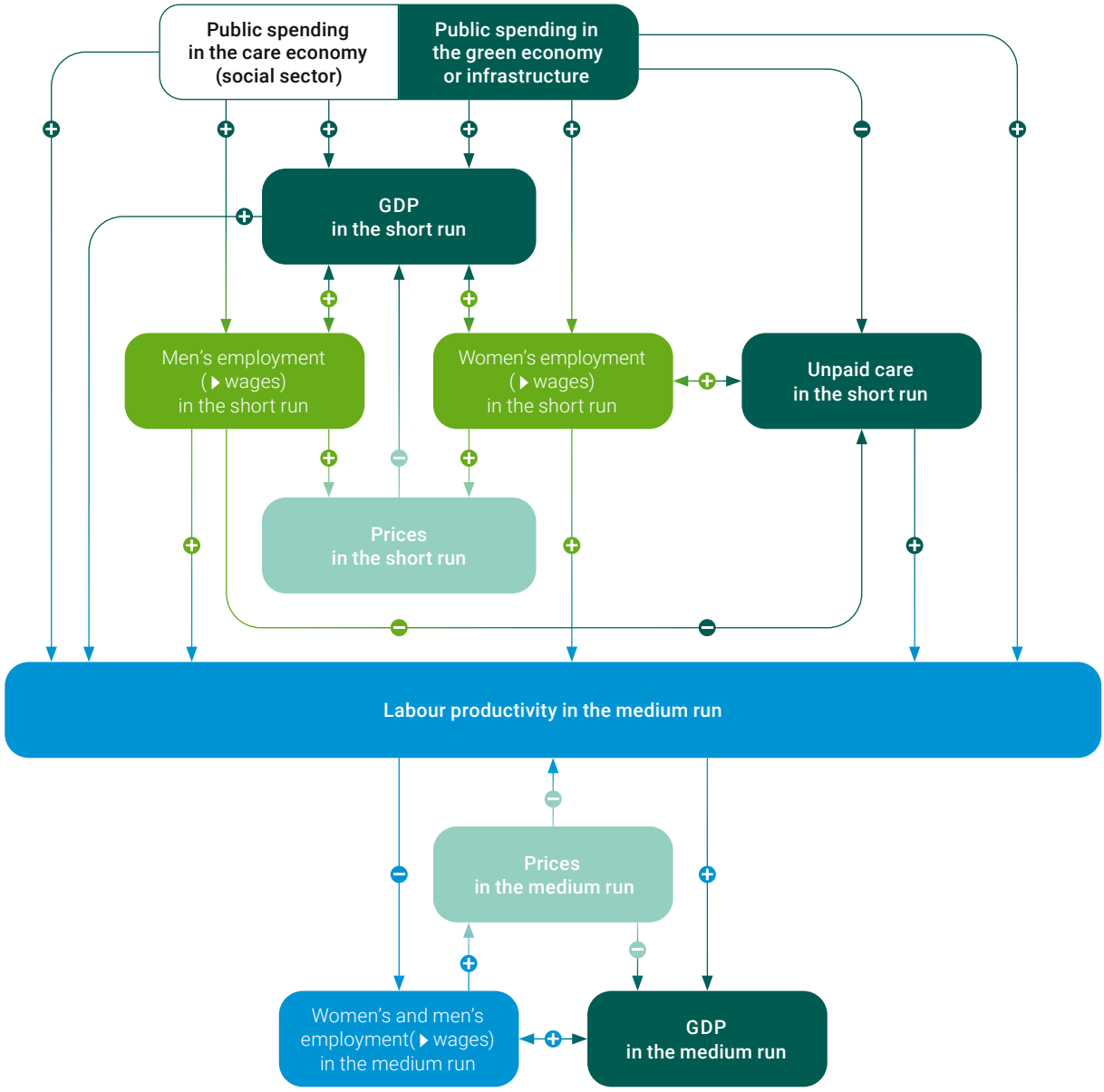
Source: Braunstein et al. 2020.

Gender-aware macroeconomic modelling has more recently increasingly focused on interactions between public spending on the care economy, employment, earnings, unpaid work and GDP growth in the short run, as well as in the medium run the intertemporal effects of short-run variables on labour productivity, employment, wages and GDP growth.

This focus was initially pioneered by empirical applied models and policy simulations, which are discussed in the following section. Inspired by these empirical models, formal macro-modelling work has started exploring the links between public spending on the care economy and macroeconomic outcomes using what is called a Keynesian/Kaleckian framework.

FIGURE 4.3

An example of feminist macro-modelling



Source: Onaran and Oyvat 2023.

Keynesian/Kaleckian macroeconomic models are short- and long-run growth models that examine the role of aggregate demand in influencing output and employment. These models, while also allowing for including supply-side effects such as changes in productivity, represent a holistic approach and the theoretical basis for the rapidly expanding body of empirical research on the care economy.

Through these models, economists have shed light on the dynamic and complex structure of economies with short-run, medium and long-run relationships between economic growth and gender inequalities. (Blecker and Braunstein 2022; Onaran et al. 2022). Figure 4.3 presents an example of a dynamic gender-aware modelling approach, tracing transmission mechanisms in the macroeconomy from public investments in the care and green economies on employment, productivity and growth. The model posits immediate growth in the short run and greater ambiguity in the medium run, explained by how employment, investment and exports respond to changes in labour productivity (Onaran and Oyvat 2023).

5. Applied modelling and fiscal policy simulations on investments in the care economy

One significant and major contribution of feminist macroeconomics research is fiscal policy simulations that use an applied modelling approach to explore the macroeconomic outcomes of public investments in social care services sectors using data from different countries. These studies mark a critical turning point in gender-responsive macro policy debates by expanding the basis of advocacy for care services from gender equality alone to also include the potential effects of public spending on care (gender-aware fiscal policy) on jobs and earnings generation, unemployment reduction and poverty alleviation. Along with subsequent UN policy tools on investing in care (UN Women and ILO 2021, UN Women 2026 and the ILO care policy simulator 2023[6]), they were discussed in Module 2 (The Care Economy and Transformative Care Systems). The following discussion complements this by framing these studies in terms of their contribution to feminist macroeconomic analysis and policy insights.

The origins of feminist advocacy for allocating public spending to the expansion of social care services rests on a supply-side argument: that access to quality care services is an essential condition for alleviating time constraints on women's time and labour supply as well as narrowing gender gaps in employment and earnings. The recent macro models on care investments introduce a new macroeconomic dimension by adopting a demand-side argument contextualized in a gender-aware post-Keynesian framework. As discussed in the previous session, the Keynesian demand-side approach argues for active use of fiscal spending to stimulate aggregate demand for economic recovery and unemployment reduction. However, it does not specify whether it matters where this spending is directed.

The policy simulations on care investments, by contrast, show that composition of fiscal stimulus spending matters not only for social but also for macroeconomic outcomes. When public spending is directed towards care services sectors (on social care infrastructure), its impact on economic recovery can be stronger than other lines of spending due to stronger employment creation. This is because care services sectors (early childhood care, education, healthcare, long-term care, social services) are labour-intensive sectors with very high employment multipliers. This means every taxpayer dollar invested in care sectors has the potential to create more jobs than the same dollar spent on other sectors, for example on the construction sector for physical infrastructure investments (a conventional target for stimulus spending).

Stronger employment creation means higher impact on reducing unemployment—improving labour force participation, increasing earnings generation for more workers, and leading to better outcomes in poverty alleviation. Given that employment in care services sectors is female intensive, jobs generation through public spending on care promotes gender equality not only through improving women's labour supply but also increasing the labour demand for women's employment. Hence, the argument is that public investments in care is a fiscal policy strategy for gender equality and wage-led growth. Moreover,

the strong employment creation potential of care services sectors is particularly crucial in the current context of digitalization and artificial intelligence (AI) destroying jobs in other sectors of the economy (UNCTAD 2017; Ilkkaracan 2024).

The applied policy simulations on public investments in care services originated with pioneering studies by the Levy Economics Institute on South Africa and the United States (Antonopoulos and Kim 2011) and Türkiye (Ilkkaracan et al. 2015). These studies adopt an applied macro-micro modelling approach which combines input-output analysis and micro simulation modelling, using empirical national-level data, to explore the impact that public spending on care sectors has on employment creation, earnings generation and poverty alleviation; it also evaluates these outcomes by gender. Four cross-country studies on developed and developing economies followed (De Henau et al. 2016, 2017 and 2019; Ilkkaracan and Kim 2019), as well as a series of other country-level studies worldwide (Table 4.3).

The impact of feminist macroeconomic research on the policy discourse at the multilateral level, in particular within the UN system, has been significant. Inspired by the findings of the pioneering studies, the 2017 Trade and Development Report by UNCTAD (2017) states:

"...The type of public spending matters, not only for its welfare implications but also for its macroeconomic impact. Government spending on social services, in particular in care activities that are typically underprovided by the State in most countries, generates much higher multiplier effects on employment. ...Given the employment challenges associated with structural and technological change, and women's primary responsibility for both paid and unpaid care work, transforming care activities into decent work should become an integral part of strategies aimed at building more inclusive economies."

In 2021, the UN Secretary General called on all governments in 'Our Common Agenda' (UN 2021) to invest in care as a strategy towards meeting 2 of the 12 commitments:

The supply-side rationale is to "Facilitate women's economic inclusion, including investment in the care economy" and the demand-side rationale is "Investment in sectors with the greatest potential for creating more and better jobs, such as the green, care and digital economies, is key and can be brought about through major public investment, along with incentive structures for long-term business investments consistent with human development and well-being."

The UN policy tools on care investments (UN Women and ILO 2021; UN Women 2026; and the ILO Care Policy Investment Simulator 2023, introduced in Module 2) were developed on the basis of the studies listed in Table 4.3.

In a policy simulation conducted for the United Kingdom, Onaran (2022a) extends the analytical framework to examine the impact of a policy mix that included increased government spending in both the purple (care) and the green economy, on the creation of decent jobs, wage increases for all with a targeted reduction of the gender wage gap, and higher wealth and progressive income taxes to mitigate income inequalities. In the medium run, this policy package was projected to increase GDP by 10.9 per cent, raise women's paid employment hours by 9.6 per cent and men's by 5.8 per cent, and improve public finance with a 10.3 per cent decline in public debt as a ratio of GDP.

Recent studies also note that care jobs are local service jobs which are characterized by low carbon emissions and waste. Hence, purple jobs are also green jobs and purple investments complement green investments (for further discussion, see Module 7: Ecological Crisis and the Green Transformation). This line of research demonstrates the contribution of public spending on care in generating jobs for all, acting as a pull factor for women to join the labour force, generating incomes and tax revenues that support inclusive and sustainable GDP growth, and reducing poverty and gender gaps in employment and wages.

TABLE 4.3

Chronology of empirical research in investments in the care economy and economic returns

1.	South Africa – Antonopoulos and Kim (2008 and 2011), Levy Economics Institute
2.	United States – Antonopoulos, Kim, Masterson and Zacharias (2010), Levy Economics Institute
3.	Türkiye – Ilkkaracan, Kim and Kaya (2015), Istanbul Technical University and Levy Economics Institute; Kim, Ilkkaracan and Kaya (2019); Ilkkaracan, Kim, Masterson, Memis and Zacharias (2021)
4.	Five high-income economies; six middle- and low-income economies – De Henau, Himmelweit and Perrons, ITUC (2016 and 2017)
5.	Forty-five high- and middle-income economies – Ilkkaracan and Kim (2019)
6.	Kyrgyz Republic – Ilkkaracan and Kim (2019), OECD/UN Women Kyrgyz Republic
7.	North Macedonia – De Henau and Mojsoska-Blazevski (2019), OECD/UN Women North Macedonia
8.	South Africa, Türkiye and Uruguay – De Henau, Budlender, Filgueira, Ilkkaracan, Kim and Mantero (2019), UN Women
9.	Ghana and Tanzania – Zacharias, Masterson, Kim, Khitarishvili and Rios-Avila (2019), Levy Economics Institute
10.	Cote d'Ivoire, Nigeria, Rwanda, Senegal and Tanzania – De Henau (2021), UN Women
11.	United Kingdom – Onaran, Oyvat and Fotopoulou (2019 and 2022)
12.	South Korea – Oyvat and Onaran (2022)
13.	Jordan – Ilkkaracan, Bayar, Masterson, Nasif Pires and Zacharias (2022), ITU, Levy Economics Institute and UN Women Jordan

Note: See ILO and UN Women (2021a) for a summary and full references of the studies in this table.

KEY TAKEAWAYS FROM SESSION 4.5:

- Feminist economics has extended macroeconomic theory by placing the reproductive economy and unpaid work at the centre of its analysis.
- Feminist macroeconomics established a two-way causal empirical relationship between gender equality and macroeconomic outcomes.
- Gender-aware assessment of the mainstream macroeconomic policy framework exposes structural biases in policymaking (such as deflationary, commodification, and male-breadwinner bias) that impede gender-equal and sustainable economic strategies.
- Feminist macro models and empirical research on the care economy have established the positive links between public spending, employment generation, poverty reduction and gender equality.
- The research on investments in care demonstrates both short-run and medium/long-run impacts, making a strong case for feminist advocacy in policymaking.

Ilkkaracan (2024: 333) summarizes the historical trajectory of feminist economics thinking on care, from microeconomics of women's labour supply decisions to macroeconomics of inclusive and sustainable growth:

"The analysis of transmission mechanisms between care and economic outcomes [went] beyond focusing on unpaid care work as a time constraint on women's labor supply and hence a source of gender inequalities, to identifying 'investing in the care economy' as a strategy for decent jobs generation, inclusive labor markets and sustainable economies. The economics framing expands from treating care as a microeconomic issue of labor market participation decisions to macroeconomics of care, future looking visions of a caring economic order."

4.6 GENDER-RESPONSIVE MACROECONOMIC POLICY

This session moves into the macroeconomic policymaking sphere, shifting the focus towards the policy insights and tools of feminist macroeconomics. The feminist macroeconomics contributions to date have substantially verified the gendered structure of the macroeconomy. For gender focal points and practitioners, it is important to be familiar with how fiscal and monetary policy tools can be used as leverage for gender equality.

The discussion on fiscal policy is two-pronged: (i) taxation (the revenue side) and (ii) public spending. It first identifies gender biases in taxation and discusses policy implications. It moves on to public spending to differentiate between the gender implications of public investments versus social spending, and physical infrastructure versus social infrastructure. The session gives an overview of gender-responsive budgeting as a feminist tool for both assessing and intervening in public budgets. Fiscal policy discussion also introduces the concept of fiscal space and a feminist vision for engendering fiscal space for gender equality.

The discussion on monetary policy takes up inflation targeting and interest rate impacts, while presenting gender-aware monetary policy proposals to eliminate the adverse consequences of those policies.

4.6.1 FEMINIST FISCAL POLICY

As explained in Session 4.3.1, fiscal policy pertains to taxation for collection of public revenues and public spending, specifically decisions regarding public budget allocations at both the national and local levels. Feminist critiques of fiscal policies, such as the gender biases of austerity policies, were discussed in Session 4.5. Against this background, the following discussion introduces an in-depth analysis of gender biases within fiscal policy and proposes methods to operationalize fiscal tools that promote gender equality in policy design and implementation. It is particularly relevant for gender practitioners to be able to identify these entry points to strengthen feminist advocacy and make interventions for gender equality.

DISCUSSION

As a warm-up question ask participants: How does the false assumption of gender neutrality of fiscal policies mask differences in outcomes in the experiences of men and women?

Here are two examples:

1. An increase in indirect taxes, such as the value added tax (VAT) in the food and clothing sectors, ends up reducing women's disposable income more than men's because of the way each tends to spend income: women spend on household needs and basic consumption, whereas men purchase bigger items (cars, houses, investments) and private or luxury products (Grown and Valodia 2010).
2. A local administration's decision regarding the construction of a new parking lot may affect men and women differently. Beneficiaries of the parking lot can be expected to be predominantly men, because men and women have different access to mobility and transportation services in urban places. While men tend to use private vehicles, women tend to travel by public transport (Cebollada-Frontera and Miralles-Guasch 2006). This public service, therefore, will not significantly help to increase women's mobility in cities.

   Feminist economics has built a substantial body of research on these differences and their impacts on well-being, forming the foundation of numerous policy practices at the national and local levels across countries.

1. FISCAL REVENUES: Taxation

An overview of taxation

Different tax categories are imposed on different economic agents. Each of these taxes affects household, individual or company behaviour at the micro and meso levels, while providing a source of revenue to the government. As taxes determine the level of disposable income of individuals, they shape decisions about consumption, labour supply and asset ownership. At the company level, taxation determines profit levels, thereby shaping production and investment decisions. Taxation ultimately affects economic growth through these mechanisms.

'Direct taxation' refers to taxes that are levied directly on the income or wealth of an individual or organization. Examples include personal income tax (PIT), corporate profit tax (CIT), and wealth or property taxes. PIT is a tax imposed on the wages, salaries and other forms of labour-related income earned by individuals. CIT is a tax levied on the net profits earned by businesses and legal entities. Other income taxes include capital gains tax (on the profit from selling assets like stocks or property), taxes on dividends and interest, or wealth tax based on the physical and financial assets owned by an individual (e.g. real estate, cash and investments).

'Indirect taxation' refers to taxes levied on transactions, goods or services rather than on persons or organizations directly. While the tax is collected by an intermediary (like a store or manufacturer), the consumer pays the tax when purchasing the item. Examples are sales tax, VAT, excise duties and import tariffs. Sales tax and VAT are taxes levied on the consumption of goods and services. Excise taxes are specific taxes on a particular good like tobacco, alcohol or fuel. Import taxes, also known as tariffs, are imposed on goods transported across international borders, typically used to generate revenue or protect domestic industries.

Taxes can generate distributional inequalities but this depends on how they are designed. A tax system that imposes higher tax rates on higher-income groups, thereby reducing income inequality and generating resources for redistribution and social spending, is known as 'progressive taxation'. A tax system that takes a larger proportion of income from lower-income groups than from higher-income groups is called 'regressive taxation'. Examples of regressive taxation include VAT or consumption taxes on basic goods. Such taxation violates the principles of equity among taxpayers (see the discussion on gender-responsive taxation below).

Taxes constitute the primary source of public spending and investments; hence, they are crucial for the financing of gender equality. For example, a cut in corporate or wealth taxes is a regressive measure as it favours capital owners over labourers, who have much lower incomes. At the same time, this measure deprives the government of an important source of revenue that could be directed towards gender equality.

Gender-responsive taxation

There are various mechanisms through which women and men disproportionately benefit from, or bear the burden of, taxation. These stem from differences in access to employment and labour markets (such as jobs, positions, earnings, benefits, type of contracts and access to social security); women's disproportionate responsibilities in the unpaid care economy; women's limited access to assets, capital and ownership of the means of production; and differences in household consumption, saving and investment decisions (Grown and Valodia 2010). The design of taxation can influence household decisions , for example:

- Whether to marry.
- If married, whether to form or maintain a single- or dual-earner household.
- How many hours to work in the labour market.
- Whether to have children or not, and whether to work in the formal or informal sector (Coelho et al. 2022).

Tax policies can embody an 'explicit gender bias', in which "the tax legislation contains specific provisions that treat women and men differently" (Ilkkaracan 2019). Sometimes tax regulations openly discriminate and harm one gender. For example, in the Netherlands a higher tax-free allowance was granted to married men than to married women until 1984 (Coelho et al. 2022). Another form of bias inherent in taxation is the 'implicit gender bias', which is disguised in social norms, structures and the implementation of regulations and policies. For example, in the tax codes of several developing countries, exemptions or deductions are provided on the assets that men are more likely to own. Similarly, the fact that women are disproportionately in informal employment leaves them uncovered by tax regulations: they neither bear the burden of taxes nor receive their benefit.

In Jordan's tax reform, effective from 2019, the gender bias against women was partly addressed by explicitly recognizing female-breadwinner status and affirming women's right to claim tax exemptions for dependants without the conditionality. Under the previous law, such exemptions were tied to widowhood or to a woman's (ex-)husband's unemployment (Ilkkaracan 2019). Moreover, amendments made taxation in Jordan more progressive, benefiting women. This was due to women's low levels of employment, which often excluded them from the tax base, and their lower wages, when employed, which meant their tax burden did not increase (Ilkkaracan 2019).

However, the explicit/implicit bias dichotomy has largely lost ground over time, as gender discrimination is now recognized in tax laws. Many countries have reformed their tax regimes to eliminate most of these openly discriminatory clauses (Grown and Mascagni 2024). Consequently, explicit bias is today quite rare, while implicit biases remain. Moreover, Grown and Mascagni (2024) argue that the word 'bias' (i.e. the differential treatment of men and women) creates confusion. This is because bias, as discussed above, can affect women positively or may be justified by the need to raise revenue for other social objectives such as public health and the environment. The authors contend that the bias framework is limited

because it narrows the policy space to tax reforms alone. Therefore, a gender-aware tax policy should be part of a broader equality agenda that moves beyond merely reforming tax systems. It should aim to address distributional issues through progressive tax policy and administration reforms.

Feminist economics research focuses on gender-based incidence analysis of direct and indirect taxes. This analysis aims to reveal how the impact of a specific public policy is shared between women and men. This widely used approach highlights the gendered nature of tax policies, some of which are discussed below.

In direct taxation, the gender bias usually stems from the unit of taxation and filing of individual income. Joint filing systems are based on total household incomes, and it is usually women whose earnings are 'secondary', i.e. less than those of the primary earner. When incomes in the household are combined and taxed at the same rate, women's lower income is taxed more in practice. The situation not only creates inequality between the sexes, but also acts as a discouraging factor for women to participate in the labour market (Grown and Valodia 2010).

Moreover, joint filing systems conform to the male-breadwinner household model, whereby the primary earner is the man and the secondary earner is assumed to be the woman. In this model, women are not expected to work in the first place; they are to look after the household needs and fulfil care responsibilities. It is for these reasons that feminist economists support individual filing systems, where each income-earning adult is taxed separately based on income, as more gender equitable (Grown and Valodia 2010).

Indirect taxation is regressive and discriminatory in terms of vertical equity. In progressive tax systems, the rate of taxation increases with income. However, poorer segments spend a higher proportion of income on consumption. Indirect taxation thus taxes low-income households more than high-income households. Women are further impacted within these households, due to having even lower income levels than male family members and because women spend a disproportional share of their income on basic consumption goods (Grown and Valodia 2010).

Empirical studies, specifically based on commodity breakdown, highlight the complexity of the gendered consequences of indirect taxes. For example, Grown and Komatsu (2010) find that indirect tax incidence falls mostly on "the richest male-breadwinner or dual-earner households in Argentina, Morocco and Uganda". There is an ongoing debate among academic and policy circles about the extent to which VAT exemptions or zero ratings for necessities (such as menstrual hygiene products or food) benefit predominantly low-income families. There is a strong case that indirect taxation can be adjusted to be more equitable and progressive through exemptions on necessities, though some object on the grounds of revenue loss (Grown and Mascagni 2024).

Other forms of taxation can reduce inequality and generate resources for major public investments in gender equality at the same time, extending the fiscal space (Seth 2025). Examples include export and import tariffs, windfall profit taxes, international financial transaction taxes, and digital services taxes. Funds generated from these taxes can be channelled to both gender equality–related expenditures and investments, such as closing education and employment gaps in digital sectors, addressing care deficits, formalizing the informal economy and supporting small businesses in agriculture and manufacturing.

TABLE 4.4

Summary guidelines for understanding gender equality impacts of taxation

Taxation elements	Checkpoints and gender equality impact
Direct or indirect taxation	**What is the proportion of direct and indirect tax revenue within the total public budget?** Direct taxation is generally progressive; indirect taxation is regressive. Women are concentrated at the bottom of the income ladder, so regressive taxation affects women more.
Direct taxation	
Corporate vs personal income taxation	**Is income taxation balanced between taxing business and personal income?** There are gendered impacts when corporate taxes are cut, for example, because women are much less likely to be business owners.
Explicit/implicit gender discrimination in tax laws and/or implementation	**Is there evidence of discriminatory legislation (explicit bias)?** **Is there evidence of discriminatory practice even when laws and legislation seem gender neutral (implicit bias)?**
Joint vs individual filing	**Is the personal income tax (PIT) filed on a joint or individual basis?** Joint filing taxes the secondary earner (usually women) at a higher marginal tax rate. It discourages women's labour force participation and dual-earner households; it encourages single male-breadwinner households.
Exemption thresholds	**How does lowering or increasing PIT exemption thresholds affect tax liabilities of different types of households?** These are likely to have gendered impacts, as women are concentrated at the bottom of the income distribution.
Tax brackets	**Were the tax brackets adjusted in response to inflation? How does the reorganization of tax brackets affect tax liabilities of different types of households?** Progressive taxation generally benefits women (as in direct vs indirect taxation), as women generally have lower income than men.
Indirect taxation	
Differential sales taxes (necessity consumption vs luxury consumption)	**Are there any gendered effects of indirect taxation?** Compared to men, women tend to spend a relatively larger share of their income on necessity goods and services for the family, and a lower share on luxury items for individual consumption.

Source: Inspired by Ilkkaracan 2019.

Knowledge check on taxation

For a quick recap on taxation, ask participants to fill in the blanks in the following statements:

- **An increase in the tax on wealth is likely to disproportionately affect... (men or women?).**
  (Answer: Men, because men's ownership of assets is relatively higher than women's.)
- **A tax on basic food items is likely to disproportionately affect... (men or women?).**
  (Answer: Women, as they spend a larger share of their income on essential goods.)
- **If married men, but not married women, are entitled to take tax deductions for dependent spouses and children, there is an... (implicit or explicit?) gender bias in taxation?**
  (Answer: Explicit, because the tax code specifically identifies the gender of the taxpayer entitled to the benefit.)
- **Sales tax is often considered a... (regressive or progressive?) tax because it takes a larger percentage of income from low-income earners than from high-income earners.**
  (Answer: Regressive.)
- **When a person pays their income tax or property tax straight to the government, it is known as... (direct or indirect?) taxation.**
  (Answer: Direct.)
- **In a process of submitting a tax return to report your own annual income and claim credits is called... (individual or joint?) filing.**
  (Answer: Individual, because joint filing is when the income of both spouses is combined into a single report.)

DISCUSSION

The discussion on physical investment versus social expenditures is based around a video about an urban site project in Istanbul, Fikirtepe. It features a giant and expensive private housing project at the heart of a densely populated area, financed by the Housing Development Administration (TOKI) under the Ministry of Environment, Urbanization and Climate Change.

Note to the Facilitator: The discussion aims to familiarize participants with the distinction between physical investments and social expenditures, which feminist economics argues should be treated as social infrastructure investments. It should highlight the linkages of such housing investment to economic growth and well-being. Participants are expected to discuss contributions to GDP, productivity, well-being impacts and the gendered implications of construction spending.

2. FISCAL SPENDING: Public expenditures and investment

Fiscal spending entails decisions on public expenditures and public investments. In conventional public finance management, 'current expenditures' refer to the government's spending on goods and services that are consumed within a single fiscal year. These expenses are day-to-day spending of the state and the delivery of public services such as wages and salaries of public sector employees, transfers and

subsidies supporting individuals and industries, and interest payments on the public debt. 'Investment expenditures' are spending on assets that provide benefits over a long period, typically exceeding one fiscal year. These expenditures are intended to increase the productive capacity of the economy. They include 'infrastructure spendings' such as construction of roads, bridges, railways and power plants; building of schools, hospitals and community centres; and purchases of machinery and equipment.

Within this framework, social spending on education and healthcare (e.g. salaries for teachers and doctors) is not classified as investment, as such expenditures are seen as day-to-day spending and are not treated as economic activities with long-term returns. By contrast, infrastructure spending (such as building a school or a hospital) is defined as investment and may be prioritized when budgets are fiscally constrained, because of the expected future returns associated with that activity.

Feminist economics objects to this distinction and instead refers to 'physical infrastructure' and 'social infrastructure', and then incorporates 'care' as foundational social infrastructure that enables the economy to function effectively and sustainably over the long term. Therefore, a starting point to engendering public budgets is to identify specific physical and social infrastructures that promote gender equality while also supporting macroeconomic objectives (e.g. increasing employment, productivity and growth, and reducing poverty).

'Physical infrastructure' refers to both facilities and systems that require large-scale investment, usually by the public sector, to facilitate productive economic activities (production, mobility and trade), which are essential to long-term growth and competitiveness. Examples are roads, highways, ports, railways, airports, power plants, energy grids, water supply networks, sewerage systems, irrigation canals and telecommunication networks. However, detecting a direct link between these investments and gender equality is not straightforward. Yet research provides evidence that, particularly in low-income countries, public spending on electricity and energy, water and sanitation, transportation, and information and communication technology (ICT) helps alleviate women's time poverty within the household (Seth 2025). This in turn expands their capacity to choose between unpaid care work, employment and leisure. Such infrastructure reduces time spent fetching water or fuel, enables women to commute safely to work and access labour markets, and increases their potential to earn higher incomes (Fontana and Natali 2008; Small and Rodgers 2023). One policy intervention area explored in Module 2 (The Care Economy and Transformative Care Systems) is investments in time-saving physical infrastructure in less developed rural and urban settings.

'Social infrastructure' refers to the institutions, services and facilities that support human development, social welfare and community well-being. Such investments enhance labour productivity, promote social cohesion and support inclusive development, thereby contributing to long-run growth. Examples include schools, universities, hospitals, health centres, childcare and eldercare facilities, cultural centres, social housing, recreational amenities, and justice systems. As demonstrated in this module and Module 2, the positive links between investments in social infrastructure and gender equality have been well documented by feminist researchers (Antonopoulos and Kim 2011; Ilkkaracan et al. 2015 and 2021; De Henau 2016 and 2017).

Therefore, feminist fiscal policy, as a means of expanding fiscal space, proposes relocating public spending priorities (expenditure switching) to align macroeconomic and gender equality objectives. Shifting resources away from construction towards the care sector is one example of such relocation. Ilkkaracan et al. (2015) show the extent of this expenditure switching by comparing the contributions of care sector investment to those of cash transfers and construction. The authors find that investment in the care services sector yields the highest multiplier effect, generating the greatest contribution to GDP and employment, especially for women, whereas construction expenditures offer the lowest growth and employment generation.

TABLE 4.5

Sample indicators for assessing fiscal stabilization and stimulus packages

Dimension	Quantitative indicators	Qualitative (regulatory/policy) indicators
Livelihoods	Wage subsidies: percentage of fiscal packages devoted to businesses to limit unemployment.	Coverage of informal workers: extension of benefits to non-formal, self-employed or freelance workers.
	Direct support to unemployed: percentage of packages devoted to income support for workers.	Workplace safety: requirements for employers to provide protective equipment to public-facing workers.
Social protection	Social assistance cash allocations: level and duration of cash transfer payments per month.	Cash assistance coverage: expansion of benefits to previously uncovered groups.
	Childcare support: percentage of packages earmarked for working parents or childcare centres.	Conditionality: whether cash assistance payments are unconditional (preferred) or conditional.
Health	COVID-related spending: percentage of spending on free/subsidized prevention, testing and treatment.	Reproductive health: earmarked spending for continued sexual and reproductive health services.
	Healthcare spending: overall percentage of fiscal packages dedicated to the health sector.	Domestic violence protection: mechanisms for women to report violence or access emergency shelter.
Food security	Food security spending: percentage of the fiscal package dedicated to expanding food security.	Food security eligibility: inclusion of migrants, immigrants and refugees in food measures.
	Children and food security: allocations for take-home rations or vouchers due to school closures.	Women farmers' access: measures ensuring women can access agricultural loans or guarantees.
Public infrastructure and housing	Water and sanitation: percentage of the package dedicated to improving access to clean water and hygiene.	Safe transport: measures for social distancing and physical safety in public transportation.
	Housing expenditures: value of rental and homeworker housing assistance relative to the package.	Eviction moratoria: Prohibitions on evicting tenants or foreclosing on homes during the crisis.

Source: ILO and UN Women 2021b.

Fiscal stimulus packages deployed by governments during crises are also the subject matter of feminist fiscal policy. The ILO and UN Women (2021b) policy tool, which focuses on how to assess stimulus packages from a gender equality perspective, offers useful examples of questions to ask regarding relevant areas of public spending: livelihoods, social protection, health, food security, public infrastructure and housing. For gender practitioners, it provides valuable guidelines on both quantitative and policy/regulatory indicators to assess, inform and monitor gender equality in the context of economic measures taken in response to crises. These questions address vulnerable groups in society, with women comprising the most vulnerable segment. Table 4.5 presents a sample of relevant indicators for assessing fiscal stabilization and stimulus packages in terms of contribution to gender equality.

3. GENDER-RESPONSIVE BUDGETING

Gender-responsive budgeting (GRB), also referred to as gender budgeting (Elson 2006 and 2025b), constitutes an important framework and tool for evaluating public spending from the perspective of gender equality.[7] GRB is the process of constructing and implementing public budgets that consider the different needs of women and men, and prevailing gender (and other forms of) inequalities. The impact of actions taken by the public authority in alleviating or reinforcing inequalities are assessed and fed back into the budget design process.

GRB envisions equity and fairness for all citizens—one of public policy's most crucial functions. It also brings about improved policy targeting, effective delivery of policies, higher individual well-being and societal welfare. GRB requires an enhanced system of accounting and budget reporting. Expenditures can be directed towards their most effective use and impacts can be traced later. This transparency should increase the accountability of public administrations.

For more effective GRB implementation, strategic planning and performance-based budgeting provide a more conducive entry point than traditional line-item budgeting. Performance-based budgeting is increasingly being adopted at the sub-national and municipal levels across many countries. In line-item budgeting, allocations are distributed by organizational units and expenditure categories without reference to outcomes, while performance-based budgeting links the planned allocations to performance targets and indicators. This framework is helpful when demanding that public budget allocations include gender equality and traceable targets to be achieved by the end of the year. These targets and indicators can be monitored, and are instrumental in the effective delivery of public actions to support gender equality (Yucel et al. 2025).

OECD reports that the number of OECD countries with gender budget initiatives has nearly doubled since 2016, reaching 61 per cent by 2022 (OECD 2023). In the last 20 years, UN Women has supported the design and implementation of GRB in over 80 countries (UN Women 2023a and 2023b).

Implementing GRB necessitates a comprehensive, holistic approach supported by institutional frameworks and sustained political commitment. This process must be supported by formal legal and regulatory structures, using reliable, sex-disaggregated data to capture the diverse needs of all citizens. Active engagement of the private sector and civil society are required in fiscal planning. Finally, the actual impact of expenditures needs to be measured through monitoring and evaluation systems to maintain accountability and provide the necessary evidence for future budget adjustments.

Most GRB initiatives focus on the expenditures side of the budget and cluster around education, health, security and employment functions—the areas where efforts to reduce gender inequalities are expected to produce faster results. Revenues (taxes in particular) and income distribution receive much less attention. For example, in an integrated GRB framework the public authorities can use the tax system to reduce the cost of care. Authorities must also perform a tax incidence analysis to see if a measure reaches the intended beneficiaries. This would determine whether the tax deduction for care-related expenses reaches low-income women, or if it primarily benefits high-income families who already have the capacity to pay for care. Furthermore, GRB requires an evaluation of the revenue side of the budget to identify which groups bear the primary tax burden. The design of tax systems significantly influences women's decisions around work or starting a business (Grown and Mascani 2025).

While there has been notable progress in incorporating gender and social equity concerns into fiscal processes, there has been much less success on the legal front. GRB is not supported with constitutional coverage in most cases, and a very limited number of countries have budget laws which adopt a gender perspective. Due to the lack of legal coverage and insufficient involvement of ministries of finance or the economy, GRB efforts risk being discontinued when governments change (Nolte et al. 2021; Stotsky 2020; Yucel and Günlük-Şenesen 2018).

Elson (2021) cautions against the risk of diluting the transformatory power of GRB. This is occurring as both governments and international financial institutions such as the IMF and World Bank are adopting the concept more and more but tend to reduce it to technical budgeting exercises. Elson advocates for a feminist fiscal policy to mitigate this risk, focusing on the macroeconomic dimensions of the budget. More specifically, she proposes that gender budgets need to advance gender equality while at the same time increasing output, employment and tax revenues.

4. FISCAL SPACE AND FINANCING FOR GENDER EQUALITY

In recent years, fiscal space has become an important concept in macroeconomic policy. The conventional approach defines fiscal space as the "the room in a government's budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy" (Heller 2005: 3). The basic rationale is that the government can use various channels—such as taxation, internal and external borrowing, grants, spending cuts or reprioritization—to obtain the financing required for increased expenditure in priority areas without compromising macroeconomic stability and fiscal sustainability (Seth 2025: 9). This vision is clearly debt-sustainability focused and leaves little room for developing economies that are heavily constrained in terms of financing. Rich countries, with a much higher tax-to-GDP ratio, usually have greater fiscal space than most developing countries, whose tax base is generally low due to significant informality of the economy and weaker tax administration capacity. Moreover, fiscal space becomes constrained during economic downturns because of declines in revenue collection and increased expenditure on supporting vulnerable segments of the population, such as the unemployed.

Feminist economics has broadened understanding of the fiscal space by introducing a gender lens to the evaluation of resource mobilization and financing channels. The typical measures of fiscal space, such as debt-to-GDP ratio, are defined for the short-term, ignoring the interactions between fiscal policy and growth impacts and thus neglecting the potential for reducing debt ratios. Therefore, intertemporal frameworks for fiscal space are needed to better advance gender equality. An extensive body of research has already verified the positive growth and productivity impacts of measures to enhance gender equality.

In this context, not only must typical tools (such as taxation and expenditures) be assessed for their gender impacts, but new tools that enhance economic productivity and GDP growth must be integrated into the concept. Seth (2025) proposes a range of policy options for expanding fiscal space. These fall within macroeconomic policies (fiscal and monetary), macroprudential policies (financial regulations to support stable growth), and access to external finance (see also Appendices 4F and 4G).

As discussed throughout this manual, investments in care generate short- and long-term positive impacts on productivity and growth, with spillover effects on incomes and tax base, thereby becoming self-financing in the medium- to long-run. Similarly, beyond conventional direct and indirect taxation, other sources of tax revenues (such as wealth, windfall profit, international financial transaction taxes) need to be utilized more effectively. Central banks can use instruments such as asset reserve requirements and loan guarantees to generate funding pools to directly finance investments that benefit women.

Furthermore, stabilization of the economy through measures such as capital controls, elimination of asset bubbles and financial market supervision, as well as countercyclical spending such as increased unemployment insurance, emergency social transfers and subsidies during recessions, reduces the severity of financial volatilities and ultimately supports gender equality. These measures protect women from economic risks, prevent the shift of economic costs onto unpaid work, and provide a conducive environment for gender equality initiatives.

TABLE 4.6

Summary guidelines for gender-aware spending and financing policy action

Spending	Gender equality impact
Reclassify 'care' as social infrastructure rather than current consumption.	Recognizes care as a long-term investment in human capabilities and economic sustainability.
Prioritize time-saving investments (water, electricity, transport), especially in rural and underserved areas.	Reduces women's time poverty, allowing for increased labour force participation and leisure.
Consider expenditure switching to more productive areas.	Moving funds from less productive sectors, such as construction, to the care sector leverages higher economic multipliers and generates more jobs and GDP growth.
Gender budgeting	**Gender equality impact**
Implement performance-based budgeting in public finance management.	Links funding to specific, traceable gender equality targets and performance indicators. It is easier to implement GRB within this framework.
Institutionalize GRB in formal budget laws and constitutions with finance ministry leadership.	Prevents the discontinuation of initiatives during political shifts and ensures accountability.
Perform revenue (gender tax incidence) analysis.	Ensures tax systems do not discourage women's work decisions. Enables effective use of funds towards gender equality objectives.
Utilize sex-disaggregated data and enhanced accounting systems.	Improves policy targeting and allows the impact of actions to be fed back into budget design.
Apply gender-sensitive tools to assess fiscal stimulus packages.	Protects vulnerable groups (primarily women) by monitoring indicators in health and social protection.
Fiscal space	**Gender equality impact**
In defining the fiscal space, move beyond short-term debt related constraints to account for the long-term productivity gains of gender equality.	For example, care investments are 'self-financing' through increased future tax bases and productivity.
Utilize alternative tools for financing beyond the traditional revenue-generation mechanisms. Utilize taxes on wealth, windfall profits and international financial transactions to expand revenue.	These not only generate revenue for the government but also protect women from economic volatility through countercyclical spending and capital controls.
Use central bank instruments (loan guarantees, reserve requirements) to finance women-led investments.	Expands the financing channels, especially for economies constrained by narrow tax bases.

4.6.2 FEMINIST MONETARY POLICY

Session 4.3.1 explained that monetary policy refers to the central bank's control over interest rates and the money supply, and discussed the types of monetary policy (expansionary vs contractionary). Feminist critiques of monetary policies, such as the deflationary bias of austerity policies, were discussed in Session 4.5. With this background, the following session describes critiques of the monetary policy framework known as 'inflation targeting', which has been widely implemented, and proposes a feminist economic alternative, with specific tools to address gender equality within monetary policy.

It also emphasizes the need to control inflation, as excessive price increases affect women through multiple mechanisms, as detailed in Box 4.4.

The dominant monetary policy framework in the global economy today is 'inflation targeting'. Within this framework, an independent central bank (CB) is held responsible for a singular or primary mandate: to maintain the rate of inflation at a specific, publicly announced target. Accordingly, the CB sets a medium-term inflation target, often accompanied by short-term interim targets. Interest rates serve as the main instrument to influence aggregate demand, which in turn affects the interim and final inflation rates. If inflation exceeds the target, the CB raises interest rates to discourage borrowing and spending, slowing down the economy (contractionary policy). If inflation is too low, it lowers interest rates to stimulate economic activity (expansionary policy). As discussed in Session 4.5, contractionary monetary policy often leads to increased income inequality and negative gendered distributional impacts.

During systemic crises, as evidenced during the 2008 global financial crisis, countries implementing inflation targeting may use unconventional measures temporarily. A notable example is the quantitative easing in the United States, where the Federal Reserve Bank purchased large quantities of financial assets (i.e. government bonds) from the private sector, increasing the money supply to stimulate economic activity (Powell 2023).

Non-mainstream monetary policy rejects a singular focus on inflation and instead views monetary policy as a tool for broader social and economic transformation. From a heterodox perspective, CBs should be legally required to support multiple objectives, such as balancing price stability with employment generation. This necessitates close coordination between monetary and fiscal policies. For example, the CB may keep borrowing costs low to facilitate investment in productive capacity instead of raising the interest rate to cool the economy. However, a note of caution is necessary: if not properly managed, such interventions risk turning into unsustainable populist measures. This was observed recently in the cases of the United States and Türkiye, where maintaining low rates without coordination led to soaring inflation levels.

Building on these critiques, feminist monetary policy calls, first and foremost, for the root causes of inflation to be identified and measures tailored accordingly. Inflation can be demand-led or supply-led (cost-push). Deploying austerity measures to depress demand in response to supply-side bottlenecks, such as energy shortages or supply chain problems, does not resolve the underlying production or cost issues.

Feminist monetary policy advocates balancing the price stability mandate with other objectives, including employment, distribution, gender equality, and social and environmental sustainability (Powell 2023). This requires a more nuanced approach and demands rigorous coordination with fiscal policy (Onaran 2022b). In this context, macro policies (fiscal and monetary) must be designed in tandem with employment/labour policies (Module 3) and sectoral, industrial, international trade and financial policies (Module 5). Furthermore, these frameworks must establish linkages to care policies (Module 2), poverty and inequality reduction (Module 6) and the green transformation (Module 7).

Some CBs have begun to integrate environmental priorities into their commitments or practices, such as the ECB committing to consider climate change implications in its monetary operations (2021).[8] However, no CB has yet explicitly adopted a mandate that equally combines inflation, employment and gender equality objectives.

There are various instruments that CBs can utilize to advance these goals. They may channel low-cost credit towards gender equality; integrate gender-responsive standards into capital requirements and financial regulations, and coordinate with the treasury to ensure financial sustainability and stability for public investment in a caring economy (Powell 2023; Seth 2025). In this context, asset-based reserve requirements, loan guarantees and gender bonds can be designed to serve gender equality objectives.

'Asset-based reserve requirements' are regulations that require private banks to hold different levels of reserves depending on the type of asset they hold. Lowering the required reserves for such loans can induce commercial banks to divert loans into key sectors of the economy, such as agriculture and livelihoods, that can particularly benefit women. This measure allows for reallocation of existing funds, especially when fiscal space is constrained (see also Appendix 4F).

'Loan guarantees' are public commitments by governments or CBs to cover part of the credit risk associated with private bank lending to priority sectors or groups. These instruments reduce banks' risk exposure and lending costs, making it easier for them to extend credit to women entrepreneurs or small-scale women farmers, who often lack collateral and property (see also Appendix 4F).

'Gender bonds' are debt instruments (similar to green or social bonds) issued by governments, development banks or corporations to raise funds specifically for projects that promote gender equality and women's empowerment. These funds can finance women-owned enterprises, expand access to childcare and enhance women's employment opportunities. There are two types of implementation: i) 'use-of-proceeds bonds', where funds are diverted for predefined gender equality projects; and ii) 'performance-linked bonds', where bond terms (e.g. interest rates) depend on meeting measurable gender targets, such as increasing women's labour force participation or affordable childcare availability. Examples include gender bonds issued by the Asian Development Bank, totalling US$3.65 billion by 2022,[9] Tanzania (2022)[10] and Mexico (2020).[11]

BOX 4.3

GENDER BONDS

Gender bonds are a thematic debt instrument used to mobilize capital for gender equality and women's empowerment initiatives. Issuances of gender-focused bonds have accelerated rapidly in recent years—from 74 issuances by 19 issuers mobilizing US$44 billion in 2020, to 576 issuances by 133 issuers mobilizing over US$246 billion in 2025.

UN Women has been at the forefront of shaping and scaling the gender bond market, working with sovereigns, development banks and market actors to ensure that gender bonds are credible, impactful and aligned with international gender equality standards. For example:

- UN Women, together with the International Capital Market Association and the International Finance Corporation, developed *Bonds to Bridge the Gender Gap*, the first global guide on how to link bond proceeds to measurable outcomes for women, under the ICMA Social Bond Principles.
- UN Women supported the issuance of the world's first sovereign gender bond by Iceland in 2024. Proceeds from the bond will be used to channel financing towards projects that expand affordable housing for low-income women and enhance parental leave, amongst other gender equality priorities.
- UN Women collaborated with the Luxembourg Stock Exchange to implement a new tracking system for global issuances of gender bonds, strengthening transparency in financial markets, and published a case study series of gender bond issuances from around the world.

Any issuance of a sovereign gender bond is done within an already agreed sovereign debt envelope set by the Ministry of Finance, in coordination with the Central Bank. The decision to raise sovereign debt in capital markets therefore precedes the decision to apply a thematic label (e.g. 'gender bond') to such an issuance. Labelling an issuance as a gender bond enables governments to earmark proceeds for initiatives that support gender equality (or in the case of performance-linked bonds, to link financial terms to the achievement of gender equality targets), thereby strengthening accountability for gender-related spending. This contrasts with a conventional, non-thematic debt issuance, which carries no restrictions on the use of proceeds or impact reporting. By issuing a gender bond, governments send a strong market and political signal that gender equality is a national priority embedded in fiscal policy and strengthens their capacity to implement gender equality commitments via dedicated financing.

UN Women's work on gender bonds forms part of its broader sustainable finance work, which is focused on transforming financial systems to become an enabler of gender equality by embedding gender considerations across financial policies, instruments and markets.

TABLE 4.7

Summary guidelines for gender-aware monetary policy

Policy	Gender impacts
Inflation targeting	Possibility of increasing inequality by reducing women's employment, incomes and economic security while raising unpaid care workloads.
Diagnosing inflation (demand- vs supply-led)	Prevents implementation of the wrong policies that worsen women's economic insecurity.
Balanced mandate (price stability, employment, equality, sustainability)	Strengthens gender equality by aligning monetary policy with social objectives.
Monetary–fiscal policy coordination	Expands fiscal space for sectors that directly benefit women.
Use of various monetary policy tools for gender equality (asset-based reserve requirements, loan guarantees, gender bonds)	Expands women's access to finance and investment by directing credit to women-benefiting sectors, reducing collateral constraints for women entrepreneurs and farmers, and mobilizing dedicated resources for childcare, women's employment and women-owned enterprises.
Macroprudential policies (capital controls, financial transaction taxes, currency transaction taxes)	Avoids extreme volatility in financial markets and exchange rates, reduces crisis-related adjustment costs that disproportionately fall on women, and generates revenue for gender equality objectives.
Countercyclical policies	Shield women from social spending cuts during crises and help stabilize employment and care services.

In addition, 'macroprudential policies', designed to prevent systemic risks in financial systems that can spill over into the real economy, can play an essential role in maintaining stability and expanding fiscal space. Instruments such as capital controls, financial transaction taxes and currency transaction taxes can help initiate gender-responsive public policy interventions. Countercyclical spending, as part of these policies, also helps mitigate the contraction of fiscal space during recessions; it also reduces or slows spending during economic booms. Its purpose is to stabilize the economy over the business cycle. This is especially relevant for gender equality, as women tend to bear a disproportionate share of the costs during crises.

BOX 4.4

GENDERED IMPACTS OF INFLATION

After the COVID-19 pandemic, inflation surged across the world, to varying degrees, as a result of supply chain disruptions, rising energy and food prices, and postponed consumption during the pandemic. In the United States, annual CPI inflation rose from below 2 per cent in 2019–2020 to a peak of 9.1 per cent in June 2022, while in the Euro area it climbed from around 0.3 per cent in 2020 to 10.6 per cent in October 2022.[12] In emerging economies, the hikes were even more dramatic: inflation rose to 12.1 per cent in Brazil in April 2022 and to 85 per cent in Türkiye in October 2022—the latter case reflecting not only global shocks but also domestic monetary policies.[13]

Very high inflation rates have gendered consequences which often go unnoticed in economics discourse and policy. The transmission channels of those impacts are employment, wages, savings and debts, and financial assets (UK Women's Budget Group 2023). In Europe, the combination of gender income gaps, women's income insecurity and gendered inequalities in care work resulted in more women than men being negatively affected by the cost-of-living crisis (Feenstra et al. 2024). Evidence suggests that women are more exposed to price rises in food, energy and basic goods, which constitute a larger share of spending in female-headed or low-income households (Sologon et al. 2024). As childcare, eldercare and health costs rise because of inflation, families may reduce paid care services, leaving women to absorb the additional unpaid care work.

Women are overrepresented in low-paid, informal and part-time jobs, whose earnings often do not keep pace with inflation. Inflation erodes the real value of savings, disproportionately affecting women who have less access to formal banking and own fewer inflation-protected assets (real estate, commodities). The same applies to pensioners: inflation erodes the real value of pension entitlements, widening the pension gap between women and men, as women already receive lower pensions and have less access to private pension schemes in old age (Corsi and Porino 2024).

Containing excessive inflation rates is therefore a priority for monetary authorities. Equally important is to devise instruments that address the root causes of inflation. Inflation can result from supply-side factors, such as low productivity, supply shortages, logistical problems, energy price hikes and high exchange rate pass-through. Inflation may also be demand driven. Yet the current emphasis on inflation reduction relies primarily on demand-side measures, particularly raising interest rates, which often fails to tackle the underlying causes. Contractionary monetary policy generates costs through interest rate channels that alter the distribution of employment, wages, savings and wealth (UK Women's Budget Group 2023).

Tight monetary policy induced by interest rate hikes tends to reduce employment. Evidence suggests that women are more likely to lose their jobs, especially in female-dominated sectors such as services, education and retail (Braunstein and Heinzt 2008). The net effect depends, however, not only on country-specific factors but also on the country's exchange rate regime and trade strategy (Couto and Brenck 2024). Feminist research shows when contractionary monetary policy is accompanied by real exchange rate appreciation, there is a decline in international competitiveness and women tend to lose their relatively better-paid jobs (Nunes et al. 2024). Conversely, the negative effects of contractionary monetary policy can be partially offset when competitive exchange rates are maintained. Depreciated exchange rates keep the export sector resilient by lowering the costs, helping to preserve women's employment in those sectors (Braunstein and Heinz 2008).

Israel and Latsos (2020) identify an association between interest rates and gender wage gaps: a 1 per cent reduction in interest rates corresponded to a 3.7 per cent decline in the gender pay gap in Japan between 2003 and 2014. This finding supports the view that rising interest rates may exacerbate gender gaps by intensifying unemployment pressures and weakening women's bargaining power.

Further empirical research cited by the UK Women's Budget Group (2023) highlights the income inequality impacts of tight monetary policy through indebtedness. In Northern Ireland, following the surge in food and energy prices in 2021, low-income women who borrowed to cover essential items faced difficulties in repaying debt, most of which was acquired by credit or store cards with high interest rates. Moreover, higher interest rates hurt women-owned small businesses that rely on microcredit or informal lending.

KEY TAKEAWAYS FROM SESSION 4.6:

- Gender equality is not just a social goal but a macroeconomic target that interacts with productivity, employment, poverty, growth and well-being.
- Feminist macroeconomics has broadened the scope of fiscal and monetary policies, introduced ways to engender conventional tools and offered new instruments.
- Taxation has gendered impacts. While eliminating discriminatory practices and rules from tax codes is essential, tax systems must also be part of a broader agenda of progressive taxation and administration reforms that will address distributional inequalities alongside gender.
- Public spending should prioritize 'gender equality enabling' infrastructure and services. These include investments in physical infrastructure, such as safe public transport and water access, that reduces the time burden of unpaid domestic work for women, as well as investments in social infrastructure such as the care economy.
- Gender budgeting is a potentially transformatory tool, if it can be implemented throughout the entire budget cycle. The budget should be enacted with consideration of its implications for broader gendered macroeconomic outcomes, such as employment, social and political participation, poverty reduction and productivity.
- To tackle inflation, measures addressing the root causes of inflation should be enacted.
- Central banks should have multiple mandates, balancing price stability with other macroeconomic targets such as employment stability, while tracking gendered outcomes.
- Monetary and financial policy should create space for untapped instruments, such as gender bonds, loan guarantees and asset-based reserve requirements, to raise and channel funds towards gender equality.

4.6.3 SUMMING UP: MACROECONOMIC POLICY DESIGN FOR GENDER EQUALITY

Module 4 has demonstrated how engendering macroeconomic analysis improves macroeconomic policy design towards promoting gender equality. Gender-responsive macroeconomic policy entails growth strategies conducive to reducing inequalities of all kinds and alleviating poverty in a sustainable way. By recognizing the structural links between gender and the macroeconomy, practitioners can design policies that move beyond being 'gender blind' towards equality and sustainability. Box 4.5 provides guidelines for gender equality practitioners to keep in mind when doing gender assessments of macroeconomic policies.

BOX 4.5

MACROECONOMIC POLICY DESIGN FOR GENDER EQUALITY

The following guidelines and lessons emerge from feminist macroeconomics for the design of macroeconomic policy to foster an inclusive, gender-equitable, caring and sustainable economy:

- **Widen the scope of macroeconomic analysis:**
  - Move beyond an exclusive focus on the paid market economy.
  - Explicitly include the unpaid care economy.
- **Recognize the 'care–growth' nexus:**
  - Acknowledge that economic and social sustainability depend on the healthy functioning of and interdependence between the paid and unpaid economies.
  - This broader perspective allows for more accurate assessment of the distributional impacts, well-being and long-term growth implications of macroeconomic changes.
- **Revise macroeconomic policy objectives:**
  - Shift away from narrow targets focused exclusively on growth and efficiency, towards a multidimensional understanding of economic performance.
  - While growth remains relevant, its quality matters.
  - Prioritize growth that generates decent employment, supports income equality, ensures macroeconomic stability, and fosters social cohesion, as well as environmental sustainability.
- **Reframe fiscal spending to include care as a strategic investment:**
  - Redefine public spending on childcare, eldercare, health and education as social infrastructure investment rather than current consumption.
  - Redefine investment in care infrastructure as a strategic fiscal priority on par with physical infrastructure.
  - Prioritize investment in the care sector, as evidence shows care investments generate higher employment returns (especially for women) and more sustainable long-term growth.
  - Recognize that care jobs are jobs with low carbon emissions and waste. Hence, purple jobs are also green jobs, and purple investments complement green investments.
  - Direct physical infrastructure spending towards water, energy and transport in underserved areas with the specific aim of alleviating women's time poverty.

- **Create fiscal space and move away from orthodox austerity:**
  - Proactively reallocate current spending away from less productive areas towards building universal care infrastructure.
  - Recognize that social investments can be self-financing over the long term through increased future incomes and expanded tax bases.
  - Utilize alternative tools for financing beyond the traditional revenue-generation mechanisms; these include taxes on wealth, windfall profits and international financial transactions.
  - Implement macroprudential policies to mitigate financial volatility and recessionary risks, to ultimately support gender equality.
- **Use gender-budgeting tools for a more gender-equitable fiscal policy:**
  - Apply these tools not only to spending but also to taxation.
  - Secure gender-responsive budgeting within formal budget laws and constitutions, ensuring the ministry of finance leads the process to prevent discontinuation during political shifts.
- **Utilize sex-disaggregated data and tax/expenditure incidence analysis to ensure that fiscal stimulus and stabilization packages reach the most vulnerable women.**
- **Address distributional issues through progressive tax policy and tax administration reforms within a broader equality agenda.** Use progressive direct taxation, especially wealth taxation, as an equitable means to generate the necessary tax revenue to finance social care, care leave and other gender equality schemes.
- **Reform central bank mandates and instruments:**
  - Revise the primary mandate of central banks to include employment stability, gender equality and social sustainability alongside price stability.
  - Utilize financial instruments, such as asset-based reserve requirements, loan guarantees and gender bonds, to mitigate collateral constraints and channel credit to women-led enterprises and the care economy.
- **Adopt a comprehensive approach to macroeconomic policy design:**
  - Establish the linkages between macroeconomic policy and other policy areas such as employment, trade, industry and finance, social policies and green transformation to make gender equality and growth more mutually reinforcing.

GROUP EXERCISE:

EVALUATING FISCAL POLICY PROPOSALS FROM DIFFERENT ECONOMIC PERSPECTIVES

Participants will work in groups to evaluate fiscal policy proposals with different macroeconomic approaches. They will design a policy package based on **either** a mainstream or a feminist economics framework. Groups will present the current state of their country's economy, identify key problem areas and propose fiscal policy measures in response, such as tax policies, public expenditures, wages and subsidies.

See Appendix 4H for supporting materials.

Each group takes on the role of the Economic Advisory Board (EAB) of the government of a country (to be assigned). The EAB is composed of economists tasked with designing policy packages from mainstream and feminist economists.

The groups will create a dashboard to display the country's performance using the list of conventional (e.g. GDP) versus some of the alternative macroeconomic indicators of well-being (see lists in Appendix 4H). Groups are expected to find data from the last year available.

Starting from this data set, groups will present the situation of the economy as of the most recent year, identify key problem areas, and present their fiscal policy proposal from their economic worldview to be incorporated in the budgetary process for the upcoming year.

Note to the Facilitator: Groups can use the following questions to guide their designs.

Tax policy: Would you raise or reduce taxes? Would you propose a differentiated approach such as targeted reductions and increases?

What is your assessment of the budget balance? To attain a sustainable budget, what should the government do through taxation versus fiscal spending?

Public expenditures: Should social care expenditures be cut or increased? Should physical infrastructure investments be increased or not?

Wages: Would you propose wage freezes or wage increases (e.g. the minimum wage and public wages)? What could be your position vis-a-vis employment: Would you prefer to retain employees through initiating some extraordinary working arrangements, or reduce employment?

Subsidies: Would you increase or decrease energy subsidies? Think about revenue generation or loss. Who could be affected and how? For example, what will happen to transportation prices, heating costs and mobility capabilities related to transportation costs. Who will benefit, and who will be adversely affected?

APPENDICES

APPENDIX 4A
THE GDP MYSTERY – WHERE'S THE VALUE?

1. Which country has one of the largest GDP per capita and spends more than twice per capita on healthcare than average for OECD countries, but of all OECD countries has lowest the life expectancy, highest death rate for treatable conditions, highest maternal and infant mortality, and among the highest suicide rates?

- **a.** Ireland
- **b.** United States
- **c.** China
- **d.** United Arab Emirates

Answer: B

2. In 2010, the Deepwater Horizon oil spill caused billions of dollars in damages and clean-up efforts. How did the clean-up activities impact GDP?

- **a.** Increased GDP
- **b.** Decreased GDP
- **c.** No impact on GDP
- **d.** None of the above

Answer: A

3. Which of the following activities are included in GDP?

- **a.** Volunteering at a soup kitchen
- **b.** A child learning maths from their parent
- **c.** Doing yoga by the lake
- **d.** A person makes a sandwich at home using ingredients purchased from a store

Answer: D

4. Bill Gates becomes a resident in a small village (with a GDP of US$1 million and a population of 100 people, many of them average-income earners) and walks into the only bar. What does this tell us about GDP as a measure of prosperity?

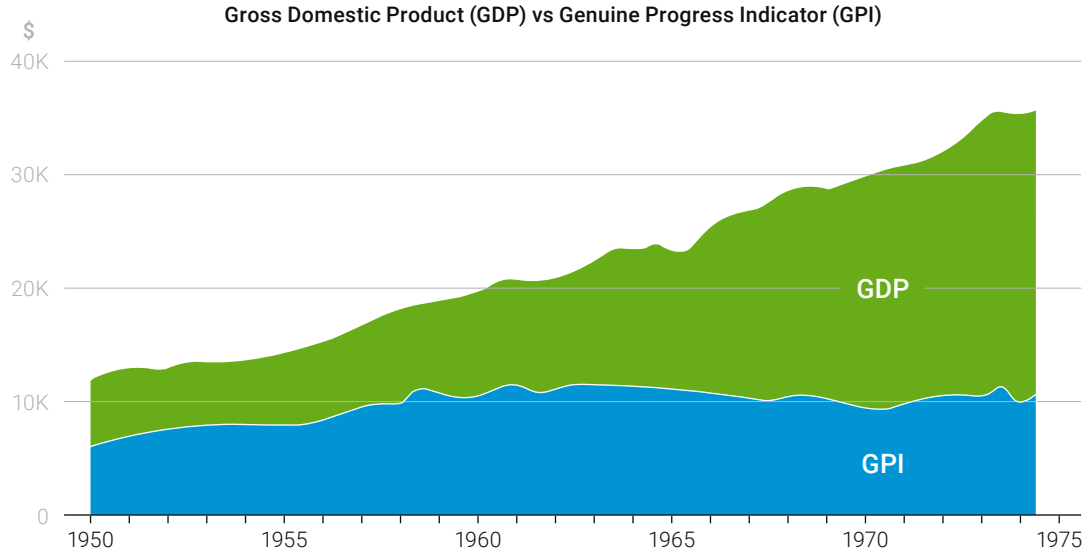
- **a.** GDP should be renamed 'Gross Gates Product' – it's all about the 1 per cent!
- **b.** GDP of the village increases, and GDP per capita skyrockets, but everyone still struggles to pay for their beer.
- **c.** GDP of the village increases, and GDP per capita skyrockets. GDP clearly reflects everyone's economic well-being.
- **d.** I am confused.

Answer: B

APPENDIX 4B
GDP VERSUS GPI

FIGURE 4B.1

Progress in well-being by GDP versus GPI, 1950–2002



Note: Sample consists of 17 countries comprising 53 per cent of the global GDP.

Source: Kubiszewski et al. 2013.

APPENDIX 4C
DOMAINS AND CANDIDATE INDICATORS

The UN High-Level Expert Group (HLEG) has not yet published the final list of dashboard indicators, but the interim report dated 5 November 2025 identifies seven core domains and specific candidate indicators currently under final review. The domains listed below are examples of outcome indicators that are under discussion.

TABLE 4C.1
Domains and proposed outcome indicators

Domain		Proposed outcome indicators
1	**Material well-being**	Household income/consumption; opportunity and job quality; time use and access to leisure; economic security (access to housing, the Internet and safety nets).
2	**Health**	Maternal and childhood health; healthy life expectancy; chronic disease rates.
3	**Education**	Access to preschool, high school and higher education; knowledge and skills to participate in the labour market and social life.
4	**Environmental quality**	Clean air and water; absence of pollutants; no loss of biodiversity.
5	**Subjective well-being**	Life satisfaction; meaning/purpose; hope; agency; emotional states; satisfaction with mental/physical health; perceptions of safety, trust and governance.
6	**Social capital**	Sense of belonging; ability to participate; friends or family to rely on when in need.
7	**Governance**	Safety and security; ability to participate in societal decisions and activities; absence of discrimination.

Source: UN HLEG 2025: 4.

APPENDIX 4D
OPTIONAL GROUP DISCUSSION ON GENDER-AWARE INDICES

UN DESA (2022). 'Six Big Questions for the Global Economic Recovery' proposes the following six indicators:

1. A labour market indicator (employment rate multiplied by median wage, disaggregated by gender).
2. Time-use data (paid labour, unpaid labour and social/relational time, again gender-disaggregated).
3. The proportion of the population that can afford the FAO's minimum nutritious diet (already collected and region-specific).
4. Per capita food-grain consumption and its distribution.
5. Per capita carbon emissions and their distribution.
6. Indicators of inequality (e.g. Gini index).

Ask participants to:

a. Decide whether they would recommend a composite index or a dashboard-of-indicators approach, and explain why.

b. Review a selection of the proposed dashboard indicators and choose those that in their view best capture unequal gender power.

Ideally, the discussion will converge on the idea that a dashboard of indicators better captures intersectionality and the multidimensional nature of gender inequality, whereas a single composite index tends to obscure these complexities.

In a potential follow-up exercise, intended only for more technically oriented participants (e.g. those with formal modelling experience), the Facilitator could ask the group to propose ways to integrate these alternative-to-GDP indicators into formal macroeconomic models, avoiding the common pitfall in which GDP remains the primary variable to maximize and monitor (even in some heterodox models).

APPENDIX 4E
COMPARING POLITICAL PARTY PROGRAMMES

COUNTRY 1:
THE REPUBLIC OF AUSTER (GLOBAL NORTH)
– high-income, service-oriented economy with a shrinking workforce

PARTY 1: The Liberty & Enterprise Party (Liberal Conservative)

'Empowering Individuals, Not Institutions'

- **The Competitive Tax Reform:** We will reduce corporate tax from 22 per cent to 15 per cent and cut top-tier income taxes. By leaving more money in the pockets of our high earners, we will spark the investment needed for the next generation of technology.
- **Flexible Labour Market:** We will remove rigid 'standardized' work-hour laws. Our 'Freedom to Work' initiative allows employees and employers to negotiate individual contracts, perfect for those who prefer working from home or irregular hours.
- **The School Choice Voucher:** We will phase out direct funding for state-run neighbourhood schools. Instead, parents will receive an 'education voucher' to spend at the private or specialty school of their choice, ensuring competition drives up quality.
- **The Household Resilience Credit:** We believe the family is the best safety net. We will offer tax rebates to households that manage their own care needs, reducing the national debt and the burden on the state.

PARTY 2: The Social Equity Alliance (Social Democrat)

'Building the Economy of Care'

- **The Modern Work-Life Standard:** We will move towards a nationwide 30-hour work week with no loss in pay. This reflects modern productivity and ensures that the 'time poverty' currently felt by our workforce is eliminated.
- **Universal Care Infrastructure:** We will treat childcare and eldercare as a public utility, like water or electricity. This will be funded through a 2 per cent wealth tax on assets over US$10 million, ensuring high-quality, professionalized care for all.
- **The Pay Transparency Mandate:** All firms must publish the median salary of their workforce annually, broken down by job category. Companies that show a gap of more than 5 per cent between similar roles will lose eligibility for government contracts.
- **Public Sector Innovation:** We will expand the public health and education sectors, creating 200,000 new, high-security jobs with robust pension plans and career-long training opportunities.

COUNTRY 2:
THE FEDERATION OF SOLARA (GLOBAL SOUTH)
– middle-income, large informal economy, rich in natural resources

PARTY 1: The National Renewal Movement (Liberal Conservative)

'Order, Industry and Heritage'

- **Special Economic Zones (SEZs):** We will create tax-free industrial hubs to attract foreign investment. In these zones, labour regulations will be 'streamlined' in order to prioritize rapid manufacturing growth and export competitiveness.
- **Tax Incentive to Households:** Our tax code will recognize the 'Family Unit'. We will provide significant tax breaks to the primary earner of a household, strengthening the traditional family structure and national stability.
- **Privatizing for Prosperity:** We will sell off underperforming state utilities (water, electricity and rail). This will bring in the capital needed to pay down national debt and improve the efficiency of services through market competition.
- **Entrepreneurial Freedom:** We will eliminate the minimum wage requirements for small and medium enterprises (SMEs). This allows the millions of people in the 'informal market' to be hired legally without bankrupting the small business owner.

PARTY 2: The People's Progress Party (Social Democrat)

'Growth Through Inclusion'

- **The Formalization Direct Grant:** We will provide a monthly cash transfer to any worker who registers as 'formal', including domestic workers and street vendors. This grants them immediate access to state healthcare and a future pension.
- **The 'Community Kitchen' Initiative:** To tackle hunger and address unpaid labour, we will fund thousands of neighbourhood-run kitchens and laundries. This professionalizes 'domestic work' and frees up hours for community members to seek education.
- **Infrastructure for Life:** Instead of just highways for exports, our budget focuses on 'Social Infrastructure' – piped water and electricity to every rural village. This reduces the daily hours spent by families on manual survival tasks.
- **The Land and Seed Reform:** We will provide subsidized loans and land titles specifically to small-scale farmers who produce for the local market. This ensures food security and empowers the independent producer over the giant agribusiness.

APPENDIX 4F
MACRO-LEVEL POLICIES FOR CREATING FISCAL SPACE

TABLE 4F.1
Macro-level policies for creating fiscal space

Category	Policy	Fiscal space effect	Direct or indirect gender effect
FISCAL SPENDING: Government spending	Expenditure switching	Switching away from some expenditures frees up revenue for gender-equitable investments.	Indirect. Size of effect depends on areas in which expenditures are reduced.
	Physical infrastructure	Creates fiscal space by stimulating GDP growth, short and long term.	Direct if investments are in areas that reduce women's care burden. Indirect otherwise.
	Countercyclical	Attenuates economic downturns, avoids hysteresis. Short-run debt rises, longer-run buys productivity growth.	Indirect. Alleviates care burden on women during economic downturns and their disproportionate job and income losses.
FISCAL REVENUES: Taxation	Export and import taxes	Improves balance of payments, takes pressure off exchange rate devaluation, generates revenue and fiscal space.	Direct or indirect. The effect depends on degree of monopoly in sectors. Export taxes raised. Import taxes not likely to harm women if on luxury goods.
	Windfall taxes	Addresses market power, redistributes income, generates revenue that creates fiscal space.	Indirect.
	IFTT taxes	Slows cross-border transactions, promotes economic stability with positive effects on government budget and fiscal space.	Indirect. Women benefit from fewer economic crises that tend to harm them more than men.
	Digital taxes	Generates tax revenue to create fiscal space.	Indirect.
	Property taxes	Reduces inequality, benefits low-income households with lower housing costs, generates tax revenue for fiscal space.	Indirect. More likely to affect high-income households and thus men. Benefits low-income women in housing costs.
Monetary	Loan guarantees	Stimulates GDP growth, tax revenues, addresses development goals.	Direct if loan guarantees targeted to projects, investments that benefit women, such as small and medium-sized enterprises (SMEs and small farmers).
	Asset-based reserve requirements (ABRRs)	Stimulates GDP growth, tax revenues, addresses development goals.	Direct if strategic areas for lending are projects, and investments that benefit women.
	Public Development Bank		Direct if lending targets women and the sectors they are typically employed in.
	Social impact and gender bonds		Direct.
Macro-prudential	Capital controls	Reduces economic volatility, reduces reserve holdings, gendering revenues to finance public investment.	Indirect. Women benefit from fewer economic crises that tend to harm them more than men. Women benefit from increased funds for investment, if targeted to gender-equalizing projects.

Source: Seth 2025: 14–15 (based on Seguino 2025).

APPENDIX 4G
EXTERNAL FINANCE POLICIES FOR CREATING FISCAL SPACE

TABLE 4G.1
External finance policies for creating fiscal space

Category	Policy	Direct or indirect gender effect
External debt mitigation	Alternative approaches to debt sustainability analysis	Indirect
	Sovereign Debt Relief Mechanisms	Indirect
	Debt cancellation, creditor haircuts	Indirect
	Debt standstills and debt pauses	Indirect
	Debt swaps	Both
Access to external finance	Increased access to concessional finance	Indirect
	SDR issuance and reallocation	Both
	Gender bonds	Direct

Source: Seth 2025: 16 (based on Seguino 2025).

APPENDIX 4H
EVALUATING FISCAL POLICY PROPOSALS FROM DIFFERENT ECONOMIC PERSPECTIVES

Tools: Flipchart, board markers, computers.

Note to the Facilitator: The Economic Advisory Boards will have 10 minutes to present. Each presentation can be followed by a short in-class discussion and feedback with all participants.

LIST OF INDICATORS

Conventional indicators of well-being

- GDP growth (annual, %)
- GDP per capita (in USD)
- Annual Consumer Prices (CPI) inflation (annual, %)
- Annual employment rate (%)
- Annual unemployment rate (%)
  - Women's unemployment rate (%)
  - Men's unemployment rate (%)
  - Youth unemployment rate (%)
- Central government budget deficit/GDP (%)

The major macro indicators in this box can be found by doing a web search for the relevant National Statistical Offices.

Alternative indicators of well-being

- Gender Development Index (GDI) rank
- Mean years of schooling (female), years
- Mean years of schooling (male), years
- Expected years of schooling (female), years
- Expected years of schooling (male), years
- Life expectancy at birth (female)
- Life expectancy at birth (male)
- Maternal mortality ratio (%) (deaths per 100,000 live births)
- Adolescent birth rate (births per 1,000 women ages 15–19)
- Share of seats in parliament (female) (% held by women)

The data in this box can be found here for GII and here for GDI.

TABLE 4H.1
List of countries (sample suggested)

	Category	Assigned policy strategy category
G1	Egypt	Mainstream vs. Feminist
G2	Georgia	Mainstream vs. Feminist
G3	Moldova	Mainstream vs. Feminist
G4	Nepal	Mainstream vs. Feminist
G5	Switzerland	Mainstream vs. Feminist

APPENDIX 4J
MORE IDEAS FOR OPTIONAL GROUP EXERCISES

1. **See: Braunstein, E., Bouhia, R. and Seguino, S. (2020). "Social reproduction, gender equality and economic growth." *Cambridge Journal of Economics* (44): 129–155.**

   Use this article to highlight the importance of examining patterns of economic growth alongside structures of care provisioning. Ask participants to identify where their country falls within the Braunstein et al. taxonomy of 'growth–care regimes', and to draw on additional evidence and studies to corroborate or challenge Braunstein's classification of their own country.

TABLE 4J.1
Growth and social reproduction

	Supply: The distribution of social reproduction	
Demand: Growth	**Low road** Feminization of responsibility & obligation (FRO)	**High road** Gender egalitarian (GE)
Care-led	**Time squeeze** Higher wages for women are good for growth, but more market participation squeezes time and lowers human capacities production. Growth is elusive or unstable.	**Mutual** Higher wages for women are good for growth, and more market participation increases human capacities production. Growth and social reproduction reinforce one another.
Inequality-led	**Exploitation** Higher wages for women lower growth, and more market participation squeezes time and lowers human capacities production. Growth is partly based on exploiting women's labour and human resources.	**Wage squeeze** Higher wages for women lower growth, but more market participation enhances human capacities production. Growth is elusive or unstable.

Source: Braunstein et al. 2020.

2. **See: Fontana, M. (2025). *Gender-responsive macroeconomic policy options for Africa: Egypt and Kenya as illustrations*. AERC Working Paper Series. Nairobi: African Economic Research Consortium.**

   This paper clearly shows, step by step, how to use readily available country-level descriptive statistics on the gendered structure of an economy to identify, in the first instance, priorities for gender-responsive fiscal policy (sections 3 and 4).

   Ask participants to read the relevant sections and try to replicate the exercise for other countries of their choice, while acknowledging that more detailed analysis would be needed for specific recommendations.

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ENDNOTES

1. The human development paradigm was adopted and advocated by the UN System, and served as the source of the Human Development Index and Human Development Reports by UNDP. Amartya Sen won the Nobel Economics Prize in 1998 for his contributions to welfare economics.
2. For more detail, see UNDP Human Development Reports "Composite Indices".
3. SDG 17.19 states: "By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries."
4. United Nations (2023).
5. Ecological debt refers to the accumulated debt of high-income countries to the developing nations for their overconsumption and depletion of global resources, as well as the disproportionate impact of their waste and emissions on the Global South. It was formulated by NGOs during the 1990s and was later used by scholars in political ecology and ecological economics.
6. ILO. ILO Care Policy Investment Simulator.
7. See UN Women Europe and Central Asia (2023). "What is gender-responsive budgeting?" 30 November.
8. European Central Bank (ECB) (2021). The ECB's monetary policy strategy statement (2021).
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10. IFC (2022). "IFC Invests in Sub-Saharan Africa's First Gender Bond Listed by Tanzania's NMB Bank." 29 April.
11. Andrade, G., And Prado, G. (2020). *Financial Innovation to Support Women-Led Businesses: Mexico's First Gender Bond and the Role of National Development Banks*. IADB.
12. United States CPI inflation (June 2022, 9.1%) from U.S. Bureau of Labor Statistics; Euro area HICP (October 2022, 10.6%) from Eurostat.
13. Brazil IPCA (April 2022, 12.1%) from IBGE; Türkiye CPI (October 2022, 85%) from Turkish Statistical Institute.

MODULE 5

INTERNATIONAL TRADE AND OPEN ECONOMY MACROECONOMICS

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(Building on 1st edition Module 8 by Emel Memis)

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will be able to:

- **Compare mainstream trade theories with feminist and heterodox critiques, particularly regarding their assumptions about labour markets, household dynamics and development outcomes.**
- **Understand the gendered consequences of different international trade regimes and policies.**
- **Analyse how trade liberalization and global value chains affect women's employment, wages and working conditions differently to men's across sectors and countries.**
- **Analyse the gender implications of open economy macroeconomic dynamics, including assessing the gendered impacts of exchange rate policies, capital flows, and balance of payments constraints on developing economies.**
- **Evaluate trade and industrial policies from a gender perspective, identifying opportunities for more inclusive and equitable outcomes.**
- **Apply feminist economic analysis to contemporary trade issues including nearshoring, digitalization, and climate-related trade policies, tariffs and trade agreements.**
- **Identify principles for gender-responsive trade and open economy policies that account for care work, social reproduction and women's economic empowerment.**

KEY CONCEPTS AND DEFINITIONS

Absolute advantage:

A country has an absolute advantage in producing a good when it can produce more of that good with the same resources (or produce the same amount with fewer resources) than another country. First articulated by Adam Smith, this concept suggests that countries should export goods they can produce most efficiently. However, David Ricardo's theory of comparative advantage later demonstrated that countries can benefit from trade even without an absolute advantage in any good, as long as opportunity costs differ —a more powerful argument for trade liberalization that continues to dominate policy discourse today.

Opportunity cost:

The value of the next-best alternative that must be foregone when making a choice. In trade theory, a country's opportunity cost of producing one good is measured by how much of another good it must give up. This concept is foundational to comparative advantage: countries gain from specialization when their opportunity costs differ, even if one country has an absolute advantage in producing everything. Feminist economists emphasize that conventional trade models typically ignore the opportunity costs of women's unpaid care work, treating it as infinitely elastic rather than as a real constraint on economic activity.

Comparative advantage:

The principle that countries benefit from trade by specializing in goods where their opportunity cost of production is lowest relative to other countries, even if they lack an absolute advantage. Feminist economists critique this concept for treating existing inequalities—including gender wage gaps and women's unpaid care work—as natural endowments rather than socially, economically or politically constructed disadvantages that can be exploited for 'competitiveness'.

Competitive (created) advantage:

Unlike comparative advantage based on existing factor endowments, competitive advantage refers to capabilities deliberately created through strategic investments in technology, infrastructure, skills and institutions. Alice Amsden's pioneering analysis of late industrialization demonstrated how East Asian economies deliberately created competitive advantages rather than relying on existing endowments (Amsden 2001), fundamentally challenging the notion that trade patterns are determined by 'natural' factor endowments. From a feminist perspective, this framework opens space for policies that deliberately build women's capabilities and challenge gender segregation, rather than treating existing inequalities as given endowments to be exploited for competitiveness.

Prebisch-Singer hypothesis:

The observation, first documented in the 1950s by economists Raúl Prebisch and Hans Singer, that the terms of trade for primary commodity exporters tend to decline over time relative to manufactured goods exporters. Recent research extends this to show that even manufactured exports from developing countries experience declining terms of trade when they compete as standardized, low-value goods in global markets.

Unequal exchange and centre-periphery relations:

The structural organization of the global economy into a 'centre' (advanced economies that control technology, finance and high-value production) and a 'periphery' (developing countries that supply raw materials and low-wage labour). Trade between these tends to transfer value systematically from periphery to centre through labour cost differentials, technological dependence and financial extraction.

Terms of trade:

The ratio of a country's export prices to its import prices. When terms of trade deteriorate, a country must export more to afford the same quantity of imports, representing a loss of purchasing power and potential transfer of value to trading partners.

Commodity dependence:

This term operates at two levels in international trade. At the most basic level, it refers to a country's heavy reliance on exports of **primary commodities** (agricultural goods, minerals, fuels) for foreign exchange earnings, creating vulnerability to price volatility, 'Dutch Disease' effects, and long-term terms-of-trade decline. More broadly in trade analysis, the term 'commodity' or 'commoditized products' refers to any goods—including manufactured products—that are standardized and compete purely on price, where producers are **price takers** with little market power or ability to capture value through branding, technology or differentiation. This second meaning helps explain why labour-intensive manufactured products from developing countries can become 'commoditized'—traded like primary commodities despite being manufactured goods—and experience similar terms-of-trade pressures. Both forms of commodity dependence have significant gender dimensions: women's concentration in smallholder agriculture and low-wage manufacturing, and their dependence on public services funded by export revenues, mean they bear the costs when commodity prices fall or when manufacturing becomes trapped in low-value competition.

Dutch Disease:

The phenomenon where a boom in one sector of the economy—typically natural resource exports—leads to an appreciation of the real exchange rate, making other tradable sectors like manufacturing less competitive internationally. The term originated from the Netherlands' experience after discovering natural gas in the 1960s, when the resulting currency appreciation harmed its manufacturing sector. More broadly, it illustrates how resource windfalls or large capital inflows can paradoxically undermine economic diversification and long-term development by crowding out the very sectors that tend to generate broader employment, technological upgrading and sustained growth.

Global value chains (GVCs):

The international organization of production in which different stages—design, component production, assembly and marketing—are performed in different countries, coordinated by lead firms (multinational corporations or platforms). Women are typically concentrated in the lowest-value, most labour-intensive segments of GVCs.

Upgrading:

Movement to higher-value activities within global value chains, including process upgrading (greater efficiency), product upgrading (higher-value goods), functional upgrading (new tasks like design or marketing) and inter-chain upgrading (movement to new sectors). Feminist research shows that economic upgrading rarely produces 'social upgrading' (better wages and conditions) for women workers.

Export processing zones (EPZs) and special economic zones (SEZs):

Geographically delimited areas offering special incentives—tax breaks, relaxed labour regulations, streamlined customs—to attract export-oriented foreign investment. Women typically comprise 60 to 90 per cent of workers in EPZs, often under conditions of low pay, long hours and restricted union rights.

Feminization of labour:

The increasing share of women in paid employment, particularly in export manufacturing, that accompanied trade liberalization from the 1980s onward. The term also refers (following Standing 1999) to the spread of precarious, flexible, low-wage working conditions—once typical of women's work—to all workers.

Defeminization:

The decline in women's share of manufacturing employment as industries upgrade technologically and become more capital intensive. Research documents this pattern across over 40 developing countries, as tasks reclassify from 'women's work' to 'men's work' when wages and skill requirements rise.

Balance of payments:

The record of all international transactions between a country's residents (individuals, firms, governments) and the rest of the world, including trade in goods and services, financial flows, and transfers. Inflows of foreign currency are recorded as credits (+) and outflows as debits (-). A deficit indicates a country is spending more abroad than it earns, requiring either reserve drawdowns or foreign borrowing; a surplus indicates the opposite. Balance of payments positions shape policy space: deficit countries face pressure to attract capital (often through liberalization or austerity) or boost exports (often through currency depreciation or wage suppression), with gendered consequences when adjustment is achieved through women's unpaid work and reduced public services.

Balance of payments constraint:

The ceiling on sustainable economic growth imposed by the need to finance imports with export earnings and capital inflows. When import demand grows faster than export capacity, countries face foreign exchange shortages that force adjustment—typically through austerity measures that disproportionately burden women through cuts to public services and increased unpaid care work.

Exchange rate:

The price of one currency in terms of another. The **nominal exchange rate** is the market price (e.g. how many pesos per dollar), while the **real exchange rate** adjusts for price differences between countries, measuring the relative cost of goods internationally—a key determinant of export competitiveness. The **effective exchange rate** is a weighted average of a country's currency against a basket of trading partner currencies, providing a broader measure of overall currency strength. Real exchange rate movements shape which sectors are profitable and competitive: depreciation (undervaluation) makes exports cheaper and can spur industrialization, while appreciation (overvaluation) makes imports cheaper but can hollow out domestic production. Feminist economists emphasize that exchange rate changes have differential impacts on men and women depending on their location in tradable versus non-tradable sectors, their roles as consumers of imported goods, and their responsibility for managing household budgets during inflationary periods.

Exchange rate policy:

Government actions to manage the value of the domestic currency, ranging from fixed pegs (maintaining a set rate against another currency or commodity) to floating rates (determined by market forces) to managed floats (intervention to influence market rates). Policy tools include foreign exchange reserve management, capital controls and interest rate adjustments. The choice of exchange rate regime reflects distributional politics: who benefits from currency strength or weakness depends on their position as exporters, importers, debtors, workers in tradable versus non-tradable sectors, and household budget managers—with gendered implications at each point. Developing countries often face a tension between maintaining competitive (undervalued) real exchange rates to support industrialization and managing the inflationary and debt-servicing costs of depreciation.

Trade liberalization:

The reduction or removal of barriers to international trade, including tariffs, quotas and regulations. While mainstream theory predicts universal gains, feminist economists emphasize that liberalization creates winners and losers, with outcomes shaped by gender, sector and care responsibilities.

Capital account liberalization:

The removal of restrictions on cross-border financial flows, including foreign direct investment, portfolio investment and bank lending. Liberalization can increase volatility and crisis risk, with gendered consequences when adjustments are pushed through household budgets and women's unpaid labour.

Foreign direct investment (FDI):

Long-term investment involving ownership or control (typically 10 per cent + equity stake) of enterprises in another country. FDI can create jobs and transfer technology, but outcomes depend on sector, governance, and whether investments create domestic linkages or remain as enclaves, geographically or institutionally isolated from the rest of the economy.

Spillovers, backward and forward linkages:

Spillovers are the indirect effects of investment or trade on the broader economy. Backward linkages occur when exporters purchase inputs from domestic suppliers; forward linkages when exports provide inputs to downstream industries. Strong linkages support broad-based development; weak linkages create enclave economies.

Crowding in versus crowding out:

Crowding in occurs when public investment or FDI stimulates additional private investment; crowding out when it displaces or substitutes for domestic activity. Gender-responsive industrial policy seeks to crowd in women's enterprises and employment.

Trade agreements and social provisions:

International treaties governing trade relations, increasingly including provisions on labour standards, environment and gender. Gender provisions range from non-binding 'best endeavours' language to enforceable commitments, though most remain weak and excluded from dispute settlement.

Industrial policy:

Deliberate government actions to shape the structure of production and employment towards development goals, including sectoral support, credit allocation, technology policy and public investment. Feminist economists argue for gender-responsive industrial policy that treats care infrastructure as productive investment and ensures women's participation in emerging sectors.

Nearshoring:

The outsourcing of manufacturing, IT or other operations to a country geographically close to a company's home market, often to a country that shares a border.

MODULE 5 OVERVIEW

International trade theory and policy is a highly technical and contested area, with fundamental debates between mainstream trade economists, who emphasize gains from liberalization, and heterodox/structuralist economists, who emphasize unequal exchange and development constraints. Feminist economics has made critical contributions by revealing the gendered assumptions embedded in trade theory and the differential impacts of trade policies on women and men.

Gender-aware analysis of trade and open economy dynamics argues for a two-way relationship between trade regimes and gender equality. On the one hand, trade liberalization, global value chain participation and open economy macroeconomic policies have gendered outcomes. On the other hand, gender inequalities—in wages, unpaid care work and labour market segmentation—shape countries' trade patterns and competitive positions.

This module explores these insights in the following sessions. Session 5.1 introduces the major debates between mainstream and alternative trade theories. Session 5.2 examines the gender impacts of trade liberalization and global value chains, including feminization and defeminization of labour. Session 5.3 addresses open economy macroeconomics—exchange rates, capital flows and balance of payments constraints—from a gender perspective. Session 5.4 analyses trade agreements and industrial policy as sites for gender-responsive intervention. Finally, Session 5.5 synthesizes principles for gender-equitable trade and open economy policies.

CORE SESSIONS

5.1 THE GREAT TRADE DEBATE

This introductory session equips participants to navigate the fundamental debates in trade economics—debates that shape the policy discussions they will encounter in their work. The session explains why mainstream economists argue that free trade benefits all countries, why heterodox and feminist economists challenge these claims, and how contemporary trade tensions are reshaping the landscape for developing countries. By the end of the session, participants should understand the theoretical positions underlying trade policy debates and be prepared to apply a feminist economic lens throughout the rest of the module.

5.1.1 AN OVERVIEW OF MAINSTREAM AND ALTERNATIVE APPROACHES

International trade policy is shaped by competing visions of how the global economy works and who benefits from trade. Understanding these perspectives is essential for engaging with trade policymakers —and for identifying where gender analysis can make a difference.

The mainstream view: Orthodox trade economists, drawing on classical and neoclassical theories, argue that free trade maximizes welfare by allowing efficient resource allocation, and that specialization creates gains for all countries. Accordingly, each country should focus on goods and services where they have a comparative advantage—that is, where their opportunity cost of production is lowest relative to other countries. In this framework, factor endowments (labour, capital, natural resources) shape trade patterns and, over time, wages should converge as trade raises demand for labour in developing countries. The policy implication is straightforward: countries should liberalize trade, reduce barriers and let markets determine specialization patterns.

The alternative view: Heterodox economists, which include structuralist, post-Keynesian and feminist scholars, challenge these assumptions on multiple fronts. History and power matter: trade patterns reflect colonial legacies, policy choices and power relations between countries, not simply 'natural' endowments. The global economy is hierarchical, divided into a centre (advanced economies that control technology, finance and high-value production) and a periphery (developing economies that supply raw materials and low-wage labour). Trade tends to reproduce this hierarchy rather than overcome it. Terms of trade move against the periphery over time, even for countries that industrialize, trapping them in low-value production. And trade interacts with labour market segmentation, so benefits and costs are distributed unevenly not only among countries but also across groups within countries—with men and women in different sectors experiencing liberalization very differently.

The feminist economic lens: Feminist economics builds on these heterodox critiques while adding essential analysis of gender relations and unpaid work. It begins by revealing the gendered foundations of 'comparative advantage': countries often become 'competitive' by exploiting women's disadvantaged position in labour markets—lower wages, weaker bargaining power and responsibility for unpaid care work. 'Cheap labour' frequently means women's cheap labour. Feminist analysis insists on making unpaid care work visible: trade theory's assumption

of freely mobile, fully available workers ignores how women's unpaid care work subsidizes low wages in export sectors. And it questions whose welfare counts: mainstream measures of trade gains (GDP, consumer welfare) ignore distribution across households, genders and generations, and ignore the losses entirely. When trade liberalization destroys jobs, businesses and livelihoods in import-competing sectors—such as small-scale farming or domestic manufacturing—women in low-income households and marginalized communities often bear the heaviest costs, both through direct job losses and through intensified unpaid care work as social safety nets fray.

As Elson et al. (2007: 36) noted:

> *"Until recently, mainstream trade theory has been gender-blind. In light of evidence that the impact of trade liberalization varies, both across countries and across different segments of the population, a few mainstream economists now take some account of these differences."*

DISCUSSION

Ask participants: Based on your experience, do the gains from trade in your country seem to be broadly shared, or concentrated among particular groups?

- **Who gains:** Typically export-sector firm owners, foreign investors, urban consumers (cheaper imports), workers in expanding export industries (though often under poor conditions), government (tariff revenue, though this declines with liberalization).
- **Who loses or is left out:** Workers in sectors facing import competition, smallholder farmers competing with subsidized imports, informal sector workers without access to new opportunities, rural populations far from export hubs, women stuck in low-wage segments without opportunities for advancement.
- **Geographic concentration:** Trade gains often cluster in capital cities, port areas and export processing zones—regional inequality can widen as a result.
- **Gender patterns:** Women may gain jobs but remain concentrated in lowest-value positions; men are more likely to capture gains from upgrading; women bear costs of adjustment through unpaid work when prices rise or services are cut.

Push for specifics: Ask participants to name which groups in their country have visibly benefited and which have been left behind. Concrete examples are more useful than abstract generalizations.

5.1.2 THE STRUCTURALIST CHALLENGE: WHY TRADE CAN REPRODUCE INEQUALITY

Structuralist and dependency critiques provide essential background for understanding feminist perspectives on trade. These frameworks reveal how the global economy is organized in ways that systematically disadvantage developing countries—patterns that intersect with and reinforce gender inequalities.

The Prebisch-Singer hypothesis: In the 1950s, economists Raúl Prebisch and Hans Singer each observed that the terms of trade (the ratio of export prices to import prices) had declined over time for countries exporting primary commodities relative to those exporting manufactured goods. This has profound consequences: if a country's exports keep getting cheaper while its imports get more expensive, it must export more and more just to afford the same amount of imported goods. This creates a structural disadvantage that traps commodity-dependent countries in underdevelopment.

Several mechanisms drive the deterioration of terms of trade. Demand patterns play a role: as incomes rise, people consume more technology-intensive and manufactured goods but not much more raw coffee or copper. Market structure matters: firms in the Global North have pricing power, while developing countries' exports face intense global competition that drives prices down. And labour organization shapes outcomes: weaker labour protections and unions in developing countries mean productivity improvements translate into lower prices rather than higher wages.

The 'New Prebisch-Singer effect': Recent research shows that even countries that have shifted from raw materials to manufactured goods continue to experience deteriorating terms of trade. Analysis of 85 developing countries from 1980 to 2014 found that for countries specializing in manufactured exports, especially labour-intensive goods such as garments and electronics, the decline in terms of trade averaged minus 1.1 per cent per year (Braunstein 2016). Manufactured goods from the Global South are effectively treated like primary commodities in global markets—subject to intense price competition and wage suppression—while profits from design, branding and technology remain concentrated in high-income economies.

Unequal exchange and centre-periphery relations: Structuralist and dependency theorists describe the global economy as organized into hierarchical relationships that systematically transfer value from the periphery to the centre. Today, this transfer operates through multiple channels. The differences in labour costs mean that a garment worker in Bangladesh will earn less than one-twentieth of her counterpart in Italy, not because her productivity is that much lower but because global competition disciplines wages in the periphery. Technological dependence forces developing countries to import machinery and software at prices that embody monopoly rents controlled by advanced-economy firms. In the end, these relationships mean that the periphery sends more capital to the centre through profit repatriation, debt service and illicit financial flows than it receives in aid or foreign direct investment.

The 'servitization' of global value chains: By 2023, 69 per cent of investment in manufacturing was actually *in services* like design, logistics, information technology (IT) and finance (UNCTAD 2024). The highest-value stages remain concentrated in the centre; peripheral economies specialize in low-value assembly. Even 'industrial success stories' can remain structurally dependent, as manufacturing increasingly behaves like primary commodities—subject to price squeezes and external control.

5.1.3 TRADE IN A FRAGMENTING WORLD

The global trade system is at an 'inflection point' (UNCTAD 2024). The optimism of the 1990s, when trade liberalization was envisioned as the path to convergence and shared prosperity, has given way to growing scepticism, rising protectionism and geopolitical fragmentation.

Several key challenges define this moment. Rising tariffs and trade tensions have reversed decades of declining barriers, with trade policy uncertainty reaching record levels in early 2025. Geopolitical fragmentation is reshaping trade around strategic considerations—with countries prioritizing supply chain security over cost savings (securitization), relocating production domestically (reshoring) or to allied nations (friend-shoring)—rather than efficiency alone. Persistent debt vulnerabilities constrain developing countries' policy space and ability to invest in development priorities, including gender equality.

These trade tensions are unfolding against the backdrop of a broader erosion of the multilateral trading system. The World Trade Organization, established in 1995, still provides the legal framework for roughly 72 per cent of global trade, but its dispute settlement mechanism has been paralysed since 2019 due to vacancies in its Appellate Body, and major economies increasingly pursue their objectives outside the WTO framework (UNCTAD 2025). In place of the multilateral system, over 350 regional and bilateral trade agreements are now in force, including recent 'mega-regionals' such as the African Continental Free Trade Area (AfCFTA), which unites 54 African nations and explicitly commits to gender equality; the Regional Comprehensive Economic Partnership (RCEP), Asia's largest trade bloc; and the renegotiated US–Mexico–Canada Agreement (USMCA), which includes gender provisions. A growing number of these agreements reference gender equality, yet most such provisions remain in preambles or separate chapters without binding enforcement mechanisms, and the gap between stated commitments and actual outcomes remains wide (as further discussed in Session 5.4). Meanwhile, many developing countries depend on preferential access schemes—including the African Growth and Opportunity Act (AGOA) for eligible African exports to the United States, the Generalized System of Preferences (GSP), and the European Union's Everything But Arms (EBA) initiative for LDCs—that are occasionally renegotiated and can be withdrawn, compounding uncertainty that exporters, and particularly women workers concentrated in preference-dependent sectors, already face.

For small and vulnerable economies of developing countries, these challenges are acute. They face disproportionate impacts from the uncertainty of trade policies and lack the market power to negotiate favorable terms or absorb sudden shifts in access. Commodity-depedent countries remain exposed to price volatility and declining terms of trade, with few pathways to diversification. Least developed countries (LDCs) risk losing preferential market access as trade agreements expire or they are renegotiated under less favourable conditions. And women workers—concentrated in labour-intensive export sectors such as garments, agriculture, and electronics assembly—often bear the adjustment costs when trade shocks ripple through supply chains.

BOX 5.1

THE 2025 TARIFF SHOCK – IMPACTS ON DEVELOPING COUNTRIES

In 2025, the United States departed from the most-favoured-nation (MFN) principle (the principle of non-discrimination, requiring that any tariff reduction or trade advantage granted to one country—the 'most favoured'—must automatically be extended to all other WTO members) that had underpinned the multilateral trading system since the WTO's creation. New country-specific tariffs were introduced at rates intended to reduce bilateral trade deficits.

Scale of the shock:

- US tariff rates increased from an average of 2.8 per cent before 2025 to over 20 per cent by early September 2025 (UNCTAD 2025).
- For 16 developing countries—including 5 LDCs—tariffs now exceed 25 per cent.
- Tariffs on agricultural exports from developing countries averaged nearly 20 per cent even before additional country-specific surcharges; textiles and apparel face some of the highest rates.

Who is most negatively affected:

- LDCs and developing countries in Asia and Oceania face the sharpest tariff increases.
- For LDCs, trade-weighted average tariffs more than doubled during 2025.
- Small economies that rely on exports of a narrow range of products, for example, vanilla from Madagascar, cocoa from Côte d'Ivoire and textiles from Bangladesh, face severe disruption.
- Lower-income households bear disproportionate costs through rising prices for imported goods (food, medicines, fuel) as tariffs translate into inflationary pressures. Women managing household budgets face intensified pressure as purchasing power erodes while their responsibility for meeting family needs remains unchanged.

Potential winners:

- Domestic producers in import-competing sectors may gain temporary protection from foreign competition, though this depends on access to inputs and technology.
- Some exporting countries benefit from trade diversion as buyers shift sourcing away from high-tariff countries (discussed in Box 5.2).

Gender implications:

- Women workers are concentrated in the sectors most affected: garments, textiles, electronics assembly and agriculture.
- Rising trade barriers can lead to job losses, wage cuts and deteriorating working conditions in female-dominated export industries.
- Women's lower average earnings mean price increases consume a larger share of their income, while their traditional roles as household managers and food providers place them on the frontlines of managing scarcity.
- As formal employment contracts, women are disproportionately affected, exiting the labour market and retreating to unpaid caregiver roles as households absorb adjustment costs.

As UNCTAD Secretary-General Rebeca Grynspan has noted, "Uncertainty is the highest tariff possible… [It] discourages investment, slows growth and makes trade as a path to development much harder" (UNCTAD 2025).

BOX 5.2

US–CHINA TRADE TENSIONS AND THE GLOBAL SOUTH

The world's two largest economies have been engaged in escalating trade tensions since 2018, intensifying dramatically in 2025 with tariffs and counter-tariffs affecting hundreds of billions of dollars in trade.

The trajectory:

- At their peak in early 2025, average US tariffs on Chinese imports exceeded 100 per cent, triggering retaliatory measures.
- After negotiations, tariffs stabilized at around 47 per cent as of late 2025.

Impacts on developing countries:

- Some countries initially benefited from trade diversion as firms shifted sourcing away from China (e.g. Vietnam, Bangladesh, Mexico).
- However, many face collateral damage from broader uncertainty and a slowdown in global demand.
- Countries caught in a great power competition face difficult choices about trade partnerships and technology standards.

Systemic implications:

- The US–China confrontation has sped up 'geoeconomic fragmentation' – the splitting of global trade into competing blocs.
- Developing countries that relied on open, rules-based trade now face a more uncertain and politicized environment.
- Women workers, who are overrepresented in labour-intensive export sectors most affected by supply chain reorganization, face 'race to the bottom' dynamics as countries compete for mobile investment by suppressing wages and labour standards.

DISCUSSION

Ask participants to consider: Which groups in your country are most likely to benefit from current shifts in global trade patterns, and which are most vulnerable? How do these impacts differ for women and men?

Key points for discussion:

- Winners in the current environment may include industries benefiting from trade diversion (e.g. countries gaining sourcing orders shifted from China), domestic producers in import-competing sectors, and workers in sectors receiving new investment.
- Losers typically include workers in export industries facing new tariffs (especially in garments, textiles and agriculture, where women are concentrated), small businesses dependent on imported inputs whose costs rise, and consumers facing higher prices.
- Gender differences: women are overrepresented in the labour-intensive export sectors most affected by tariff shocks. They also bear the brunt of household adjustment when prices rise, managing budgets for food, healthcare and children's needs.

Encourage participants to name specific sectors and populations in their countries. Push for concrete examples, beyond generalities.

RECAP OF KEY POINTS TO SET THE STAGE FOR THE MODULE

This introductory session has established the key debates that will inform our analysis throughout the module:

- Mainstream trade theory promises that free trade benefits all countries through specialization and efficiency gains, but its assumptions often fail in practice.
- Structuralist and dependency critiques reveal that the global economy is hierarchically organized, with trade often reproducing rather than reducing inequality among and within countries.
- Feminist economics adds essential analysis of how trade interacts with gender relations, showing that 'comparative advantage' often rests on women's low wages and unpaid care work, and that women are particularly vulnerable to potential negative effects of trade liberalization on employment and livelihoods.
- Contemporary challenges—including rising tariffs, US–China tensions and the erosion of multilateral rules—have created new uncertainties for developing countries, with significant implications for women's employment and economic security.

KEY TAKEAWAYS FROM SESSION 5.1:

- Mainstream trade theory promises mutual gains from specialization, but feminist and heterodox economists challenge its assumptions that workers are freely mobile, that existing inequalities reflect 'natural' endowments, and that aggregate gains ensure widely shared benefits.
- Comparative advantage often rests on gendered disadvantage. Countries become 'competitive' by exploiting women's lower wages, weaker bargaining power and unpaid care work—treating these inequalities as resources, rather than injustices to be corrected.
- The Prebisch-Singer hypothesis showed that primary commodity exporters face declining terms of trade. Recent research extends this finding, showing that even manufactured exports from developing countries behave like commodities in global markets when they compete on price as standardized, low-value goods.
- Unequal exchange operates through multiple channels: labour cost differentials that discipline wages in the periphery, technological dependence that embeds monopoly rents in imports, and financial extraction through debt service and profit repatriation. Trade can systematically transfer value from developing to developed economies.
- The global trade system is fragmenting. Rising tariffs, geopolitical tensions and the erosion of multilateral rules create acute challenges for developing countries, especially small, vulnerable and commodity-dependent economies. Women workers in labour-intensive export sectors often bear the adjustment costs.
- Policy space matters for gender equality. When countries face balance of payments constraints, debt pressures or trade agreement restrictions, they cannot invest in care infrastructure, protect workers or pursue industrial upgrading—and women absorb the costs through unpaid work and precarious employment.
- Trade can support development and gender equality, but only when it is governed by principles that prioritize human well-being over narrow competitiveness, recognize care as productive infrastructure, and challenge rather than exploit existing inequalities.

5.2 GENDER IMPACT OF TRADE LIBERALIZATION AND GLOBAL VALUE CHAINS

This session examines how women's employment has been shaped by export-oriented development strategies and integration into global value chains. The aim is to show how women's labour was central to trade-led growth, but under conditions that often reinforced structural inequalities rather than transforming them.

The session kicks off with a discussion on patterns of feminization and defeminization in manufacturing, before analysing the structure of global value chains and women's position within them. It then examines why 'upgrading' often fails to benefit women workers and explores how global care chains connect trade, migration and social reproduction.

The session draws heavily from foundational feminist trade scholarship including Elson and Pearson (1981), Çağatay (2001), Benería (2003), Standing (1989 and 1999), Braunstein (2016), and Seguino and Braunstein (2019).

5.2.1 TRADE LIBERALIZATION AND WOMEN'S EMPLOYMENT

Trade liberalization in a historical context

Beginning in the early 1980s, many developing countries embarked on trade liberalization under the pressure of structural adjustment programmes (SAPs) imposed by the World Bank and International Monetary Fund (IMF) (see also Module 4 (Macro-economics and Public Finance) for feminist critiques of this approach). These reforms sought to integrate economies into global markets by:

- Removing tariffs and trade barriers.
- Creating export processing zones (EPZs) and special incentives to attract foreign investment.
- Deregulating labour markets to enhance 'flexibility'.
- Prioritizing export earnings to service external debt.

The hope was that by lowering costs and opening markets, countries could attract foreign direct investment and become integrated into the global economy through manufactured exports.

Gendered outcomes of trade liberalization

A defining feature of export-oriented industrialization was the large-scale incorporation of women into waged employment, especially in textiles, garments and electronics. Employers and policymakers justified the so-called 'comparative advantage of gender' with a mix of economic logic and gender stereotypes, including:

'Nimble fingers' thesis:

- Women were said to be naturally suited to repetitive, delicate tasks (Elson and Pearson 1981). This was not a biological fact but a social construction used to legitimize wage discrimination.

'Docility' and union avoidance:

- Women were preferred because they were assumed to be less likely to organize unions or resist poor conditions.

Cost advantages:

- In many countries, women's wages in export factories were 20 to 40 per cent lower than men's in equivalent work (UN Women 2017). This wage gap was rationalized through various ideologies—framing women as 'secondary earners' whose wages merely supplemented those of male breadwinners, stereotyping women's work as requiring 'natural' manual dexterity rather than skill, or assuming women's workforce attachment was temporary—but the underlying driver was straightforward: women's labour was cheaper.

Trade liberalization and women's incorporation into export industries resulted in gendered outcomes:

Employment expansion:

- In Bangladesh, for example, the garment industry grew from almost nothing in the late 1970s to employing over 4 million workers at its peak in the 2000s, 80 per cent of them women (Quayyum 2019).
- In Mexico's maquiladoras, women made up 80 per cent or more of the workforce in the early period, with young women especially concentrated in electronics assembly by the early 1980s (Fernández-Kelly 1983; Kopinak 1995).
- In Mauritius, the expansion of textile and garment EPZs in the 1980s created jobs for tens of thousands of women, helping to transform the island's economy (Joekes 1995).

Wages and conditions:

- Typical wages were barely above subsistence. In Bangladesh, for example, the minimum wage between 2013 and 2018 was equivalent to roughly US$63 per month (Boudreau 2020).
- Conditions were harsh and involved long hours (10–14 hour shifts) and unsafe workplaces (the Rana Plaza collapse in 2013 tragically highlighted the risks of cost-cutting under global buyer pressure).
- In many EPZs, union activity was banned outright or heavily restricted.

Household and care burdens:

- Women's entry into paid employment did not mean men picked up care work. Instead, women's unpaid domestic labour continued, creating a 'double burden' (UN Women 2017).
- The competitiveness of exports was effectively subsidized by women's unpaid care work. Families absorbed the costs of childcare, cooking and eldercare that employers and governments did not provide.

Import competition losses:

- Trade liberalization also destroyed many livelihoods. In agriculture, women smallholders were displaced by cheap imports of staples like rice and maize, while in Latin America, female-intensive garment sectors lost out to lower-cost Asian exporters.

While many see women's labour integration into export industries as a sign of both empowerment and development, feminist economists call for examining this issue more closely.

Factory jobs gave many women their first access to cash income, economic autonomy, and an escape from the constraints of rural life or domestic service.

Research on Bangladeshi garment workers shows that despite the harsh conditions, many women stated they would never return to village life because factory work compared to the alternatives still represented empowerment (Benería 2003). This paradox reveals both the genuine gains women experienced and the extremely limited options they faced. The question is not whether women gained from trade-related employment, but why those gains came with insecurity, discrimination and exploitation, and why better alternatives were not available.

Evidence shows that manufactured exports from developing countries face deteriorating terms of trade, where they behave like commodities. This means that even 'success stories' like Bangladesh remain vulnerable to global price squeezes, with women workers shouldering the costs.

Gender job segregation pushes down wages and contributes to the declining labour share of income. In other words, women's exclusion from upgrading is not incidental but systemic, reinforcing inequality. This is seen in the case of the maquiladoras in Mexico. At their peak in the 1980s, 85 per cent of workers were women. But as factories upgraded technologically, men were hired for higher-skilled jobs, while women were stuck in repetitive assembly. By the 2000s, women's share had fallen to around 60 per cent.

DISCUSSION

Ask participants to reflect on the following: Was women's entry into export industries in your country more about empowerment or more about exploitation?

This is intentionally a binary framing to provoke debate. The reality is complex, as both dynamics typically coexist.

Guide the discussion to include:

- **Empowerment aspects:** Access to cash income, increased economic autonomy, exposure to new skills and networks, some bargaining power in household decisions, escape from agricultural or domestic labour.
- **Exploitation aspects:** Low wages justified by 'secondary earner' ideology, long hours and unsafe conditions, precarious contracts, limited mobility or advancement, gender-based harassment, employers exploiting gender stereotypes.
- **The conditions under which women entered paid work matter as much as the fact of entry.** Empowerment requires not just access to jobs, but quality jobs with rights, security and advancement pathways.
- **Encourage diverse perspectives.** Research shows that women themselves often report ambivalent experiences—valuing income and autonomy while recognizing exploitation.

5.2.2
GLOBAL VALUE CHAINS: STRUCTURE AND GENDER SEGREGATION

Global value chains (GVCs) are now the backbone of global production.

The key features of modern GVCs include:

- **Fragmentation:** Production spans borders and sectors. Alongside goods, GVCs now encompass trade in tasks, for example, online design, content moderation, logistics and customer services (UNCTAD 2023b).
- **Buyer-driven chains (apparel, footwear, horticulture)** are dominated by brands like H&M and Walmart, which control suppliers through contracts, compliance codes and purchasing power.
- **Producer-driven chains (automotive, semiconductors, machinery)** are shaped by multinational manufacturers that integrate suppliers through technology transfer and capital ownership.
- **Platform-driven chains (e.g. Amazon, Alibaba, Uber)**, a newer category, coordinate work digitally through data and algorithms, often outside labour law.
- **Intangible value:** Design, branding, software and data account for a growing share of total value added. UNCTAD (2024) estimates that intangible capital now makes up nearly 50 per cent of global trade value.
- **Over half of world merchandise trade (52 per cent)** consists of intermediate goods, i.e. inputs traded across borders before final assembly (WTO 2024).

TABLE 5.1
Case illustration of a global value chain: smartphones

Activity	Location
Design	California (engineers, intellectual property).
Components	Chips from Taiwan and Korea, screens from Japan and Korea.
Assembly	China or Vietnam, where the majority of workers, mostly young women, perform repetitive assembly tasks.
Marketing and retail	United States, Europe, Korea.
Value distribution	Apple captures ~60 per cent of the final retail price; assembly workers capture ~5 per cent (UNCTAD 2011).

Source: Author's compilation; value distribution from UNCTAD (2011).

Gender segregation in global value chains

GVC participation is highly gendered. Women and men perform different roles across both sectors (horizontal segregation) and job hierarchies (vertical segregation). Women are concentrated in labour-intensive light manufacturing, agro-export packing and cultivation, and lower-value digital service tasks, while men are more concentrated in heavier manufacturing and more capital- or technology-intensive sectors. Within firms, this horizontal segregation is compounded by vertical segregation: women are often clustered on the production floor in assembly, sewing, packing, grading, data entry and other routinized tasks, while men are more likely to occupy

supervisory, technical, engineering, logistics and managerial positions—even in sectors where women make up the majority of production workers. As a result, feminization of employment does not necessarily translate into equal access to skills, promotion ladders, wage progression, or control over upgrading trajectories. Instead, gendered labor-market segmentation often places women in the lower tiers of export production while men remain disproportionately represented in roles associated with technical authority, ownership, and decision-making power (Elson and Pearson 1981; Joekes 1995; Barrientos et al. 2003; Bamber and Staritz 2016; Barrientos 2019).

Women's concentration in low-value segments of global value chains reflects the intersection of employer strategies, cultural norms and structural discrimination. Employers draw on deeply rooted stereotypes—most notably the 'nimble fingers' thesis, which portrays women as naturally suited to repetitive, detail-oriented tasks—to justify channelling women into the most labour-intensive and lowest-paid positions. Women's lower wages, themselves a product of discrimination and limited outside options, make them attractive as a low-cost workforce, while employers often perceive women as more compliant and less likely to unionize. Hiring practices reinforce these dynamics: women are disproportionately employed on temporary, piece-rate or home-based contracts whose flexibility mirrors the rhythms of unpaid care work, offering employers numerical flexibility while denying workers security or benefits.

These employer strategies are reinforced by broader social and cultural constraints. Gender norms channel women into work seen as an extension of domestic labour—sewing, packing, food processing, call-centre support—while framing their earnings as 'supplementary income' to the earnings of a male breadwinner, a characterization that is used to justify lower pay regardless of women's actual economic contributions to the household. At the same time, the unequal distribution of care responsibilities limits women's availability for training, travel or overtime, effectively blocking pathways to promotion and trapping them in the lowest tiers of value chain hierarchies.

Recent research demonstrates that the central problem is not simply whether women gain access to jobs through trade, but where in the chain they are located and how value is governed. Even when developing countries successfully expand manufactured exports, Braunstein (2016) shows that the terms on which they trade often deteriorate, with their manufactured goods effectively priced like commodities—a dynamic that compresses the returns available to workers at the production end of the chain. Seguino and Braunstein (2019) take this further, arguing that gender segregation within GVCs actively depresses wages and labour's share of income, functioning as a mechanism that transfers value from workers—disproportionately women—to global capital. Barrientos (2019) confirms this pattern from the perspective of workers themselves: while GVCs do create jobs for women, they overwhelmingly trap them in low-value, insecure segments with little prospect of upward mobility.

More recently, UNCTAD (2024) has highlighted how the 'servitization' of manufacturing—the shift of profits toward design, logistics and data analytics—threatens to deepen these hierarchies further, since the high-value functions capturing a growing share of returns are precisely those that are male-dominated and skill-intensive, leaving women concentrated in the shrinking share of value attributed to physical production. Crucially, these patterns are not confined to traditional manufacturing chains. Emerging services GVCs—including data processing, content moderation and telework—replicate the same asymmetries: women perform routine digital piecework while men dominate higher-paid technical and managerial roles (ILO 2021). The implication is that without deliberate policy intervention, the digital economy risks reproducing rather than disrupting the gendered hierarchies of value that characterize global production.

TABLE 5.2

Case illustrations of gender dynamics in global value chains

Sector	Country examples	Gender dynamics
Garments	Bangladesh, Cambodia, Vietnam	Millions of women in assembly; buyers capture most profits; wages <5% of retail price.
Electronics	China, Malaysia, Philippines	Women dominated early assembly; automation and upgrading brought defeminization.
Agriculture/ flowers	Kenya, Ecuador	Women are employed mostly in cultivation and packing; men in management, transport and export.
Digital services	India, Kenya, Philippines	Women perform lower-value tasks (data entry, content moderation); men dominate coding and analytics.

Source: Author's compilation based on Barrientos et al. (2003), Dolan and Sorby (2003), Bamber and Staritz (2016), Tejani and Milberg (2016), Barrientos (2019) and ILO (2021).

5.2.3 FEMINIZATION AND DEFEMINIZATION OF LABOUR

Research on the feminization of labour under trade liberalization identifies several interrelated drivers of this empirical trend. The SAPs of the 1980s and 1990s, which shifted developing economies from import substitution toward export-led growth, dismantled protections for domestic industries and created demand for a flexible, low-cost workforce to staff new export sectors—a role that women, as a relatively untapped 'reserve army' of labour, were recruited to fill. Employers drew on entrenched gender norms to justify this arrangement, invoking notions of women's 'nimble fingers' and 'docility' alongside their status as 'secondary earners' to rationalize low pay and limited prospects for mobility or advancement. These employer strategies were reinforced by social norms governing family roles: firms actively recruited young, unmarried women as temporary workers expected to exit the labour force upon marriage, a pattern that conveniently allowed employers to avoid long-term commitments to training or career development. Underpinning all of these dynamics was the sourcing logic of global buyers—brands such as Nike, H&M and Walmart built supply chain models predicated on access to vast pools of low-cost, predominantly female labour in the Global South, transmitting competitive pressure down the chain in ways that entrenched women's position at the bottom of production hierarchies.

From the 1990s onward, many countries experienced what researchers term 'defeminization'—a decline in women's share of manufacturing employment as industries upgraded technologically and moved into higher-value production. The trajectory of East Asia illustrates this pattern clearly: in South Korea, women's share of manufacturing employment rose from 29 per cent in the 1960s to 43 per cent by 1990 as labour-intensive export industries expanded, then fell back to 36 per cent by 2000 as the economy shifted into higher-tech, capital-intensive sectors where men predominated (ILOSTAT 2025; Seguino 1997). China followed a similar arc, with women dominating low-wage assembly operations during the 1990s export boom, only to be progressively displaced as production moved toward higher-value components and automation reduced demand for the manual labour that had drawn women into factories in the first place. The phenomenon is not limited to middle-income industrializers: in Ethiopia, garment parks recruited large numbers of young women during the 2010s as part of an ambitious export-oriented strategy, but rising costs and firm exits after 2020 led to mass layoffs, starkly revealing the fragility of employment gains built on women's

low wages and the vulnerability of 'feminized' industries to the shifting calculations of mobile global capital.

Tejani and Milberg (2016) analysed 48 developing countries between 1995 and 2010. Of these, 40 countries had experienced declining female shares in manufacturing. The pattern of defeminization was consistent across all regions and levels of development, and linked systematically to technological upgrading and capital deepening.

Drivers of defeminization are many and mutually reinforcing. Skill-biased technological change plays a central role: as production processes become more sophisticated, firms demand technical competencies that are more often taught to men, while persistent educational segregation leaves women underrepresented in science, technology, engineering and mathematics (STEM) fields and technical training programmes—effectively locking them out of the very skills required by upgrading industries. This intersects with what might be called an 'investment protection' logic: as machinery becomes more expensive, firms prefer to assign costly equipment to workers they regard as long-term investments, and deeply held assumptions about women's attachment to the labour force—that they are 'temporary' workers who will leave upon marriage or childbirth—lead employers to channel men into capital-intensive roles and exclude women from the training that accompanies them.

Paradoxically, legislation first intended to protect women can reinforce these exclusions: laws restricting women's night work, overtime hours or access to heavy machinery, however well-intentioned, often have the practical effect of barring women from better-paid technical positions in industries that operate around the clock. Underlying all of these factors is the cultural coding of technology itself: high-tech production is associated with masculinity and technical mastery, while women remain coded as suited to 'light' or 'delicate' tasks, a framing that naturalizes their displacement from precisely the sectors that upgrading economies most reward.

Jobless growth and employment rationing

As discussed in Modules 3 and 4, many developing economies experience 'jobless growth'—economic expansion that generates limited employment relative to GDP growth. When formal sector job creation slows, gender hierarchies determine who gets the scarce opportunities; patriarchal norms mean that limited employment is preferentially allocated to men.

Seguino and Braunstein (2019) show that gender job segregation is not simply a by-product of industrialization but actively shapes it: when women are excluded from higher-productivity manufacturing jobs during structural transformation, this segregation contributes to declining labour shares of income and limits overall development gains. The concentration of women in stagnant or declining sectors while men access better jobs in upgraded industries means defeminization reflects both technological change and gendered allocation of employment opportunities. This macro-level dynamic compounds the firm-level drivers of defeminization, as women are pushed out not only when industries upgrade technologically but also when overall employment generation weakens and 'good jobs' become scarcer.

Feminist economics research provides insights into the structural dynamics of both feminization and de-feminization. Even where women initially benefit from export growth, structural disadvantages mean these gains are fragile. Moreover, gender job segregation is not incidental, but central to how globalization works. By locking women into labour-intensive segments, firms suppress wages and shift income from labour to capital (Seguino and Braunstein 2019).

Finally, the 'feminization' of the labour force means precarity spreads to men as well, as flexible, insecure, low-wage jobs become the new norm (Standing 1999). This broader definition of feminization is used to describe how these conditions, that were once typical of women's work, have now spread to *all* workers, as trade liberalization and the drive for cost competitiveness make precarity a general feature of global employment.

TABLE 5.3

Case illustrations of defeminization of labour under trade liberalization

Context	Pattern	Gender dynamics
Vietnam: electronics	Rapid FDI-led upgrading (Samsung, Foxconn).	Women dominate assembly; as automation increases, men move into technical and managerial roles.
Mexico: electronics	Long-term electronics upgrading.	Early feminization gives way to male dominance in engineering and quality control.
Philippines: digital services	Expansion of online gig and call-centre work.	Women occupy routine customer service jobs; men cluster in IT, analytics and management.
Ethiopia: garments	Entry via low-wage female labour.	Industry volatility and exit of foreign firms reveal the precariousness of feminized employment.

Source: Author's compilation based on Wilson (2002), Tejani and Milberg (2016), UNIDO (2018) and ILO (2021).

5.2.4 OPTIONAL SESSION: THE BROKEN PROMISES OF UPGRADING

This session can be included for groups with more time or a particular interest in GVC dynamics. It can be skipped if the time is constrained, as the key points are summarized in the preceding sessions.

Upgrading is often described as the development 'solution' to the low-wage trap of GVCs. The logic is simple: if firms and countries move into higher-value activities—better products, processes or functions—then workers' wages and conditions should improve too. But feminist and heterodox research shows that economic upgrading rarely brings social upgrading, especially for women. The challenge lies not only in technology or efficiency, but in who controls value, who bears risk, and how social structures shape access to better work.

Economic upgrading is the process through which firms or economies improve their position in global trade or GVCs by increasing the value added of their activities, typically through shifts to more sophisticated products, processes, functions or sectors. It includes:

- **Process upgrading:** Becoming more efficient in producing the same goods (e.g. faster sewing machines, streamlined production lines).
- **Product upgrading:** Moving into higher-value products (e.g. from T-shirts to branded designer clothes).
- **Functional upgrading:** Taking on new tasks in the chain (e.g. from assembly to design, marketing, logistics).
- **Inter-chain upgrading:** Moving into entirely new sectors (e.g. from garments into electronics).

Mainstream accounts assume that upgrading leads to higher productivity, and thus to higher wages and better jobs. But this 'ladder' is often broken. Productivity gains are real, but the distribution of benefits is not automatic.

Economic and social upgrading capture distinct, though often conflated, dimensions of change in GVCs. Economic upgrading is improvements in firm capabilities, technology and competitive positioning; social upgrading is enhancements in workers' conditions, including wages, working hours, health and safety, representation and dignity. Empirical evidence shows that these processes frequently diverge: gains in productivity and efficiency do not automatically translate into improved labour outcomes and may instead be associated with labour intensification, longer working hours or increased subcontracting to informal workforces—dynamics that often disproportionately affect women (UNCTAD 2016).

Upgrading often fails women because:

Process and product upgrading = intensified exploitation:

- Faster production lines increase workloads and stress without wage increases.
- Women, concentrated in assembly, experience health risks (repetitive strain, chemical exposure).
- Efficiency gains are captured by firms and buyers, not shared with workers.

Functional upgrading = exclusion:

- As firms move into higher functions (design, engineering, logistics), male-dominated networks control access.
- Technical roles require skills women often lack due to educational segregation in STEM.

Inter-chain upgrading = masculinization:

- When economies shift from textiles to electronics or automobiles, women are displaced.
- New sectors are often capital- or technology-intensive, with entry barriers shaped by gender norms.

Women face skills and institutional barriers:

- Training programmes focus on men or assume full-time availability.
- Vocational systems rarely integrate childcare or part-time retraining.
- Informal workers—many of them women—remain excluded from certification schemes.

Care and workplace cultures create additional barriers:

- Jobs that require overtime, night work or travel are inaccessible to women with care responsibilities.
- Lack of childcare and family leave perpetuates gender segmentation, even in upgraded industries.

Feminist and structural analyses underscore that upgrading in GVCs often reproduces, rather than resolves, underlying inequalities. Barrientos (2019) shows that economic upgrading rarely delivers social upgrading, as wages and employment security remain stagnant when value capture is concentrated at the top of the chain. Braunstein (2016) similarly demonstrates that export growth can coexist with rising inequality when upgrading strategies rely on low wages and unpaid care work. From the view of a gendered political economy, Seguino and Braunstein (2019) argued women's exclusion from upgrading is not incidental; instead it is a core mechanism through which globalization redistributes income from labour to capital. Reinforcing this pattern, Tejani and Milberg (2016) find that capital deepening and automation systematically reduce women's shares of manufacturing employment even as productivity increases.

Concrete sectoral examples illustrate this decoupling between economic and social upgrading. Despite rapid industry growth and significant increases in Bangladesh's per capita income over the past decade, garment workers' purchasing power remains the lowest among top apparel-producing countries, with real wages eroded by inflation rates that have consistently outpaced the modest automatic annual adjustments built into the 2023 wage settlement (Judd et al. 2025). The five-year gap for minimum wage reviews—during which consumer prices rose roughly 9 to 10 per cent annually—means that workers paid at or near the minimum are effectively losing real income year on year, even as the brands that source from Bangladesh pay suppliers in dollars and benefit from the weakening Bangladeshi taka (Judd et al. 2025). In Costa Rica, Intel's operations evolved from assembly into higher-value testing and engineering activities, reflecting functional upgrading

in GVCs (Intel Corporation 2024). At the same time, technical and engineering roles remained heavily male-dominated (UNESCO 2017). This pattern is consistent with broader evidence that women concentrated in routine assembly work are less likely to transition into higher-skill positions during technological upgrading (Barrientos 2019). Similarly, in the cut-flower industry in Kenya, process upgrading improved export quality and market access, while women's working conditions, including long hours, pesticide exposure and harassment, showed limited improvement (Dolan and Sorby 2003; Smith et al. 2004; ILO 2017; Barrientos 2019).

Reasons that social upgrading stalls include:

- **Buyer pressure:** Lead firms in GVCs demand cost savings and fast delivery, squeezing suppliers' margins and preventing wage gains.
- **Weak labour institutions:** Limited union representation and fragmented workforces (contract, home-based, digital) constrain bargaining power.
- **Lack of redistribution:** Productivity gains accrue to capital, while social policy remains underfunded.
- **Care crisis:** Without investment in care infrastructure, women's entry into upgraded work is constrained by time poverty.

5.2.5 GLOBAL CARE CHAINS

This final part of the session extends the discussion of global production to the 'care economy'—the invisible infrastructure that sustains all other forms of labour and trade. Drawing on the research of feminist scholars such as Hochschild (2000), Pérez-Orozco (2016), and recent analyses from the ILO (2024), it introduces global care chains to complement GVCs. While GVCs track how goods move across borders, global care chains reveal how care work —emotional, reproductive and domestic labour— moves through migration, remittances and gendered hierarchies of value.

Global care chains refer to the transnational transfer of care labour from poorer to wealthier regions through migration. When women from low- and middle-income countries migrate to provide paid care (childcare, healthcare, eldercare, domestic work) in richer economies, their own care responsibilities are often transferred to other women—usually relatives or even poorer-paid workers—back home (Hochschild 2000; Parreñas 2002; ILO 2024).

To give an example of a global care chain: A woman from the Philippines migrates to Italy to work as a home health aide. Her wages support her family back home, including paying for hired caregivers or domestic workers to care for her own children, or her absence means her own mother or daughter assumes unpaid caregiving for the household. Either way, this forms a chain of interdependent care relationships stretching across borders, with implications for who provides care, under what conditions, and at what emotional and relational costs.

The scale and structure of global care chains reflect both the centrality of care to the global economy and deep gendered and geographic inequalities. The global care economy accounts for an estimated 381 million jobs, or roughly 11.5 per cent of total employment worldwide (ILO 2024). Migrant labour plays a pivotal role within these chains: one in eight nurses globally is a migrant, and in OECD countries 26 per cent of long-term care workers are foreign-born (ILO 2024). At the same time, women perform some 76 per cent of all unpaid care work, which constrains their access to decent paid employment and reinforces gendered labour market segmentation (ILO 2018 and 2024). These global care migration flows are shaped by ageing populations in high-income countries, chronic public underinvestment in care systems, and the broader feminization of international labour migration.

Feminist economists describe the care chain as a new international division of reproductive labour (Parreñas 2002; Pérez-Orozco 2016), in which wealthier economies in the Global North import care labour to sustain their labour markets and systems of social reproduction, particularly as population ageing increases demand for long-term care. Middle-income countries such as the Philippines, Sri Lanka and Mexico, in turn, export care workers, often through explicit labour-export strategies, while low-income households absorb the resulting care deficits, thereby reproducing inequalities across gender, class, migration status and national location.

Migrant care workers face both the migrant pay gap (earning 13 to 20 per cent less than nationals) and the gender pay gap (ILO 2024). They are also overrepresented in informal, home-based or platform-mediated care jobs, the segments most excluded from labour protections.

According to Bellido (2024), global care chains reveal a central paradox in a deglobalizing world. They are foundational to economic life, yet they remain largely invisible in mainstream accounts of globalization and development. Unlike many commodity-based value chains, care chains are organized around embodied and relational labour and therefore face a distinct set of vulnerabilities. As Bellido notes, these networks proved unexpectedly resilient during the COVID-19 pandemic even as conventional global value chains were severely disrupted, underscoring both their indispensability and their fragility. Wealthier societies continue to depend on them to sustain households, labour markets and social reproduction, even as the work itself remains underpaid, precarious and heavily reliant on feminized and racialized migrant labour.

Emerging trends in global care chains point to intensifying inequalities rather than structural resolution. Europe and East Asia face mounting eldercare shortages, increasing their reliance on migrant women from Eastern Europe, South and Southeast Asia, and Africa. Demand for care workers in the Global North serves as a pull factor, while lack of decent work opportunities in the Global South serves as a push factor. This dynamic has given rise to what Lay (2024) describes as the poaching of nurses from countries with already fragile care systems —a practice that nursing leaders describe as a contemporary form of colonization. While automation and digitalization may reshape certain care tasks through assistive robotics or AI-enabled scheduling, the emotional, relational and embodied dimensions of care remain irreplaceable, leaving the deeply gendered structure of care work largely intact.

Policy directions: Building just and sustainable care chains

Drawing on the UN 5R+ framework (recognize, reduce, redistribute, reward, represent, resource) and the UN system policy paper (2024) introduced in Module 2 (The Care Economy and Transformative Care Systems), the policy pillar on improving employment conditions for care workers (reward and represent) should include gender-response migration governance. It is therefore recommended to:

- Strengthen fair recruitment and skills recognition agreements.
- Ensure that bilateral labour migration frameworks (e.g. Philippines–Italy, Kenya–United Kingdom) include gender equality and care-system safeguards.
- Invest in domestic care infrastructure to avoid a 'care drain' from countries of origin.

DISCUSSION

Trade has created millions of jobs for women. Ask participants: Are these jobs stepping stones to empowerment, or traps in low-value, precarious work? What policies would make trade and GVCs more empowering for women?

This closing prompt synthesizes the session's key tensions. Allow for nuanced responses—jobs can be both stepping stones and traps, depending on conditions and trajectories.

Stepping stone conditions are when jobs provide skills, income and networks that women can build on; when labour rights are enforced; when advancement pathways exist; and when income translates into household bargaining power.

Trap conditions are when jobs are dead ends with no advancement; when wages don't keep pace with productivity; when precarity prevents long-term planning; and when care responsibilities remain unchanged so women work 'double shifts'.

Policy responses to consider:

- Equal access to training, especially in STEM and technical skills.
- Strong labour rights enforcement and safe workplaces.
- Investments in childcare and social infrastructure.
- Gender-aware industrial policy that deliberately steers upgrading to include women.

For an optional group exercise, Gendered impacts of export-oriented industrialization, see Appendix 5A.

KEY TAKEAWAYS FROM SESSION 5.2:

- Trade liberalization created millions of jobs for women but clustered them in low-wage, insecure segments where cultural stereotypes and gender norms underpinned the construction of 'comparative advantage'.
- Women's unpaid work and low wages subsidized export competitiveness but remained invisible in trade policy. Employment gains were fragile—tied to global buyer demands, cost cutting and volatile export markets.
- GVCs now organize most global trade, but value capture is highly unequal. Women remain concentrated in the most precarious and lowest-paid stages; digitalization and servitization have not corrected these inequalities but have just moved them into new sectors.

- Feminization expanded women's access to paid work, but under precarious conditions. Defeminization reveals the fragility of those gains—technological and institutional upgrading often re-masculinizes production. In the digital era, a new feminization of platform and service work is emerging—flexible, invisible and often unpaid.
- Economic upgrading does not guarantee social upgrading. Productivity gains often deepen inequality, and without structural reforms—education, labour rights and care policy—women remain in low-value, precarious work.
- Global care chains reveal how globalization depends on women's paid and unpaid labour. Care migration links inequality across nations, classes and generations. Building just care systems requires treating care as a productive investment.
- Empowerment requires integrated policy encompassing gender-responsive education and STEM access, labour rights, social protection and care infrastructure to sustain women's participation and advancement.

5.3 OPEN ECONOMY MACROECONOMICS AND GENDER

This session links macroeconomic dynamics—exchange rates, capital flows and balance of payments—to gender outcomes. The aim is to show how external economic forces transmit through labour markets, household budgets and care systems, with different impacts on women and men.

The session starts with an exploration of how exchange rate movements affect women's employment and household consumption. It moves on to an analysis of how capital flows and foreign direct investment shape gendered labour market outcomes, and then examines how balance of payments constraints limit policy space for gender-responsive development. Finally, it explores how commodity dependence creates boom-bust cycles with distinct gender dimensions.

5.3.1 EXCHANGE RATE POLICY AND COMPETITIVENESS: THE GENDER DIMENSIONS

Understanding how exchange rates operate is central to analysing trade dynamics and competitiveness. An exchange rate is the price of one currency in terms of another, for example, one US dollar exchanging for 1,000 Korean won. When a domestic currency appreciates it becomes more expensive relative to foreign currencies, such as when the won moves from 1,000 to 800 per dollar. When it depreciates (or is devalued) it becomes cheaper, such as when the won moves from 1,000 to 1,200 per dollar. Analysts therefore often focus on the real exchange rate, which adjusts the nominal exchange rate for inflation

differentials between countries. It is the real exchange rate that captures a country's true international price competitiveness: if a currency weakens but domestic prices rise rapidly, the competitiveness gains from depreciation are eroded.

Exchange rate movements have predictable, though uneven, effects on trade. A depreciation makes exports cheaper for foreign buyers and imports more expensive at home, encouraging the expansion of tradable sectors but reducing domestic purchasing power. An appreciation has the opposite effect, rendering exports more expensive and imports cheaper, which tends to contract tradable industries while increasing access to imported goods. These trade-offs underscore why exchange rate policy is tightly linked to debates over growth strategies, inflation control and distributional outcomes.

Feminist economists note that using depreciation to 'get competitive' can expand jobs where women are concentrated (e.g. garments, agro-processing, electronics assembly), but it also raises import prices for household basics—costs that women, as household managers and caregivers, disproportionately absorb through unpaid labour and cuts to their own consumption (this is known as the social reproduction channel).

Governments broadly choose among three exchange rate regimes. A fixed exchange rate (or peg) anchors the domestic currency to another currency or basket. Examples include dollarization in Ecuador and El Salvador, or membership of a currency union like the Eurozone. Pegging means surrendering monetary sovereignty: the central bank can no longer freely adjust interest rates or money supply to stabilize domestic output or employment. With open capital markets, governments face the well-known policy 'trilemma'—they cannot simultaneously maintain a fixed exchange rate, an open capital account and an independent monetary policy, and must choose two of the three. A free float allows the exchange rate to be determined entirely by global supply and demand for the currency, giving policymakers more room for independent monetary policy but exposing the economy to volatility, especially in thin or speculative markets. Most developing countries instead adopt a managed float, allowing market forces to operate while the central bank intervenes occasionally to smooth excessive fluctuations or guide the rate towards policy goals.

Governments intervene in currency markets for several reasons. They may seek to prevent over-appreciation in order to preserve export competitiveness and sustain jobs in tradable sectors. Conversely, they may act to limit sharp depreciations that raise import costs like food and fuel prices—costs that hit poor and female-headed households hardest. Intervention can also serve financial stability by countering speculative capital inflows and outflows that destabilize domestic credit conditions. Finally, exchange rate management is a tool for inflation control: appreciation can contain imported inflation, while moderating depreciation helps avoid price spirals in basic goods.

Exchange rate policy through a gender lens

A moderately undervalued real exchange rate can support employment creation in tradable sectors and sustain growth (Rodrik 2008; Nunes et al. 2025). But feminist economists emphasize it matters how competitiveness is achieved as much as the exchange rate itself:

- When competitiveness relies on low wages, especially in women-intensive export industries, it reproduces gender inequality by exploiting women's cheap or unpaid labour (Braunstein 2016).
- When competitiveness is productivity-based —driven by infrastructure, technology and skills investment—it can expand women's employment in tradables without relying on wage suppression or unpaid care to absorb price shocks.
- Yet even productivity-driven growth has gendered limits. As manufacturing becomes more capital intensive, women's employment shares often fall—a process of defeminization documented across Asia and Latin America (Tejani and Milberg 2016).

DISCUSSION

Ask participants to consider: How might exchange rate management interact with gendered labour markets and household consumption patterns in your country?

Guide the discussion to cover the following:

- **Employment channel:** Currency depreciation makes exports cheaper, potentially boosting employment in export sectors where women are concentrated (garments, agriculture, electronics assembly) and easing competition from imported manufacturers. But appreciation hurts these same sectors.
- **Consumption channel:** Depreciation raises prices of imported goods. Women typically manage household budgets for food, healthcare and children's needs —categories often heavy in import content. Rising prices hit women's household management burden first.
- **Adjustment channel:** Households cope with price shocks by substituting time for money (e.g. more home cooking, longer shopping trips). This burden falls disproportionately on women.

Key insight: Exchange rate policy is not gender-neutral. Its effects depend on where women work and what households consume. Policy analysis should trace these channels explicitly.

Gendered effects of currency devaluation

Now walk participants through a 20 per cent depreciation scenario (keep this concrete and local if possible), noting the following effects.

Employment effects:

- **Export sectors (often women-intensive):** Demand rises because exports are cheaper; employment expands in garments, simple electronics and agro-processing. But real wages may not keep pace with import-price inflation, so living standards can stagnate even if jobs increase. Over time, if these sectors upgrade technologically, women's share often falls (defeminization) as tasks are reclassified and women are replaced by men.
- **Import-competing sectors (gender composition varies):** Costlier imports can shift demand to local producers (e.g. basic foods, consumer goods). Gender impacts depend on the sector —female gains are largest where women are already present or can enter at scale.
- **Non-tradables (many are women-dominated):** Public services, education, health, retail, domestic work: no export boost, but higher input costs and potential fiscal tightening can mean stagnant jobs or cutting back working hours. Women working in public services are especially exposed when governments curb spending.

Consumption/price effects:

- **Women typically manage household budgets for food, children's needs and health goods —all heavy in import content.** Depreciation raises those prices first. Households cope by substituting time for money (more home production, longer shopping trips, queueing), with the burden falling mainly on women.
- **Illustration of gendered effects of crisis:** In Indonesia from 1997 to 1998, sharp depreciation and soaring food prices forced households to reallocate spending and time. Qualitative evidence across crisis episodes shows women reducing their own consumption to protect children's nutrition, pulling girls from school first when budgets collapse, and adding informal work on top of care—hallmarks of the unpaid labour 'shock absorber' (Elson 2010; ILO 1999; UNIFEM 2000).

The 'Dutch Disease' and gender

Exchange rate appreciation driven by resource booms —commonly known as 'Dutch disease'—has notably stark gender dimensions, eroding competitiveness in the female-intensive agriculture and light manufacturing sectors while concentrating rents in male-dominated extractive industries. These dynamics are explored in detail in Session 5.3.4 on commodity dependence and gender.

5.3.2 CAPITAL ACCOUNT LIBERALIZATION AND FINANCIAL FLOWS

Not all capital is the same. Foreign direct investment (plants, equipment, management control) needs to be distinguished from portfolio flows (bonds, equities) and cross-border lending. The first can build capacity *if governed well*; the latter two are quick to enter and exit, magnifying booms and busts. In this part of the session, participants are encouraged to anchor every channel in sector composition and care workloads.

Foreign direct investment (FDI) refers to long-term investment that confers control over an enterprise, often defined as ownership of 10 per cent or more of equity. FDI is often presented as the most beneficial form of capital inflow, with aspirational benefits including job creation, technology transfer, management know-how and access to export markets. The reality, however, is that gender outcomes depend heavily on the sector that FDI targets and the policy rules that shape its operation.

Portfolio investment involves cross-border purchases of stocks and bonds without managerial control. Its defining feature is mobility: portfolio capital is fast in, fast out, highly sensitive to interest-rate differentials and shifts in risk sentiment. Other investment, primarily bank lending, encompasses cross-border loans to firms, banks or governments. Like portfolio flows, bank lending can reverse quickly during crises, tightening credit precisely when economies need it most.

Capital account liberalization removes restrictions on cross-border financial flows, with the promise of cheaper capital and deeper financial markets. What often happens in practice, however, is that large inflows—chasing interest differentials or profit opportunities—appreciate the currency and inflate asset prices. When these flows reverse, economies face sharp adjustment: credit crunches, currency depreciation and fiscal austerity. These adjustments map directly onto gendered employment and unpaid care patterns. Post-Keynesian feminist macroeconomics emphasizes how the external account transmits contraction to households—job losses concentrate in sectors where women work, while austerity cuts to social services increase women's unpaid care workloads.

Foreign direct investment and gender outcomes

FDI is often expected to deliver long-term development benefits: technological and managerial spillovers, access to global markets, job creation and wage premiums that raise living standards. But these outcomes are neither automatic nor evenly

distributed. The quality of FDI—its sector, ownership, technological content and domestic linkages—determines whether it supports inclusive structural transformation or reinforces enclave dependence.

From a feminist economics perspective, FDI reflects the same asymmetries that shape trade: value capture and bargaining power lie with global capital, while domestic labour, especially women's labour, absorbs the risks of volatility, relocation and adjustment. In its early phases, FDI can generate tangible, if uneven, benefits. These include employment creation in female-intensive, export-oriented manufacturing such as garments, electronics and food processing; wage premiums relative to domestic firms, as multinationals often pay slightly higher base wages to attract reliable labour; and skill exposure through on-the-job training and informal learning, sometimes extending to managerial or technical experience.

However, these benefits are typically concentrated in enclave production zones. The result is limited backward and forward linkages: domestic suppliers remain small, technology transfer is weak, and knowledge spillovers are minimal (Braunstein 2011; UNCTAD 2016).

Modern FDI is highly mobile and globally networked, often structured to minimize local embeddedness. It can crowd in domestic investment when linkages exist, for example, through demand for local inputs or logistics. But it can also crowd out domestic firms by competing for skilled labour, finance or infrastructure, or by absorbing scarce foreign exchange and policy attention. Because multinational firms are more globally mobile than domestic capital, they can pressure host governments to maintain low wages, flexible labour regimes and generous tax incentives to stay 'competitive'.

When women are concentrated in these 'footloose sectors', the burden of adjustment—through lower wages, job insecurity and intensified unpaid work—often falls disproportionately on them.

Empirical evidence confirms that this upgrade-and-defeminize pattern applies to FDI specifically. Braunstein and Brenner (2007) found that in China's FDI-intensive urban sectors, women saw larger wage gains than men in 1995, but by 2002, as FDI upgraded towards higher value-added activities, men captured most of the new, higher-paying positions; this underscores the need for industrial policy that will deliberately support women's advancement alongside technological upgrading.

Illustrative cases of FDI's potential and limits

Recent example: Vietnam's electronics corridor

- Since the mid-2000s, FDI from firms like Samsung, Foxconn and Intel has turned Vietnam into a leading electronics exporter.
- Women initially dominated assembly work —for example, about 70 per cent of workers in Samsung's Bac Ninh complex are female—but local sourcing remains minimal (under 35 per cent of inputs), and decision-making and design functions are headquartered abroad (UNIDO 2018).
- As automation advances, men increasingly occupy technical and supervisory roles, while women's positions remain low-wage and repetitive.

Vietnam thus mirrors the East Asian 'feminization–defeminization' cycle seen earlier, but in a more capital- and knowledge-intensive setting. FDI has delivered export growth without broad technological diffusion or gender-equal upgrading.

A longer-term view: Mexico's maquiladoras revisited

- Early phase (1970s–1990s): Around 85 per cent of maquiladora workers were women, employed in repetitive assembly. Employers valorized women's supposed 'nimble fingers' and 'docility'.
- Transition phase (2000s–2020s): Automation and product sophistication nudged hiring towards men; women's share declined to about 60 per cent, wages stagnated, and technological transfer remained limited (Wilson 2002).

Key insight: Without active linkage policy and gender-conditional incentives, FDI reproduces segmentation and weakens domestic capacity, i.e. industrialization without empowerment.

Policy lessons: FDI as a tool for gender-equitable transformation

To turn FDI into a tool for inclusive and gender-equitable transformation, governments must govern it rather than simply welcome it:

- **Linkage policy:** Use public procurement, supplier development programmes and local-content requirements to embed FDI in domestic production systems.
- **Gender-responsive conditionality:** Tie investment incentives to women's employment, as well as management training, and compliance with labour and pay equity standards.
- **Skills and care infrastructure:** Invest in education, STEM training and childcare so women can move up the value chain as production upgrades.
- **Capital-account management:** Limit speculative inflows and ensure that FDI complements —rather than displaces—domestic investment and fiscal priorities.
- **Data transparency:** Require firms to report employment and pay data by gender and occupation to monitor progress.

Portfolio flows and economic volatility

Portfolio flows—short-term investments in stocks, bonds and other financial assets—are inherently volatile, and their boom-bust cycles transmit macroeconomic instability directly into gendered labour markets and households. During boom periods, capital inflows appreciate the currency, inflate asset prices and make borrowing easy. Employment can expand, particularly in construction and services. Women may benefit if the service sector grows, but the composition of that growth matters: are these formal jobs with benefits and protections or are they precarious, informal positions that will vanish when conditions change?

During busts, the dynamics reverse sharply. Capital flees, the currency plunges, interest rates spike to stem outflows, credit dries up, and governments cut spending to appease international markets and creditors. The question for feminist analysis is: who bears the brunt of this adjustment?

The answer runs through three interconnected channels. First, in labour markets, women are over-represented in precarious work and in sectors sensitive to demand swings; 'last hired, first fired' patterns appear consistently across financial crises. Second, fiscal austerity cuts public spending on health, education, childcare and social protection —services that substitute for unpaid household labour. When these are withdrawn, the costs shift into unpaid care work, overwhelmingly absorbed by women's time; hence feminist economists describe women as the 'shock absorbers' of macroeconomic adjustment. Third, household coping strategies follow gendered patterns that have been documented repeatedly across crisis episodes: women reduce their own consumption first, expand informal and precarious work to fill income gaps, and—when household budgets break—withdraw girls from school before boys.

These patterns are not incidental but structural. Understanding them helps explain why financial liberalization, even when it delivers short-term growth, can deepen gender inequality over time.

DISCUSSION

Ask participants to consider: In a recent boom or bust, which jobs grew or disappeared first? Who in the household had to change their daily schedule the most?

Guide the discussion to cover the following:

- **Boom-phase jobs:** Construction (male-dominated), real estate services, financial services, retail and hospitality. Some women benefit in expanding service sectors, but often in precarious positions that will disappear in the bust.
- **Bust-phase job losses:** Construction collapses first (men), then retail and services, then formal manufacturing. Women in precarious positions are 'first fired'. Public sector jobs (where women are concentrated) face cuts through austerity.
- **Household schedule changes:** When public services are cut or when they become unaffordable (healthcare, education, childcare), women's unpaid work increases. When men lose formal jobs, women often increase informal work to compensate.

Key insight: Financial volatility transmits through labour markets and public services into households, where women serve as shock absorbers through expanded unpaid care and flexible informal work.

5.3.3 BALANCE OF PAYMENTS CONSTRAINTS AND POLICY SPACE

External accounts put a speed limit on growth. If export earnings don't cover import needs (or if capital flows won't reliably finance the gap), policy space narrows. Feminist macroeconomics shows how this external constraint can become a care constraint when adjustment is pushed through households.

Understanding the balance of payments

The balance of payments is the record of a country's transactions with the rest of the world. It comprises the current account (trade in goods and services, income and transfers), the capital and financial account (FDI, portfolio investment and lending), and changes in reserves—which together must sum to zero.

In any open economy, there is a ceiling on how fast output and employment can grow without running into foreign-exchange shortages. This is known as the balance of payments constraint, and it follows directly from the accounting identity that a country must finance its imports—of goods, services and debt payments—with its exports and net capital inflows.

Thirlwall's Law formalized this idea, showing that in the long run, a country's sustainable growth rate is determined not by domestic resources or labour supply, but by the rate at which exports can grow relative to the income-elasticity of imports. When imports expand faster than export earnings, the external deficit widens, reserves fall, and growth must slow or borrowing must rise—until creditors impose adjustment. This is why many developing economies experience 'stop-go cycles': periods of

expansion fuel import surges and external gaps, followed by contraction, austerity and social stress (Moreno-Brid et al. 2023).

Feminist economists have deepened this framework by asking whose wages, whose consumption and whose labour sustain the adjustment process. Seguino (2010) shows that gender inequality affects the balance of payments constraint through two main channels. First, through cost competitiveness: lower relative female wages can temporarily relax the constraint in semi-industrialized economies by making exports cheaper and expanding foreign-exchange earnings. Second, through demand and upgrading: over time, suppressed female wages reduce domestic demand and human-capabilities investment, undermining upgrading and trapping economies in low-value production. Therefore, the implication is that gender wage gaps may offer short-term external relief while deepening long-term structural vulnerabilities.

Given current global debt pressures, this framework matters. For many developing and emerging economies, accumulated debt, volatile capital flows and the legacy of COVID-era borrowing have tightened external constraints at precisely the time when social investment is most needed. Debt service absorbs fiscal space as principal and interest payments can crowd out spending on education, health and care infrastructure, amplifying gendered deficits in public provisioning. Currency depreciation risk compounds the problem: when investor confidence wavers, capital outflows and currency weakness raise the domestic-currency cost of foreign-currency debt, creating a vicious cycle. Meanwhile, conditional lending from international financial institutions often mandates fiscal consolidation that pacts social expenditure first—undermining the very programmes that substitute for women's unpaid care work.

How external constraints affect gender equality

The transmission from external imbalance to household and women's well-being runs through several channels, as follows.

Fiscal austerity channel: Governments which are facing balance-of-payments pressure cut spending to restore credibility. The cuts disproportionately fall on 'soft' sectors—education, health, childcare, social transfers—where women work, and which women use. Public-sector wage bills, dominated by women in many countries, are frozen or shrunk.

Employment and wages channel: A devaluation in currency may boost employment in tradables, but real wages erode with import-price inflation. Labour-intensive, women-dominated sectors such as the garment sector absorb export demand, but then price competition squeezes wages downward. A contraction in public services and non-tradables (e.g. retail or personal services) impacts women's employment in formal and informal work.

Household adjustment channel: When incomes fall and services retreat, households compensate with more unpaid work—cooking, foraging, queuing for subsidized goods. Women extend working hours, withdraw from leisure and self-care, and they may pull their daughters from school. This 'shock-absorber' mechanism hides the true cost of external adjustment in women's time and health.

Gender-wealth-asset channel: Inflation and currency swings erode the value of savings, which women hold in smaller amounts and less-protected forms. Financial-sector distress can wipe out informal savings clubs or microfinance portfolios, harming women entrepreneurs.

Policy response: What would a gender-responsive external strategy look like?

Drawing on feminist and post-Keynesian frameworks, policy directions include:

Productive diversification with care content:

- Invest in sectors that generate foreign exchange and employment for women, such as light manufacturing, agro-processing and digital services.
- Prioritize industries with strong domestic linkages, not just export enclaves.
- Include care-related services (education, health, childcare) as productive sectors in national accounts and development strategies.

Gender-aware fiscal rules:

- Treat spending on social infrastructure as investment, not consumption, in fiscal frameworks and debt assessments.
- Protect gender-responsive budgets during adjustment. Ring-fence childcare, maternal health and girls' education.
- Ensure countercyclical spending capacity so social services do not bear the full weight of external shocks.

Capital-account management:

- Use prudential tools (reserve requirements, transaction taxes, capital-flow regulations) to moderate volatile inflows and outflows.
- Reduce reliance on short-term debt that imposes sharp adjustment burdens.
- Strengthen regional financial safety nets and swap arrangements to provide breathing room during crises.

Trade policy for structural transformation:

- Pursue trade agreements that preserve policy space for industrial upgrading and gender-responsive social policy.
- Resist commitments that lock in liberalized capital accounts without safeguards.
- Monitor and address the gender-differentiated impacts of any new trade obligations.

Data and governance:

- Publish gender-disaggregated data on employment, wages, time use and social spending, to make the costs of external adjustment visible.
- Include women's organizations in consultations on debt restructuring, IMF negotiations and trade agreements.

5.3.4 COMMODITY DEPENDENCE AND GENDER DIMENSIONS

This part of the session translates the abstract idea of unequal exchange into the concrete reality of commodity dependence—the situation in which export earnings, employment and fiscal revenues rely heavily on a narrow set of primary products.

According to UNCTAD (2023), nearly 100 developing economies derive over 60 per cent of export revenues from commodities. These may be oil and minerals (as in Nigeria or Zambia), agricultural crops (coffee, cocoa, cotton), or tourism and fisheries. The consequences of this dependence are significant: when export prices fall, national income, fiscal revenues and foreign-exchange reserves contract; imports of food, medicine and energy become more expensive; and governments may cut social spending to service external debt. In theory, commodity booms can finance diversification into higher-value activities. In practice, price volatility, foreign ownership and fiscal rigidities make that transition hard to achieve.

The 'Dutch Disease' mechanism described above comes into play, as commodity booms bring in foreign exchange, pushing up the value of domestic currency. This appreciation makes other tradable sectors—especially light manufacturing and agriculture—less competitive abroad, and the economy shifts towards resource extraction and non-tradables such as construction and services. This process is deeply gendered. Resource sectors like oil, gas and mining are capital intensive and male-dominated, generating relatively few jobs overall. The sectors that shrink—agriculture, textiles, tourism—tend to employ large numbers of women. As these sectors decline, women lose access to paid work and informal income streams, while unpaid care responsibilities expand to compensate for reduced household earnings and public services.

Nigeria's oil-boom years (2000–2014) illustrate this dynamic. Manufacturing's share of GDP fell from 10 to 6 per cent, while female employment in agriculture and food processing declined sharply (UNCTAD 2023a). When oil prices crashed, public revenues collapsed. It was women who bore the adjustment costs through higher unpaid work and declining social services.

Commodity dependence also shapes fiscal policy and public investment in ways that have distinct gender implications. Resource rents often accrue to governments or multinational corporations rather than to workers directly. When prices are high, fiscal windfalls may finance infrastructure or social programmes, but these are usually the first to be cut when revenues fall. Women, who are overrepresented in public sector employment and rely more heavily on social infrastructure for health, education and care, feel both sides of this cycle. It is pointed out by feminist economists that social reproduction functions as a hidden stabilizer: during booms, it subsidizes the expansion of male-dominated sectors by providing the unpaid care that sustains the workforce; during busts, it absorbs the shock through intensified women's unpaid labour.

Commodity dependence in the era of the energy transition

The global energy transition is reshaping commodity hierarchies, but not necessarily in ways that benefit commodity-dependent economies. Fossil fuel exporters face the risk of stranded assets and revenue losses as the world shifts away from carbon. Mineral exporters of lithium, cobalt and copper are seeing new demand driven by renewable technologies. Yet the terms of trade may not improve: refining and technology design occur mostly in advanced economies, while raw-material exporters remain stuck at the bottom of the value chain. The Democratic Republic of Congo, for example, produces over 70 per cent of the world's cobalt, essential for batteries and electric vehicles, but captures little of the final value added (UNCTAD 2023a). The pattern mirrors the historical coffee or copper trap: high volumes, low value capture.

The gendered implications of this new commodity hierarchy are significant. Mining and energy sectors create few jobs for women, while fiscal volatility constrains public spending on health, education and

care—fields where women both work and depend on services. Resource extraction projects also displace communities and degrade land and water sources, limiting livelihoods and increasing the time women must spend on provisioning food and water for their households.

TABLE 5.4

Case illustrations of employment, care and environmental linkages in the commodity cycle

Stage of the commodity cycle	Typical gender patterns	Illustration
Boom	Expansion of male-dominated extraction and construction; temporary rise in informal female services and retail.	In Zambia's copper boom (2005–2013), women entered roadside vending but not mining jobs.
Bust	Public sector cuts, unpaid work surge, migration for survival.	In Venezuela's oil bust (post-2014), women faced food insecurity and unpaid care intensified as inflation rose.
Recovery/ transition	Green-growth projects risk reproducing the same male bias unless designed with equality targets.	Renewable energy investments in South Africa employ mostly men unless training and childcare are integrated.

Source: Author's elaboration. Illustrations are stylized and indicative.

Policy response addressing gender dimensions of commodity dependence

Addressing the gendered dimensions of commodity dependence requires deliberate policy design:

- Diversification strategies should prioritize care infrastructure. Investing resource revenues in education, health and childcare builds productive sectors that raise labour quality and economic resilience, while creating employment in fields where women are concentrated.
- Fiscal frameworks should adopt gender-responsive fiscal rules that treat social spending as investment rather than consumption when calculating sustainable budgets—recognizing that care infrastructure generates long-term returns.
- Inclusive local content policies can require gender-balanced employment and training in resource projects, ensuring that women benefit directly from extraction activities rather than only bearing their costs.
- Sovereign wealth funds can be structured with equality objectives, dedicating a share of commodity revenues to women's enterprises, green jobs and care infrastructure as a hedge against boom-bust volatility.
- Transparency and participation matter: Women's organizations should have a seat in natural-resource governance bodies, ensuring that decisions about extraction, revenue allocation and community impacts reflect the priorities of those most affected by commodity dependence.

KEY TAKEAWAYS FROM SESSION 5.3:

- Exchange rate policy has gendered effects through employment (where women and men work in the economy), consumption (what households buy and who manages budgets), and care (who absorbs adjustment costs when prices or hours shift).
- Depreciation can expand female-intensive export employment but raises import prices for household basics, with costs absorbed disproportionately by women through unpaid labour.
- Foreign direct investment can create jobs and transfer technology, but outcomes depend on sector, governance and linkages. As FDI upgrades technologically, employment tends to masculinize.
- Portfolio flows and financial volatility have strongly gendered consequences: women are concentrated in sectors sensitive to demand swings, and austerity cuts public services that women both provide and depend on.
- Balance of payments constraints limit policy space for gender-responsive development. Adjustment costs are systematically pushed through households, where women's unpaid labour serves as a shock absorber.
- Commodity dependence creates boom-bust cycles with distinct gender dimensions. Resource sectors are male-dominated, while women bear the costs of fiscal volatility through public service cuts and expanded unpaid care.
- Gender-responsive macroeconomic policy requires treating care infrastructure as productive investment, and ensuring that external adjustment does not come at the cost of women's time and economic opportunity.

5.4 TRADE POLICY, INDUSTRIAL POLICY AND GENDER EQUALITY

This session examines how trade and industrial policies can be designed to advance—or undermine—gender equality. The aim is to move from analysis to action: understanding how trade agreements treat gender, how industrial policy can be gender-responsive, and how contemporary challenges (digitalization, automation, climate transition and tariffs) reshape gendered opportunities and risks.

The session evaluates trade agreements from a gender perspective, applies feminist principles to industrial policy design, and identifies policy levers towards inclusive transformation in the face of contemporary challenges.

5.4.1 TRADE AGREEMENTS AND THEIR ARCHITECTURE: FROM MULTILATERALISM TO FRAGMENTATION

Trade agreements have evolved from focusing purely on tariffs and quotas to addressing labour, environmental and gender issues. This part of the session examines the architecture of the trading system, the state of multilateral and bilateral agreements, and the evolution of gender provisions.

The multilateral trading system, with the World Trade Organization at its core, has provided a comprehensive set of binding trade rules since 1995. WTO rules govern 72 per cent of global trade and provide legal certainty and transparency. However, the system faces significant challenges:

- The dispute settlement mechanism—a key enforcement tool—has been paralysed since 2019 due to vacancies in the Appellate Body.
- Major economies are increasingly pursuing objectives outside the WTO framework.
- Several foundational WTO agreements require revision to address contemporary development challenges.

A number of WTO agreements are in need of reform:

- **Agreement on Agriculture:** This permits high subsidies by wealthy countries, while constraining developing country support for smallholders. Current rules disadvantage women farmers, who lack access to the commercial support systems that subsidies often require. Reform should create space for food security programmes and small-scale agriculture support where women are concentrated.
- **General Agreement on Trade in Services (GATS):** The agreement governs cross-border services trade but does not adequately address the care economy, platform work or gender dimensions of services liberalization. Mode 4 (movement of natural persons) provisions affect women migrant workers but lack gender-responsive safeguards. Reform should recognize care services as essential infrastructure and ensure gender protections in services commitments.
- **Competition Policy:** This remains largely outside WTO disciplines, allowing powerful firms to extract rents from developing country suppliers and workers. Monopsony power over female-dominated supply chains (garments, agriculture) depresses wages and working conditions. Reform should enable developing countries to regulate anti-competitive practices affecting women workers and enterprises.

- **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS):** The agreement can restrict access to medicines, seeds and technologies essential for gender-responsive development, and fails to recognize traditional knowledge often held by women. Reform should expand flexibilities for public health and food security while protecting Indigenous knowledge systems.

Bilateral versus multilateral approaches

The shift from multilateral to bilateral and regional approaches has accelerated. Over 350 regional trade agreements are currently in force. Major recent agreements include:

- **African Continental Free Trade Area (AfCFTA):** Unites 54 African nations; explicitly commits to gender equality and women's empowerment. (See Box 5.4)
- **Regional Comprehensive Economic Partnership (RCEP):** Asia's largest trade bloc by GDP, with limited gender provisions.
- **US–Mexico–Canada Agreement (USMCA):** Incorporates gender language in labour chapters, but with mostly 'best endeavours' commitments.
- **Various European Union (EU) association agreements** with binding labour provisions but variable gender coverage.

Multilateral agreements provide uniform rules that reduce discrimination across trading partners, but they require consensus among diverse members with divergent interests, often slowing progress or diluting commitments. Bilateral and regional agreements can be tailored to specific needs and may include stronger provisions on issues like labour standards or gender, but they can also reflect power imbalances between negotiating parties and create a 'spaghetti bowl' of overlapping, sometimes contradictory rules. Developing countries, in particular, may face pressure to accept provisions—such as investor protections or intellectual property rules—that constrain their domestic policy space and limit their ability to pursue industrial strategies or protect public services.

Preferential access schemes under threat

Many developing countries rely on unilateral preference programmes that grant their exports favourable access to advanced-economy markets. The African Growth and Opportunity Act (AGOA) provides duty-free access for eligible African exports to the United States but expired on 30 September, was extended to December 2026, and the US Senate voted on 8 August 2026 to extend it to the end of 2028, with a sign-off by the House of Representatives uncertain. If the AGOA is not in operation, the textile and apparel sectors where women's employment is concentrated will be threatened.[1]

The Generalized System of Preferences provides reduced tariffs for developing country exports, while the Everything But Arms initiative provides duty-free access for least developed countries to the EU. These schemes share a common vulnerability: they are periodically renegotiated and can be withdrawn unilaterally by the preference-granting country based on eligibility criteria or policy disputes, creating significant uncertainty for exporters. When preferences expire or are revoked, countries face most-favoured-nation (MFN) tariffs (the baseline rate applied to all WTO members, and typically much higher than the preferential rates they previously enjoyed) plus any additional country-specific tariffs—a severe shock for economies that have built entire export industries around preferential access.

1. As of August 2026.

Gender provisions in trade agreements

Historically, trade agreements were designed as *technical* economic instruments concerned with tariffs, market access and rules of origin. Social and environmental considerations were largely excluded until the 1990s, when the North American Trade Agreement (NAFTA) introduced labour and environmental chapters. Gender entered the picture only around 2010, as part of a broader recognition that trade affects women and men differently in terms of employment, income and time use (Braunstein 2019; UN Women 2019).

Several forces drove this shift. Civil society advocacy played a central role, as women's organizations and gender ministries pressed for recognition that trade policy is not gender neutral. Accumulating evidence from researchers demonstrated that liberalization alters job composition, wage gaps and care workloads along gendered lines, making the case that ignoring gender meant ignoring significant economic impacts. Leadership and politics mattered as well: women trade ministers and negotiators in countries such as Canada, Chile and Rwanda actively promoted gender inclusion in agreements they shaped (see Box 5.5 on Rwanda). Finally, global frameworks—including commitments under the Sustainable Development Goals, the Beijing Platform for Action and ILO conventions—reinforced gender mainstreaming as a legitimate and expected dimension of trade governance.

Here is a typology of gender provisions in trade agreements:

'Best endeavours' clauses (weakest)

- **Example:** "Parties shall endeavour to promote women's economic empowerment."
- **Legal status:** Non-binding and aspirational; typically excluded from dispute-settlement mechanisms (Kuhlmann and Bahri 2023).
- **Typical location:** Asia-Pacific agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), where gender language appears in preambles or development chapters rather than core trade rules.
- **Effect:** Symbolic inclusion without material accountability (Hughes 2019).

Cooperation and dialogue provisions (intermediate)

- **Content:** Commitments to share data, hold consultations, or cooperate on capacity-building initiatives related to women's entrepreneurship and trade.
- **Institutional form:** Often housed in stand-alone gender chapters or memoranda of understanding that fall outside binding dispute-settlement coverage (Bahri 2019 and 2021).
- **Enforcement:** Relies on voluntary reporting, peer review or 'naming and shaming' rather than legal remedies (ITC 2020).

Binding commitments (strongest)

- **Content:** Legally enforceable obligations tied to labour-rights or non-discrimination provisions; for example, 'Each Party shall ensure equal pay for work of equal value'.
- **Mechanisms:** May be subject to the agreement's main dispute-settlement process, enabling sanctions or compensation if violated (Bahri 2019 and 2021).
- **Examples:** These are more common in newer North American and European agreements, such as the USMCA or EU association accords, where gender equality is embedded in labour chapters but still blended with 'endeavour' language (Hughes 2019). See Box 5.3.

BOX 5.3

Case Study 1: THE UNITED STATES–MEXICO–CANADA AGREEMENT (USMCA)

This case shows how gender language has evolved, from symbolic inclusion in NAFTA to more enforceable—though still limited—forms in the USMCA.

Background: The USMCA, which entered into force in 2020 as NAFTA's successor, marked the first major trade agreement among large economies to integrate explicit gender references within its labour and cooperation chapters. The negotiation context reflected growing recognition that trade liberalization had produced uneven employment and wage effects by gender, especially in manufacturing and agriculture.

Key gender-relevant provisions:

- **Non-discrimination and workplace equality:** Parties "shall endeavor to ensure equal treatment of women and men in employment and occupation" (USMCA Art. 23.9).
- **Violence and harassment:** Commitments to guarantee effective remedies for victims of gender-based violence and harassment at work.
- **Leadership and representation:** Pledges to promote women's participation in decision-making positions related to trade and production.
- **Monitoring and cooperation:** Annual meetings among labour ministries and gender focal points to review progress and share data.

Enforcement and limitations: The USMCA's labour chapter is legally enforceable, allowing labour-rights complaints that can trigger dispute-settlement panels. Yet the gender clauses remain mostly 'best-endeavour' commitments. They signal a normative advance but depend on domestic implementation and political momentum rather than hard sanctions (Kuhlmann and Bahri 2023; ITC 2020).

Gendered outcomes to date: Evidence from Mexico's maquiladora sector suggests mixed results. Labour reforms linked to USMCA enforcement have improved union registration and wage transparency, but persistent occupational segregation and care deficits limit women's gains.

DISCUSSION

Ask participants: Why do you think gender provisions that sound strong on paper often produce limited change in practice? What domestic mechanisms could make them more effective?

Why provisions fail in practice. Key points to draw out:

- **Weak legal status:** Most gender provisions use 'best endeavours' language ('shall endeavour to', 'should promote') rather than binding obligations; many are in preambles or separate chapters excluded from dispute settlement.
- **Not enforceable:** Unlike tariff violations, gender provision breaches rarely trigger remedies or sanctions.
- **Implementation gap:** International commitments require domestic legislation, institutions, budget and political will to translate into action—these are often missing.
- **Monitoring absence:** No baseline data, no reporting requirements and no accountability mechanisms to track whether commitments are met.
- **Marginalized in negotiations:** Gender chapters are often negotiated separately from core economic provisions, by less powerful ministries, without input from women's organizations.

Domestic mechanisms that could help. Responses to encourage:

- **Legislation:** Translate treaty commitments into enforceable domestic law with clear obligations.
- **Institutional mandates:** Empower gender ministries or create gender focal points in trade/industry agencies with real authority and budget.
- **Gender impact assessments:** Require assessment before and after trade agreements, with public reporting.
- **Parliamentary oversight:** Legislative review of trade agreements' gender dimensions, and regular progress reporting.
- **Civil society monitoring:** Formal roles for women's organizations in tracking implementation, with access to data and policy processes.
- **Budgetary commitment:** Allocate resources for implementation—training, support programmes, data collection—not just symbolic statements.

Key insight: The gap between paper and practice reflects power—who negotiates, who monitors and who enforces. Closing that gap requires shifting power towards those who have stakes in gender outcomes.

BOX 5.4

Case Study 2: THE AFRICAN CONTINENTAL FREE TRADE AREA (AFCFTA)

This case illustrates how a regional agreement designed by developing countries integrates gender and inclusion principles from the outset, reflecting lessons from past liberalization episodes.

Background: The AfCFTA, launched in 2021, unites 54 African nations in the world's largest free-trade area by membership. Its preamble explicitly commits to "promoting gender equality and the empowerment of women": a first for an African trade framework. The agreement emerged from the African Union's Agenda 2063, which identifies women's participation in trade and value chains as central to structural transformation (Bahri 2021; UNECA 2020).

Key gender-related commitments:

- **Empowerment objectives:** Inclusion of women's economic empowerment as an explicit development goal.
- **Informal and small-scale cross-border trade:** Simplified customs and border procedures to facilitate women traders' movement, recognizing that they comprise 60 to 70 per cent of informal cross-border traders in the region (ITC 2020; UN Women 2019).
- **Services trade:** Eased temporary movement of natural persons in sectors such as education, healthcare and tourism – areas with high female participation.
- **Implementation mechanisms:** Gender-mainstreaming directives for the AfCFTA Secretariat and member-state strategies to ensure women's inclusion in national trade policy formulation (UNECA 2020).

Implementation challenges:

- Translating continental commitments into domestic law requires capacity and resources that many states still lack.
- Informal traders often lack identification, finance or legal protections to access new market opportunities (Braunstein 2021; ITC 2020).
- Monitoring frameworks are nascent; success depends on data collection and institutional accountability (Hughes 2019).

Gendered potential and risks: If implemented effectively, AfCFTA could enhance women's access to formal markets, credit and social protection. However, without parallel investment in infrastructure and care services, liberalization may expand workloads without raising incomes.

See Appendix 5B for optional group exercise: Trade agreement gender assessment.

5.4.2 INDUSTRIAL POLICY FOR INCLUSIVE DEVELOPMENT: BEYOND MARKET FAILURES

At its core, industrial policy refers to deliberate state actions to shape the structure of production and employment in ways so that they advance long-term development goals. Industrial policy encompasses a wide range of instruments: sectoral subsidies, targeted credit allocation, public infrastructure investment, technology-transfer requirements, export promotion, and state-led coordination of private investment (Rodrik 2004; UNCTAD 2016).

Unlike the passive mainstream view on international trade—that markets alone determine comparative advantage and free market competition at the global level should shape trade patterns—industrial policy recognizes that what a country *produces* shapes what it can *become* in global markets. Upgrading from low-productivity agriculture or assembly to higher-value manufacturing and services expands fiscal capacity, learning and technological spillovers. Hence the non-mainstream (alternative) approach to trade calls for implementing of deliberate industrial policies towards creating competitive advantages for countries in global markets.

Industrial policy has regained prominence after some decades of market orthodoxy. The COVID-19 pandemic, climate transition and digital revolution revealed that strategic state capacity—to coordinate, invest and plan—is essential for resilience. Industrial policy today is not about 'picking winners' but creating capabilities: investing in people, institutions and linkages that generate inclusive, sustainable growth.

The traditional mainstream rationale for industrial policy – correcting market failures

The standard economic justification for industrial policy is that private markets underprovide key public goods. Information and coordination failures lead individual firms to underinvest in research and development or workforce skills because the benefits spill over to competitors and the broader economy. Externalities (e.g. pollution, congestion and social infrastructure that is underfunded) can distort efficient outcomes in ways that markets alone can not correct. Capital-market imperfections mean credit constraints prevent promising firms from making productivity-enhancing investments, even they would be socially beneficial. Industrial policy steps in to correct these failures through targeted support, regulation and public investment (Amsden 2001; Rodrik 2004). Yet as Seguino and Braunstein (2019) have emphasized, this conventional framing treats social inequality as if it were outside the economic domain and—thus missing how markets also fail along gendered lines.

The feminist economics rationale – correcting social failures

From a feminist economics perspective, market failures are simultaneously social failures (Braunstein 2021). Gender segregation, care burdens and wage discrimination distort how labour and capital are allocated just as much as credit constraints or information asymmetries do. These 'social distortions' depress productivity, narrow aggregate demand, and bias innovation towards male-dominated sectors—outcomes that conventional market-failure analysis overlooks.

A gender-responsive industrial policy therefore expands the definition of efficiency. Who participates in new sectors matters for aggregate productivity and income distribution, not just the growth of those sectors. Public investment in care infrastructure—health, education and childcare—is not consumption spending to be minimized, but productive capital that sustains the labour force and enables women's economic participation. It is clear that effective policy must integrate both sides of the economy: the productive and the reproductive.

Braunstein (2019) argues that without explicit gender goals, industrial transformation can reproduce old hierarchies in new industries. The 'defeminization' pattern seen in many developing countries (women entering manufacturing in early export phases and exiting as technology and wages rise) is not inevitable but policy-driven. It reflects choices about training, hiring and sectoral targeting that industrial policy can either reinforce or counteract.

Modern industrial policy is about creating productive ecosystems, not just supporting isolated industries. It coordinates trade, fiscal, energy, education and digital policies to generate synergies across the economy.

'Mission-oriented industrial strategy' treats markets as constructed systems that can and should be designed to serve public goals (Mazzucato and Kattel 2020). Rather than correcting failures after the fact, mission-oriented policy shapes markets from the start, embedding social and environmental objectives directly into production, innovation and investment.

Missions are ambitious, outcome-driven objectives —like expanding universal care, digitizing inclusive education and decarbonizing the economy—that can be used to mobilize multiple sectors towards shared transformation. Successful missions:

- Cut across ministries and industries.
- Combine top-down direction with bottom-up experimentation.
- Build long-term capacity, not short-term profit cycles.

Gender-responsive mission orientation

Feminist economists extend mission-oriented policy by centring who benefits from missions and who participates in designing them. As Braunstein (2021) and UN Women (2019) emphasize, gender equality and care are not side goals—they are core missions for inclusive and sustainable industrialization.

BOX 5.5

Case Study 3: RWANDA'S GENDERED DEVELOPMENT STRATEGY

After the 1994 genocide, Rwanda's reconstruction strategy explicitly treated gender equality as a precondition for sustainable growth and governance. The 2003 Constitution introduced gender quotas of at least 30 per cent in all decision-making bodies, which was later far exceeded —women now hold 61 per cent of parliamentary seats, the highest share in the world.

Policy measures comprised:

- **Legal reforms:** Equal property and inheritance rights for women.
- **Institutional reforms:** Creation of gender focal points in ministries, gender budgeting in all sectors, and mandatory impact assessments for new policies.
- **Economic programmes:** Women's cooperatives in coffee and horticulture, access to microfinance, and training for non-traditional sectors (construction, ICT).
- **Education and social programmes:** Expansion of girls' secondary education, public childcare pilots, and vocational schools targeting female youth.

Outcomes:

- Annual GDP growth averaging 7 to 8 per cent for over a decade.
- Rapid increases in women's business ownership and participation in value chains.
- Improved indicators in education, health and governance (UN Women 2019).

Key insight: Rwanda shows that when political commitment, legal reform and industrial strategy move together, gender equality can evolve from a social aspiration into a macroeconomic growth driver.

A gender-responsive mission-oriented strategy:

- Integrates care and equality into mission design, for example, 'achieving a carbon-neutral and care-rich economy' (see Module 7: Ecological Crisis and the Green Transformation, on purple economy complementing the green economy).
- Uses gender-responsive budgeting and procure-ment to reward firms that hire and promote women or provide childcare and training.
- Recognizes care infrastructure—education, health and childcare—as industrial foundations that underpin productivity, labour supply and innovation.
- Encourages participatory governance, ensuring that women's organizations, cooperatives, and small and medium-sized enterprises (SMEs) have a seat in mission councils and decision-making bodies.

Supporting women entrepreneurs and SMEs

Women's enterprises often cluster in small-scale, informal or low-value activities. Industrial and trade policy can enable scaling and innovation.

Barriers to women's participation:

- **Limited collateral and credit access:** Women often lack formal land titles or business assets.
- **Male-dominated networks:** Informal business associations and export clubs exclude women entrepreneurs.
- **Regulatory and certification burdens:** Complex export procedures and high compliance costs are barriers to access.
- **Time and mobility constraints:** Care responsibilities and safety concerns limit travel and networking.

Policy levers:

- **Finance and risk-sharing:** Gender-targeted credit lines, loan guarantees, and matching grants for women-owned enterprises.
- **Capacity-building:** Export-readiness and digital skills training; mentorship networks linking established and emerging women entrepreneurs.
- **Institutional mechanisms:** 'Gender desks' in trade and investment promotion agencies to provide information, coordination and support.
- **Social infrastructure:** Childcare facilities in industrial parks; safe transport programmes for workers and traders.

Example: Ghana's Women Entrepreneurs Finance Initiative integrates concessional finance, digital training and trade promotion. The programme has expanded women-owned export businesses and increased participation in manufacturing value chains (ITC 2020).

5.4.3 CONTEMPORARY CHALLENGES: THE FUTURE OF WORK AND TRADE

This concluding segment brings together four major, interconnected transformations—digitalization, automation, climate transition and the tariff shock—and explores how each reshapes gendered opportunities and risks in global trade and industrial policy. These are not separate trends but overlapping forces that will determine the inclusiveness and sustainability of future growth.

Digitalization and the platform economy

Digitalization has transformed how goods, services and labour are exchanged. Platforms for e-commerce, freelancing and remote services have lowered entry barriers, enabling small businesses and individuals to reach global markets. Yet the benefits are unevenly distributed, with deep gender and regional divides.

Digital platforms can democratize access to global markets and reduce mobility barriers that often restrict women's participation in trade. Online marketplaces (e.g. Etsy, Alibaba, MercadoLibre) and freelancing hubs (e.g. Upwork, Fiverr) allow women to sell products or services from home, accommodating their care responsibilities. E-learning and telework platforms have also expanded opportunities for women in education, translation and creative industries.

However, feminist economists view digitalization as a 'double-edged innovation': it can erode gendered barriers to entry, but if it is unregulated it can reinforce precarity (Braunstein 2021) (see also Module 3: Employment, Decent Work and Social Protection, the session on Technology, AI and the future of work).

Persistent risks:

- **Digital divides:** Women are 19 per cent less likely to use mobile internet than men globally, with wider gaps in low-income countries (GSMA 2023).
- **Platform precarity:** Gig and freelance work often lack social protection, predictable income and collective bargaining rights.
- **Algorithmic bias:** Hiring and rating systems can reproduce discrimination by penalizing women based on their names, languages or career interruptions due to caregiving.
- **Online harassment:** Safety concerns limit women's participation and visibility online.

Gender-responsive digital policy measures:

- **Infrastructure and inclusion:** Public investment in broadband, mobile access and digital literacy training targeted at women.
- **Regulation and labour standards:** Extend worker protections—minimum wage, social insurance, dispute resolution—to digital platforms.
- **Data governance:** Transparent algorithms and anti-discrimination audits for hiring and rating systems.
- **Cooperative models:** Support women-led digital cooperatives and social enterprises as ethical alternatives to profit-driven platforms.

Automation and the future of manufacturing

Automation, robotics and artificial intelligence (AI) are transforming production and global value chains. Routine, repetitive tasks—where women are often concentrated—are the most vulnerable to automation. According to UNCTAD (2024), the share of service investment within manufacturing has nearly doubled since 2003, as value creation shifts towards design, logistics and digital interfaces.

Gendered employment impacts:

- **Job displacement:** Women concentrated in assembly, textiles and data processing face disproportionate risk from automation.
- **Skill polarization:** High-tech, engineering and managerial roles—typically male-dominated—capture new demand.
- **Defeminization risk:** As production upgrades technologically, men re-enter sectors that were 'feminized' in earlier export phases (Tejani and Milberg 2016).

These trends can widen wage gaps and weaken the labour share of income (Seguino and Braunstein 2019). Yet automation need not produce exclusion. With coordinated skill and care policies, it can release women from drudgery while opening pathways to more creative, better-paid work.

Gender-responsive policy measures in response to automation:

- **Targeted retraining:** Provide reskilling programmes to enable women displaced from routine manufacturing to move into digital, green or care sectors.
- **Social protection for transition:** Expand unemployment insurance, wage subsidies and pension portability.
- **Inclusive innovation ecosystems:** Link productivity upgrading to labour standards, wages and gender equality certification for firms.
- **STEM education pipelines:** Align secondary and tertiary training with new industry needs and gender parity goals.

See Appendix 5C for optional group exercise: Designing a gender-responsive trade and industrial strategy.

Climate change, green trade and the purple economy

The global shift towards a low-carbon economy is redefining competitiveness and redrawing trade patterns. Fossil-fuel exporters face declining demand, while renewable-energy technologies, green materials and critical minerals (lithium, cobalt, copper) are driving new industrial frontiers (UNCTAD 2024). Yet this transition has significant gender dimensions. Renewable energy, engineering and construction remain heavily male-dominated, reproducing sectoral segregation in the industries of the future. Women are overrepresented in low-paid environmental services—waste recycling, small-scale agriculture and informal trade—where the benefits of green growth rarely reach. At the same time, women's resilience roles are often overlooked: their community networks and ecological knowledge are central to climate adaptation and resource management (UN Women 2019; Ilkkaracan 2013).

Ilkkaracan (2013 and 2026) argues that the 'purple economy'—the integration of gender equality and care into the green transition—represents the next frontier of sustainable industrial policy. Green transformation alone cannot ensure inclusion unless it addresses social reproduction and equality. A purple approach treats care work, education and health as green sectors because they sustain human well-being and reduce ecological stress (for more on this, see Module 7: Ecological Crisis and the Green Transformation).

Combining green and purple missions means investing in care infrastructure as climate adaptation—public health, water access and community services—reduces vulnerability to shocks. It means supporting women's participation in green jobs and entrepreneurship through training, finance and procurement quotas. It requires integrating gender criteria into carbon markets and trade-adjustment programmes. And it involves valuing social infrastructure as part

of the circular economy, recognizing that repairing social systems is as essential as repairing ecosystems. Translating these principles into practice requires deliberate policy design across multiple domains.

Gender-responsive green industrial policy measures:

- Inclusive green skills programmes should establish women-focused training in renewable energy, sustainable agriculture and environmental technology.
- Access to finance must be expanded through dedicated credit lines for women-led clean-tech and eco-innovation firms.
- Public procurement policies need to prioritize gender-inclusive firms in green infrastructure contracts, using government purchasing power to shape market incentives.
- Cross-ministry coordination is essential. Trade, labour, environment and gender ministries must align their strategies to design just transitions that integrate economic, ecological and social goals.

The tariff shock: Trade policy uncertainty and gender

The 2025 tariff shock was a structural challenge for gender-responsive trade policy (see Box 5.1). Rising tariffs and policy uncertainty have affected women through multiple channels, compounding existing vulnerabilities in global labour markets.

Employment effects are immediate and severe. Women workers are concentrated in female-intensive export sectors—garments, textiles, agriculture and electronics assembly—precisely the industries facing the highest tariff increases. When export orders decline or factories relocate to avoid tariffs, women workers are often the first to lose jobs. The most vulnerable are women in countries facing both high tariffs and expiring preferential access, such as AGOA beneficiaries in sub-Saharan Africa who were confronting a double shock to their market position.

Supply chain reorganization creates both opportunities and risks. Some countries may gain from trade diversion as sourcing shifts away from tariff-affected economies. But competition to attract mobile investment can trigger 'race to the bottom' dynamics in wages and labour standards, as governments and firms seek to offset tariff costs through other means. Women's positions are especially vulnerable to such downward pressure given existing wage gaps and weak bargaining power in export sectors.

Policy uncertainty itself may be the most damaging aspect of all. When firms cannot predict market access conditions, they delay investment, reduce hiring and shift towards more precarious employment arrangements. Planning horizons shorten, making long-term investments in training, childcare and social infrastructure harder to justify—even though these are precisely the investments needed to build resilience. Women workers, already concentrated in flexible, temporary and informal positions, face the greatest insecurity as uncertainty ripples through supply chains. Addressing these challenges requires coordinated action across several fronts.

Gender-responsive policy measures in response to the tariff shock:

- Social protection for trade-displaced workers must include unemployment insurance, retraining programmes and childcare support during transitions, recognizing that women face distinct barriers to re-employment.
- Diversification of export markets and products can reduce dependence on any single market or preference scheme, building resilience against unilateral policy shifts.
- Regional integration and South–South trade offer pathways to alternative trade relationships that are less vulnerable to tariff shocks from major economies.
- Policy advocacy remains essential, making the case that vulnerable economies with minimal impact on bilateral trade deficits should be exempted from punitive tariffs that harm workers without achieving their stated objectives.

DISCUSSION

Ask participants: How might the current tariff environment affect women workers in your country's main export sectors? What policy responses would be most effective?

Key points to cover include:

Effects on women workers:

- **Employment effects:** Sectors facing high tariffs (garments, textiles, agriculture) are female-intensive. Job losses or wage cuts will disproportionately affect women. Countries facing both tariffs and expiring preferences (e.g. AGOA) face double shocks.
- **Supply chain effects:** Some countries may gain from trade diversion, but competition for mobile investment may trigger a 'race to the bottom' in wages and labour standards, with women most vulnerable to its consequences.
- **Uncertainty effects:** Policy uncertainty discourages investment and pushes employers towards more precarious, flexible employment arrangements, worsening women's job quality.

Effective policy responses:

- **Social protection:** Provide unemployment insurance, retraining programmes and childcare support for displaced workers.
- **Diversification:** Reduce dependence on single markets or products.
- **Regional integration:** Strengthen South–South trade relationships.
- **Advocacy:** Make the case internationally for exempting vulnerable economies.

Concluding insight: The future of work is the future of care

Across digital, automated and green transformations, a central thread emerges: the organization of care will determine who benefits from future growth. Economies that invest in social infrastructure—education, health, childcare—will be more adaptable, innovative and equitable. Those that treat care as a residual cost rather than a foundation for productivity will find themselves trapped in low-value, exclusionary growth paths.

Feminist economists call for mission-oriented, purple–green strategies that see inclusion not as what happens after growth, but as the design principle of growth itself. This reframing is not merely ethical—it is analytically essential for understanding how economies actually function and who sustains them (see also Module 7 on purple–green strategies).

Industrial and trade policies that shape the next generation of work must therefore pursue three interrelated goals: democratize technology so that its benefits are broadly shared rather than captured by a narrow segment of workers and firms; protect and upgrade labour through rights, training and decent work standards that extend to women and informal workers; and build the social foundations—care, equity and participation—on which sustainable competitiveness truly depends.

KEY TAKEAWAYS FROM SESSION 5.4:

- Trade agreements have evolved to include gender provisions, but most remain non-binding and excluded from dispute settlement. Effective gender mainstreaming requires linking commitments to enforceable mechanisms and domestic implementation.
- The multilateral trading system is under strain, with key WTO agreements requiring revision to address development and gender concerns. The shift to bilateral and regional agreements creates both opportunities and risks.
- Preferential access schemes are vulnerable to withdrawal, threatening export sectors where women are concentrated. Building resilience requires diversification and strengthening regional trade linkages.
- Industrial policy is returning to the centre of development strategy. A feminist approach treats care infrastructure as productive investment and ensures women's participation in emerging sectors through deliberate policy design.
- Mission-oriented industrial policy can be gender-responsive when equality and care are treated as core objectives, not afterthoughts. This requires gender-responsive budgeting, procurement and participatory governance.
- Digitalization, automation and climate transition are reshaping both gendered opportunities and risks. Without deliberate intervention, these transformations may reproduce or deepen existing inequalities.
- The tariff shock creates immediate challenges for women workers in export sectors. Gender-responsive policy responses require social protection, diversification, regional integration and policy advocacy.
- Across all these transformations, a central insight emerges: the organization of care will determine who benefits from future growth. Economies that invest in social infrastructure—education, health and childcare—will be more resilient, innovative, equitable and sustainable.

5.5 TOWARDS GENDER-RESPONSIVE TRADE AND OPEN ECONOMY POLICY

This module has traced the gendered dimensions of international trade and open economy macroeconomics, from theoretical debates to employment patterns, from exchange rate dynamics to industrial policy design. To conclude the module, it is worth drawing together the central insights that should inform gender-responsive policy in these domains.

Trade is not gender neutral

A foundational lesson of feminist economics is that trade policy is never gender neutral, even when it makes no explicit reference to women or men. Trade liberalization, exchange rate movements, capital flows and industrial strategies all operate through economies that are already structured by gender—by occupational segregation, wage gaps, and women's unequal care responsibilities and unequal access to assets and mobility.

The question is not whether trade affects gender equality, but how—and whether policy can steer those effects towards more equitable outcomes. As we have seen:

- Export-oriented growth created millions of jobs for women but concentrated them in low-wage, precarious segments where 'comparative advantage' rested on gender discrimination and unpaid care work.
- Global value chains offer integration but not transformation when women remain locked into the lowest-value tasks while lead firms capture the gains.
- Macroeconomic adjustment transmits through households, with women's unpaid labour serving as a hidden shock absorber when currencies depreciate, capital flees or austerity bites.

The reproductive economy as the foundation of the productive economy

Across every topic in this module, from the feminization of labour to balance of payments constraints, a consistent theme has emerged: the reproductive economy underpins the productive economy. Unpaid care work, social infrastructure, and the daily labour of sustaining households and communities are not separate from trade and macroeconomics; they are the foundation on which market production depends.

Feminist economists insist that this foundation must be made visible and valued:

- Care infrastructure is productive investment. Spending on health, education and childcare raises labour productivity, expands women's economic participation, and builds resilience to external shocks.
- Low wages in export sectors depend on suppressed social reproduction costs. When governments and employers do not invest in care, households—and especially women—absorb those costs through unpaid work.
- Global care chains reveal the international division of reproductive labour. Migration transfers care from poorer to wealthier economies, reproducing inequality across borders, unless governed by principles of fairness and reciprocity.

Policy space matters

A recurring constraint seen throughout the module has been policy space—the room governments have to pursue development strategies that serve their populations rather than external creditors or investors. Balance of payments pressures, debt burdens, trade agreement commitments, and conditionalities attached to international lending all narrow the options available to policymakers, i.e. the policy space.

From a gender perspective, the erosion of policy space is particularly damaging because:

- Austerity disproportionately affects women, who depend more on public services and who provide unpaid labour when services are cut.
- Industrial policy requires space to experiment, to support emerging sectors, and to attach conditions (including gender conditions) to incentives—space that restrictive trade rules can foreclose.
- Social protection systems need fiscal capacity to cushion workers, especially women in precarious employment, against trade shocks and structural transitions.

Defending and expanding policy space is therefore a gender equality priority. This means advocating for trade agreements that preserve flexibility, for debt relief and restructuring that protects social spending, and for international financial arrangements that do not force governments to cut spending precisely when their economies—and their most vulnerable citizens—need support most.

From analysis to action: Principles for gender-responsive policy

The analysis in this module has identified several principles that should guide gender-responsive trade and open economy policy:

1. **Integrate the productive and reproductive economies.** Policy frameworks should recognize care as infrastructure, include time-use and unpaid work in economic analysis, and ensure that trade and macroeconomic strategies do not shift costs onto women's unpaid labour.
2. **Pursue structural transformation with inclusion.** Industrial upgrading and diversification are essential for sustainable development, but upgrading that excludes women reproduces inequality in new forms. Gender-responsive industrial policy deliberately creates pathways enabling women to enter emerging sectors through training, finance, procurement and workplace policies.
3. **Make trade agreements work for equality.** This means moving beyond symbolic gender provisions towards enforceable commitments, ensuring gender impact assessments inform negotiations, and preserving policy space for gender-responsive social and industrial policy.
4. **Manage external vulnerability with care.** Exchange rate, capital account and debt management policies should be evaluated for their gendered impacts. Adjustment costs should not be pushed through household budgets and women's time. Social protection should be countercyclical, expanding when external shocks hit rather than contracting.
5. **Build coalitions for change.** Gender-responsive trade and macroeconomic policy requires alliances across ministries (e.g. trade, finance, labour, gender and social development), engagement with women's organizations and workers' movements, and international solidarity to reshape rules that currently constrain progressive policy.

The purple–green vision for the future: Putting care at the heart of green transformation

As we have seen in the discussion of contemporary challenges, the future of trade and development will be shaped by intersecting transformations: digitalization, automation and the climate transition. Each of these presents risks of reproducing or deepening gender inequality, but also opportunities to build more inclusive economies.

The concept of the 'purple economy' (Ilkkaracan 2013 and 2026) offers a vision for this future: an economy that integrates gender equality and care into the heart of green transformation. Rather than treating social policy as redistribution after growth, the purple economy treats inclusion as the design principle of growth itself. This means:

- Democratizing technology so that digitalization expands opportunities for women rather than concentrating gains among platform owners and the already-connected.
- Ensuring just transitions so that workers displaced by automation or decarbonization —disproportionately women in some sectors— have pathways to decent alternative employment.
- Recognizing care as green infrastructure, because investments in health, education and social services reduce ecological stress while building human capabilities.

CONCLUSION

International trade and open economy dynamics shape, and are shaped by, gender relations. The patterns documented in this module are not inevitable—they reflect policy choices, power relations and institutional arrangements that can be changed.

The task for policymakers, advocates and analysts is to bring a feminist economic lens to trade and macroeconomic governance: to make visible what has been hidden, to challenge assumptions that normalize inequality, and to design policies that recognize the interdependence of production and reproduction, of markets and care.

Trade can be a tool for development and empowerment, but only if it is governed by principles of equity, sustainability and human flourishing rather than by the narrow pursuit of competitiveness built on women's disadvantage.

APPENDICES

APPENDIX 5A
OPTIONAL GROUP EXERCISE: GENDERED IMPACTS OF EXPORT-ORIENTED INDUSTRIALIZATION

This exercise helps participants apply the structural and feminist frameworks explored in the module to real-world trade experiences. It highlights how export-led growth shapes gender relations, employment quality and development trajectories across countries.

Set-up:

- Divide participants into pairs or small groups.
- Provide printed or digital case briefs (below), with each pair getting both cases.
- Supply analysis framework (below).

CASE A:

BANGLADESH READY-MADE GARMENTS INDUSTRY

Bangladesh is the world's second-largest garment exporter after China. The industry contributes around 84 per cent of export earnings and employs over 4 million workers, roughly 80 per cent women.

Key facts (2024):

- **Average monthly wage:** US$110, raised from US$95 in 2022.
- **Typical workweek:** 60+ hours during peak seasons.
- **Factory safety:** Improved since Rana Plaza disaster (2013), but compliance varies.
- **Global buyers:** H&M, Walmart, Gap, Zara, Marks & Spencer.

Women workers: Mostly rural migrants aged 18–35, with limited education, supporting dependants through remittances.

Gendered dynamics:

- Wages remain low relative to productivity.
- Women have limited promotion pathways or voice in factory governance.
- Informal childcare arrangements are common; public provision is scarce.

CASE B:

MEXICO'S MAQUILADORA ELECTRONICS MANUFACTURING

Mexico's maquiladora programme (1965 to present) created a large export platform along the United States border. Electronics and auto parts dominate.

Key facts:

- **Employment:** peaked at 1.3 million; it is now about 1.1 million.
- **Gender composition:** shifted from 85 per cent women (1970s) to about 55 to 60 per cent today.
- **Average wage:** US$300 to US$450 per month, rising with nearshoring demand.
- **Automation** and **regional integration** are reshaping skill needs.

Trends:

- **Early assembly (1970s–1980s)** – feminized, repetitive, low-skill work.
- **Upgrading (1990s–2000s)** – technological change favoured male technicians.
- **Nearshoring (2020s)** – potential to relocalize production, but risks repeating gender segmentation unless policy intervenes.

TABLE 5A.1

Analytical framework

Dimension	Guiding questions
1. Employment outcomes	Who got jobs? What was the quality (wages, security, mobility)? Did employment translate into empowerment?
2. Gender dynamics	How did gender norms shape hiring, pay and working conditions? Did women gain decision-making power or autonomy?
3. Structural position	Where does each country sit in global value chains? Who controls value capture? What determines competitiveness?
4. Social and policy context	What policies (labour, trade, education, care) influenced outcomes? How could they have been more gender responsive?

Source: Author's elaboration.

DISCUSSION

Ask participants to consider: What explains the different gender trajectories in Bangladesh and Mexico?

- **Bangladesh:** The garment sector remains heavily feminized (80 per cent women), even as it has grown. This reflects the industry remaining in labour-intensive assembly with limited technological upgrading. Women's concentration persists because the cost-competitiveness model depends on low female wages.
- **Mexico:** Maquiladoras have defeminized significantly (85 per cent to ~60 per cent women) as electronics production upgraded technologically. Men were recruited for technical and supervisory roles; women remained in assembly.
- **Key difference:** The nature of upgrading. Bangladesh has experienced limited technological upgrading, while Mexico has undergone substantial capital deepening and automation. Defeminization follows capital intensity.

How do upgrading, automation or nearshoring affect gender equity?

- **Upgrading:** Without deliberate intervention, upgrading tends to masculinize employment as tasks become more technical and higher-paid. Skills training, gender quotas and workplace policies can counteract this.
- **Automation:** Displaces routine tasks where women are concentrated. New jobs created tend to require technical skills that women have less access to due to educational segregation.
- **Nearshoring:** Can create opportunities if investment includes training and fair labour standards. Risk of reproducing gender segmentation if policies don't deliberately promote women's participation in new activities.

Who gained most from export-led growth – firms, states or workers?

- **Firms (especially multinational buyers and brand owners):** Captured most value through control of design, branding and market access. Squeezed suppliers on price and delivery.
- **States:** Gained export revenues, some fiscal capacity and employment creation. But constrained by need to maintain 'competitiveness' through low wages and taxes.
- **Workers:** Gained employment, but often under poor conditions. Real wages in many export sectors have stagnated despite productivity growth. Women workers gained least relative to their labour inputs.

What would a feminist industrial strategy look like in each case?

For Bangladesh:

- Enforce living wages and safety standards, invest in skills upgrading for women, build care infrastructure to support women workers, and diversify into higher-value products while maintaining women's employment share.
- Real-world precedents: Tunisia's garment sector has experimented with gender quotas in technical training programmes; South Korea expanded public childcare dramatically during its industrialization, helping sustain women's labour force participation as manufacturing upgraded (Ilkkaracan 2012).

For Mexico:

- Use nearshoring opportunity to attach gender conditions to investment incentives, require training programmes that include women in technical roles, invest in STEM education for girls, ensure that wage gains from upgrading reach women workers.

Real-world precedents:

- Costa Rica's industrial policy explicitly targets green jobs with gender-equity goals;
- Several Latin American export processing zones have introduced gender-responsive workplace standards under pressure from labour coalitions (Bahri 2019).

Responsibilities of buyer countries and firms

A feminist industrial strategy cannot rely solely on producing countries. Global North buyers, governments and consumers also have responsibilities:

- **Due diligence requirements:** The EU's Corporate Sustainability Due Diligence Directive (2024) requires large companies to identify and address human rights and environmental risks in their supply chains, including labour standards and gender equality. Similar legislation is emerging in Germany, France and other jurisdictions (Kuhlmann and Bahri 2023).
- **Trade agreement labour standards:** The EU Green Deal provides a precedent for linking market access to standards compliance. Similar approaches could be applied to labour rights and gender equality, requiring suppliers to meet ILO core labour standards, living wages and gender pay equity as conditions for preferential trade access (ITC 2020).
- **Fair trade and consumer pressure:** Consumer demand for ethically sourced goods has pushed some brands to adopt stronger supplier standards. Fair trade certification, while limited in scale, demonstrates that consumers will pay premiums for verified labour conditions. Scaling this requires regulatory backing, not just voluntary initiatives (Barrientos 2019).
- **Buyer purchasing practices:** Global North buyers often squeeze suppliers on price and lead times, making it impossible to pay decent wages or invest in upgrading. Fair purchasing practices —predictable orders, reasonable lead times, cost-sharing for compliance—are essential. The ILO's 'Better Work' programme shows this is feasible when buyers commit (ILO 2023).

FURTHER RESOURCES

ILO (2023). *Improving Working Conditions in the Ready-Made Garment Industry: Progress and Achievements.* Geneva: International Labour Organization.

Kabeer, N. (2000). *The Power to Choose: Bangladeshi Women and Labour Market Decisions in London and Dhaka.* London: Verson Books.

Tejani, S., and Milberg, W. (2016). "Global defeminization? Industrial upgrading and manufacturing employment in developing countries." *Feminist Economics* 22(2): 24–54. (Analyses defeminization patterns across countries, including detailed Mexico case.)

UNCTAD (2024). *Trade and Development Report 2024: Rethinking Development in the Age of Discontent.* Geneva: United Nations Conference on Trade and Development.

APPENDIX 5B
OPTIONAL GROUP EXERCISE: TRADE AGREEMENT GENDER ASSESSMENT

This activity explores the implementation of gender provisions in the African Continental Free Trade Area (AfCFTA). It aims to strengthen participants' skills in gender impact assessment and inclusive stakeholder engagement within live policy contexts.

Background: The AfCFTA (effective 2021) is the largest trade area in the world, encompassing 54 countries and 1.3 billion people. It aims to increase intra-African trade by 52 per cent by 2030. The 'Protocol on Women and Youth in Trade' (2023 draft) calls for concrete measures to support women's participation, reduce cross-border barriers and ensure equitable benefit sharing.

Current gender barriers:

- Complex border and customs procedures.
- Limited access to finance and trade information.
- Violence, harassment and extortion at borders.
- Low representation of women in trade policymaking.

PART 1:
STAKEHOLDER MAPPING

Divide participants into three groups:

1. **Government** – trade, women's affairs, customs, labour, small business agencies.
2. **Private sector** – women-led enterprises, trader associations, financial institutions.
3. **Civil society** – unions, NGOs, academia, international partners.

Each group works in character as their assigned stakeholder category. Ask each group to consider:

- What are your main interests in the AfCFTA's gender provisions? What outcomes are you seeking?
- What resources, capacities and leverage does your stakeholder group bring?
- Where might your priorities conflict with those of the other two groups?
- How would you propose to give women's organizations a meaningful voice in negotiation and monitoring?

Each group presents its perspective briefly, followed by a short plenary discussion to surface tensions and potential alliances among the three groups.

PART 2:

BARRIER ANALYSIS AND SOLUTIONS

Remaining in their stakeholder groups, participants analyse the barriers below from their assigned perspective and propose gender-responsive solutions that their stakeholder group could realistically lead or implement.

Barrier	Gender dimension	Potential solutions
Border bureaucracy	Women informal traders face literacy and harassment barriers.	Simplified trade regimes, one-stop border posts, women's helpdesks.
Finance access	Women lack collateral and formal credit history.	Public guarantee funds, fintech solutions, women's enterprise banks.
Security and harassment	Violence deters cross-border trade.	Gender desks, border security training, grievance systems.
Market information	Exclusion from business networks.	Mobile apps, community radio, women trader associations.

PART 3:

IMPLEMENTATION PLANNING

Bring all three groups together. Working collaboratively, participants must negotiate a shared implementation plan covering immediate, medium- and long-term actions—drawing on the solutions each group proposed in Part 2. The plan should specify which stakeholder is responsible for each action, and how the three groups would coordinate and hold each other accountable. Encourage participants to identify and work through disagreements that arose from their different stakeholder perspectives.

Guide the closing discussion around these questions:

1. **How can regional trade governance ensure accountability for gender objectives?**
   - **Monitoring and reporting:** Regular data collection on gender outcomes (employment, wages, market access), disaggregated by sex, published publicly.
   - **Institutional mechanisms:** Gender focal points in trade secretariats, parliamentary oversight, civil society monitoring roles.
   - **Enforcement:** Link gender provisions to dispute settlement (if possible), condition technical assistance or market access on gender progress, establish peer review mechanisms.

2. **What makes a gender provision enforceable rather than symbolic?**
   - **Language matters:** 'Shall' vs 'should' vs 'endeavour to'; specific commitments vs vague aspirations; measurable targets vs general principles.
   - **Location in agreement:** Provisions in preambles weaker than in operative text; stand-alone gender chapters may be isolated from core obligations.
   - **Dispute settlement:** Are gender provisions covered by the agreement's enforcement mechanism? Can violations trigger remedies?
   - **Domestic implementation:** Even enforceable international commitments require domestic law, institutions and resources to be effective.
3. **How can cross-country coalitions of women traders sustain influence?**
   - **Organization:** Networks, federations and associations that aggregate women traders' voices across borders (e.g. FEMCOM in East Africa).
   - **Information and capacity:** Training on trade rules, know-your-rights campaigns, legal support for traders facing harassment.
   - **Access to policy processes:** Formal roles in negotiation, consultation requirements, observer status at trade bodies.
   - **Alliances:** With unions, NGOs, academics and sympathetic government officials who can amplify traders' concerns.

Key insight: Gender equality in trade is not a side objective but a measure of integration quality. Without inclusive implementation, the AfCFTA risks replicating structural inequalities across the continent.

FURTHER RESOURCES

UNECA (2020). *Gender and Trade in Africa: From Policy to Practice.* Addis Ababa: United Nations Economic Commission for Africa.

AfCFTA Secretariat (2023). *Protocol to the Agreement Establishing the African Continental Free Trade Area on Women and Youth in Trade* (Draft). Accra: AfCFTA Secretariat.

ITC (2020). *Mainstreaming Gender in Free Trade Agreements.* Geneva: International Trade Centre.

APPENDIX 5C

OPTIONAL GROUP EXERCISE: DESIGNING A GENDER-RESPONSIVE TRADE AND INDUSTRIAL STRATEGY

This policy simulation immerses participants in the complexities of policymaking under real-world constraints. It reinforces systems thinking: linking macro policy, industrial goals, labour rights and care infrastructure.

SCENARIO: 'DEVELOPISTAN' (A FICTIONAL BUT REALISTIC COUNTRY)

Country profile (2025):

- Lower middle income, 50 million people.
- **Exports:** 60 per cent commodities (coffee, cotton, lithium), 30 per cent basic textiles, 10 per cent digital services.
- **Female labour force participation:** 42 per cent (mostly informal).
- **Internet access:** 48 per cent; electricity reliability low.
- **Fiscal deficit:** 4 per cent of GDP; public debt rising.

Development challenges:

- Declining terms of trade and exposure to climate shocks.
- Commodity volatility and external debt pressures.
- High youth unemployment, especially among women.
- Weak domestic linkages in FDI-heavy sectors.

Government goals:

- Diversify exports towards manufacturing and services.
- Create decent, green and gender-inclusive jobs.
- Strengthen fiscal sustainability and external balance.

SET-UP:

Divide participants into small groups of four or five. Within each group, assign each participant one of the ministerial roles below (with fewer than five participants per group, the Planning Minister role can be dropped or combined with another). Each participant will develop priorities from their ministry's perspective, then negotiate with their fellow ministers to produce a coherent national strategy—mirroring the real-world challenge of cross-ministerial coordination.

Group role	Focus area
Trade Minister	Export diversification, trade agreements, AfCFTA/WTO coordination
Finance Minister	Fiscal balance, debt sustainability and macro policy
Industry and Labour Minister	Industrial upgrading, skills and employment standards
Women's Affairs Minister	Gender equality, care economy and inclusive growth
Planning Minister (optional)	Coordination and long-term strategy

Policy domains to address

1. **Trade liberalization and regional integration:**
   - Which sectors to prioritize or protect.
   - How to integrate gender provisions into trade agreements.
2. **Export diversification and FDI:**
   - Promote local linkages; manage enclave risks.
   - Incentivize technology transfer and women's training.
3. **Industrial policy and green transition:**
   - Use mission-oriented policies (UNIDO 2023).
   - Treat care and climate resilience as productive investment.
4. **Labour markets and social upgrading:**
   - Raise minimum wages, expand collective bargaining, formalize informal work.
   - Build universal childcare and eldercare systems.
5. **Macroeconomic coordination:**
   - Balance external competitiveness with domestic demand.
   - Use real-exchange rate policy and public investment strategically.

Simulation flow

1. **Preparation:** Each participant develops ministry priorities and constraints.
2. **Negotiation:** Ministries reconcile trade-offs and design a coherent national strategy.
3. **Presentation:** Each group presents three priority policies and explains the expected gender impacts and coordination challenges.

Note to the Facilitator: Guide the closing discussion around these questions:

1. **How did gender analysis change your trade and industrial priorities?**
   - Expect participants to note: attention to which sectors employ women, not just which are high-value; concern for job quality, not just job quantity; recognition of care infrastructure as productive investment; consideration of household-level impacts of macro policies.
   - If participants don't mention these, prompt them as follows: Did you consider who would do the work in your target sectors? Did you think about childcare?
2. **Which trade-offs were most difficult to resolve?**
   - **Common trade-offs:** Fiscal constraints vs social spending needs; export competitiveness vs wage increases; speed of industrialization vs inclusion of women; protection of existing jobs vs transformation towards new sectors.
   - **Key lesson:** These trade-offs are real but not inevitable—they reflect current rules and constraints that can be changed. The exercise reveals where current international frameworks limit gender-responsive policy space.
3. **What would a gender-blind strategy have missed?**
   - **Workforce supply constraints:** Without childcare, women may not be able to take jobs even if they are created.
   - **Quality of growth:** Gender-blind focus on export growth might create jobs that are low-wage, precarious and concentrated in a few sectors.
   - **Household impacts:** Macro policies that look good in aggregate may shift costs onto households and women's unpaid labour.
   - **Political economy:** Women's organizations may be important constituencies for reform; ignoring their interests weakens political coalitions for development.
4. **How might care and social infrastructure be financed sustainably?**
   - **Revenue sources:** Progressive taxation, resource revenues (with stabilization funds), closing tax evasion and illicit flows, reallocating military spending.
   - **Efficiency argument:** Care infrastructure raises labour productivity and participation, expanding the tax base over time—it should be seen as investment, not consumption.
   - **International support:** Debt relief, concessional finance and development assistance should prioritize care infrastructure as productive investment.
   - **Reframing:** The question is not 'Can we afford care?' but 'Can we afford not to invest in care?', given its role in sustaining the workforce and enabling growth.

Key insight: Policy coherence requires negotiation across ministries—and a feminist macro perspective to connect competitiveness with equality.

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MODULE 6

INCOME INEQUALITY AND POVERTY

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will be able to:

- **Understand conventional and alternative concepts, assumptions and measures of inequalities in income and other resources, as well as global and historical trends in inequality within and across countries.**
- **Distinguish between different approaches to poverty measurement, including absolute, relative, multidimensional and participatory approaches.**
- **Critically assess the limitations of income-based indicators of inequality and poverty, and understand feminist critiques and contributions.**
- **Understand the structural drivers and multidimensional measures of inequality and poverty, incorporating the lens of intersectionality (gender, race, region, etc.).**
- **Interpret time-use data and explain the significance of time poverty, particularly in the context of unpaid care work and the feminization of time poverty.**
- **Evaluate how macroeconomic and fiscal policies (e.g. taxation, public spending, transfers) influence inequality and poverty outcomes, especially for marginalized groups.**
- **Engage in gender-responsive policy design for reduction of inequalities and poverty.**

KEY CONCEPTS AND DEFINITIONS

Income and wealth inequality:

Inequality is a measure of dispersion. Income inequality refers to the unequal distribution by individuals or households of money resources received *over a period of time,* for example yearly income. Wealth inequality is a measure of the unequal distribution among individuals or households of total possessions *at a point in time,* for example the distribution of net worth.

Multidimensional inequality:

An approach that recognizes inequality in multiple dimensions of well-being beyond just income (such as health, education, political voice, environment and insecurity), acknowledging that disadvantages in these areas are often concentrated among specific, marginalized groups.

Functional distribution of income:

The distribution of national income by factor incomes, such as between wages (labour income) and profits (capital income).

Personal distribution of income:

The dispersion of income by level of household or individual income, ranking recipients from poorest to richest.

Group-based distribution:

A measure of inequality that analyses the proportion of total income held by a defined segment of the population according to social categories such as gender, race or region (e.g. the income share of the top 1 per cent, or the income share of women).

Well-being:

A broad concept that is the ultimate target of economics. It arises from a combination of what a person has, what a person can do with what they have, and how they think about what they have and can do. Key dimensions include material living standards, health, education, care, political voice, social connections, environment and security.

Absolute poverty:

A poverty threshold calculated as the cost of a basket of goods and services required for a minimum standard of living in a society (e.g. the World Bank's international poverty lines).

Relative poverty:

A poverty threshold set as a proportion (e.g. 50 or 60 per cent) of the median household disposable income in a society, reflecting the prevailing consumption standards.

Subjective poverty:

A poverty threshold based on self-assessed perceptions, derived from survey responses on the income level that households consider necessary for a minimum standard of living.

Cost-of-basic-needs approach:

A method for setting absolute poverty lines by calculating the minimum cost of food, clothing and shelter required for survival.

Food insecurity:

Lack of access to enough safe and nutritious food for normal growth and development and an active and healthy life. Its dimensions include availability, access, utilization, stability, agency and sustainability.

Capabilities approach:

An approach to welfare and development that focuses on people's functionings and freedoms—that is, what they can do and be (e.g. being healthy, educated or participating in community life). It moves beyond income to consider the freedom to choose a life one values.

Feminization of poverty:

The empirical observation that women, compared to men, in many regions suffer from a higher incidence of income poverty, and that women's poverty is more severe. It also points to multidimensional aspects of gender inequalities in poverty.

Note: Empirical evidence on feminization of poverty (using conventional household-level poverty measures) is mixed. According to UN Women (2016, cited in Ilkkaracan and Memiş 2021: 275), women are more likely to live in the poorest households in 41 out of 75 developing countries—most of them in sub-Saharan Africa. Yet the widely repeated claim that 70 percent of the world's poor are women is now regarded as improbable (UN Women 2016: 307).

Time poverty:

A state where the available time left to individuals or households after accounting for the time spent on paid work, commuting and minimum self-care requirements is below a minimum threshold required for unpaid care and domestic work. It is a gendered dimension of poverty that is often overlooked by income-based measures.

Measures and indices of inequality:

Statistical tools used to quantify and summarize the dispersion in the distribution of resources (primarily income or wealth) among individuals or households in a society. Each measure has distinct uses, limitations and analytical purposes, providing different insights into the level and structure of inequality. They range from summary indices capturing overall dispersion, to ratios focusing on specific population segments.

MODULE 6 OVERVIEW

This module explores the evolving research and policy discourse on income inequality and poverty from a feminist perspective. Module 3 (Employment, Decent Work and Social Protection) presented the gender employment gap and gender earnings gap as a fundamental source of inequalities in gender distribution of income, with implications for gendered poverty patterns. Module 6 now contextualizes this discussion in the economics analysis and policy discussion on economic inequalities, before making linkages between inequalities and poverty.

The module centres unpaid work to conduct a gender-responsive analysis of inequality and poverty. This focus brings to light two critical, yet often overlooked, aspects. First, the interaction between paid and unpaid work is a primary driver of gender inequalities both inside and outside the labour market. Second, while care is a fundamental dimension of well-being, inequalities in its provision and access are excluded from standard economic analysis. By centring unpaid work, the module explores the structural and macro-economic drivers of these inequalities. Consequently, it proposes a discussion that moves beyond the traditional poverty and inequality alleviation responses, and examines how macroeconomic policies can perpetuate or combat gender inequities.

Sessions 6.1 through 6.3 introduce foundational and critical approaches to measuring inequalities in distribution of income, emphasizing the limitations of conventional metrics and the importance of multidimensional, gender-aware frameworks. The discussion contextualizes global trends in income inequality within broader economic dynamics and provides tools to analyse how economic policies shape distributional outcomes. Session 6.4 moves onto a discussion of poverty measures, conventional metrics, and their critiques and alternatives from a gender-aware perspective. It explores measures integrating time poverty, care work and the intersection of gender with other social categories. The module ends with exploring gender-responsive policy interventions on income inequality and poverty.

CORE SESSIONS

6.1 INTRODUCTION TO MEASURES OF INCOME INEQUALITY AND POVERTY

The concepts of economic inequality and poverty refer to the distribution or deprivation of resources, primarily monetary resources such as income, consumption or wealth, but also non-monetary resources such as time, public services or access to rights. Given its ability to command market-produced goods and services, income is a central proxy for well-being in economic analysis. Hence, conventional economics most commonly uses income as the primary measure of inequality and poverty. This introductory session therefore focuses on the income-based measurement of inequality and poverty, and the feminist critique of it.

Economists define income distribution as the dispersion of income. Income refers to the following: earnings received from employment (labour earnings from wages and salaries, and own-account work); transfer income (such as pensions, cash transfers and social benefits); and income from other sources (such as interest or rent income). Income inequality refers to the uneven distribution of income in an economy. Income poverty refers to the lack of income to afford a minimum threshold of necessities such as food, housing and healthcare, among others.

A commonly used data source to study income inequality and poverty is household disposable income. A household is considered as a single micro-economic unit pooling income and consumption. Income inequality is then defined as dispersion among households, while poverty is a situation in which a household cannot meet a minimum threshold of basic needs for its members.

Conventional measures commonly assume equal division of income among household members. Income surveys generally gather data on the income received by households in different forms (labour earnings, cash transfers, etc.). Hence what we observe is the distribution of income by households and not the distribution by individuals (see Figure 6.1). Given lack of data on within-household distribution of income, conventional measures assume equal distribution: total household income is divided by the number of household members (using an equivalence scale)[1] to calculate per capita income at the household level. This assumption of equal distribution of household income is a major point of criticism by feminist economics (discussed below).

Policymakers consider the study of distribution of resources as important for social equality and justice. While many economists investigate inequality and poverty from a microeconomic perspective (distribution of income among households), some economists also point out that distribution results from, and in turn also impacts, the macroeconomic functioning of the economy. Considering the macro-economic drivers and impacts of inequality and poverty is a key contribution of non-mainstream and feminist economics within the field. Particularly, the distribution of income and wealth links to many issues in economics both at the micro and macro levels—such as economic growth, development and macro policies.

FIGURE 6.1

Measurement of income distribution by households versus individuals – Brazil 2025

Source: Authors' calculations based on the IBGE Continuous National Household Sample Survey (PNAD Contínua), 2025 annual data, first interview.

Note: The simulation is done by allocating household income among members in proportion to their labour income; income is equally split in households with no labour income.

In summary, the conventional approach to economic inequalities and poverty assumes the following:

- Money income is an adequate measure of well-being (disregarding dimensions of well-being other than income).
- The household is a single, cooperative and sharing unit (assuming equal distribution of income and consumption possibilities among women and men in the same household).
- Inequality and poverty are microeconomic phenomena at the individual and household level (disregarding the macroeconomic drivers of inequalities and poverty).

This module examines how feminist economics critiques and expands this analytical framework, and how this relates to gender-responsive policy strategies for reducing inequalities and alleviating poverty. As established in earlier modules, feminist economics redefines the economy and economic life. This module now applies this lens to income inequality and poverty, demonstrating how the feminist approach reconstructs these issues.

6.1.1
FEMINIST APPROACH TO INCOME INEQUALITY AND POVERTY

The feminist economics critique of the conventional approach to economic inequalities and poverty can be addressed under three points:

- Challenging narrow definitions of well-being.
- Exposing implicit assumptions behind mainstream measures of economic inequalities and poverty and proposing new measures.
- Highlighting structural and macroeconomic dimensions of economic inequalities and poverty.

Feminist economists critique the narrow income-based approach to inequality and poverty. They argue for a broader concept of well-being including access to other economic resources, such as wealth, time, public goods and services, and other dimensions of well-being, such as autonomy and agency. A more complete approach to social welfare, i.e. human well-being, requires an understanding beyond market relations, no less than a comprehensive vision of the economy—which includes the state, community, households and nature. Hence, the feminist approach to inequalities and poverty parallels the 'beyond GDP' debate which was covered in Module 4 (Macroeconomics and Public Finance).

As Berik et al. (2009) state, at minimum human well-being requires:

- Adequate provisioning (through interconnected paid labour and unpaid care activities and entitlements from the state or community).
- Capabilities (the ability to do or be, based on provisioning).
- Agency (the ability to participate in decision-making to shape the world in which we live).

Feminist economics describes development as achievements in human well-being through the expansion of capabilities, based on the capabilities approach by Amartya Sen (introduced in Module 1 and further discussed in Module 4). Income inequality and poverty constrain these achievements. Inequality in capabilities is closely associated with unequal power in a social and political context. Unequal access to services such as health, education and care that improve human well-being are closely linked to inequality in capabilities.

As discussed in earlier modules, feminist economists point out that a substantial production of care takes place within the household (non-market sphere), predominantly through women's unpaid labour. The contribution of unpaid work to well-being is totally ignored in the income-based approach. Money income is required for the consumption of market commodities to meet needs—but not all needs are met through goods and services acquired in the market. Moreover, market-produced commodities are not always immediately consumable; they need to be combined with unpaid labour in the household to become consumable (e.g. grocery shopping followed by cooking time at home).

Moreover, not all care production is substitutable by market goods and services (e.g. a parent reading a child a bedtime story, or a friend accompanying an ill person to hospital for a medical procedure). Thus, care services and goods provided within the household or in the community through unpaid labour are also essential for welfare yet remain invisible in standard income statistics. New measures of economic inequalities and poverty that take account of unpaid care work entail concepts of time poverty and combined time and income poverty (as discussed in Session 6.3).

DISCUSSION

Read the following text to the participants, then ask the questions below.

> *Take a man that works close to his home, eight hours a day, five days a week, and makes a liveable wage. He lives with his wife, who performs unpaid work in the house. Every morning, he wakes up to the smell of freshly brewed coffee. He goes out to exercise before work, comes back at night, shares a healthy dinner with his wife and watches TV. Meanwhile, in a different household in the same city, a mother of a 10-year-old boy has the exact same work schedule, with the same hours and wages as the man. Every morning, she prepares breakfast, drops her son at school and goes to work, which takes her over one hour by public transport. Sometimes she can ask her mother or her sister to pick her son up, but now, most days, he comes back from school alone, as the mother is still at the workplace. When she gets home it is already dark. She cooks dinner, helps her son with his homework, and sometimes reads her book in bed until she falls asleep.*

Looking at the per capita income of these two households, we would assume that everyone has the same standard of living and there are no inequalities in income or risk of poverty.

Ask participants: What dimensions of inequality and poverty risks are hidden in the example? How can they affect each person? How can these inequalities and risks have lingering effects in their lives?

The key takeaway for participants is to recognize that standard income measures miss the real inequality in people's lives. The hidden inequality here is, on the one hand, the well-being added to the man's life by his wife's unpaid work and, on the other hand, the gendered double burden of paid work and unpaid care, which leads to time poverty for the woman. This lack of time is a form of deprivation, directly affecting well-being and limiting income growth by creating obstacles to work, study, leisure, etc. The example proves that comparing families by looking only at their income provides a false picture of well-being.

Furthermore, the conventional approach masks the fact that the household is a site of dispute; its assumption of a unitary harmonious household, where resources are equally shared, is inadequate for understanding economic inequalities by gender. Ample research documents the unequal distribution of resources within the household, such as inequalities in calorie intake among household members. Sen's millions of 'missing women'[2] underscores how discrimination against women can be a life and death issue (Sen 1990). Evidence points to the inadequacy of unitary approaches to household and intrahousehold allocation.

Similarly, the conventional income poverty measure becomes operational at the household level. The total income or expenditure of the household is divided by the number of household members and adjusted for some equivalence scale based on the number of household members and their ages, which allows for economies of scale in consumption. Per-person

income/expenditure is then compared to the poverty threshold to determine whether the household and its members are below the poverty line. By implication, each household member has the same poverty status. As such, the conventional monetary income-based household-level measure of poverty allows a gender disaggregation of poverty rates only on the basis of the numbers of women and men who reside in households identified as 'poor'. The only other gender differentiation in conventional poverty rates is based on the sex of the household head: i.e. poverty rates of female-headed versus male-headed households (as discussed in Session 6.4).

Ilkkaracan and Memiş (2021) point out that gender-disaggregated poverty rates based on these two conventional measures do not consistently demonstrate a big difference in women's and men's poverty and are highly inadequate to capture gendered income poverty patterns as they are based on the problematic premise of equal distribution of household income (or consumption expenditures). The adoption of the household rather than the individual as the unit of measurement neglects inequalities in intra-household income distribution and poverty risk, as research has demonstrated. For example (citing from Ilkkaracan and Memiş 2021: 275–276):

- Based on data from the United Kingdom, Lundberg et al. (1997) show that intra-household allocation of consumption expenditures depends on income-earning status.
- Sen (1984) points out that in many local cultural contexts, particularly in the Global South, girls are discriminated against in consumption possibilities relative to boys living in the same household.
- Harris (1990) provides evidence of calorie-intake inequality by gender among household members in South Asia.
- An empirical study for the European Union (EU) shows that the gender gap in the financial dependency rate, an indicator of vulnerability to poverty, is much larger than that in the conventional income poverty rate; using the latter leads to a substantial underestimation of women's poverty risk (Corsi et al. 2016).

Finally, feminist economics, along with other non-mainstream economics approaches, reveals that inequalities in income distribution is a core macroeconomic variable: it is both a product of macroeconomic structures and a key determinant of overall macroeconomic functioning, influencing everything from aggregate demand to economic resilience (see Module 4 for more discussion on the two-way relationship between gender economic gaps and macroeconomic phenomena). Gendered inequalities and poverty are analysed within a macroeconomic framework rather than in an isolated manner at the micro level of the household or of the individual worker in the labour market. Growth is defined as achievement in expanding people's means and capabilities. As explained in Module 4, this approach views growth and distribution as interlinked.

KEY TAKEAWAYS FROM SESSION 6.1:

- In the conventional approach, economic inequality and poverty are measured primarily by the dispersion and lack of monetary income, using household data that assumes equal sharing within households.
- The feminist critique to the conventional approach is threefold: income alone is not an appropriate measure of well-being; the household is not necessarily a cooperative unit with equal sharing of resources; and distribution is not just a microeconomic issue, but also a macroeconomic one.
- The conventional income-based approach to inequality and poverty masks inequalities within households (e.g. in resources, time and power), which are often gendered and significant.
- It also fails to recognize that inequality and poverty are both outcomes and drivers of macroeconomic performance.
- A gender-sensitive approach requires an expanded definition of well-being, i.e. one that considers adequate provisioning (including unpaid care), capabilities and agency, and not just income.

6.2 INCOME-BASED INEQUALITY MEASURES AND GLOBAL TRENDS

Economics takes a special interest in money as a resource, as it allows individuals to directly access goods and services through the market. This session engages with the monetary measures of inequality in income (and wealth) distribution, recognizing its centrality in the study of economic inequality. It presents different ways of measuring inequality and applying those measures to discuss its evolution across space and time.

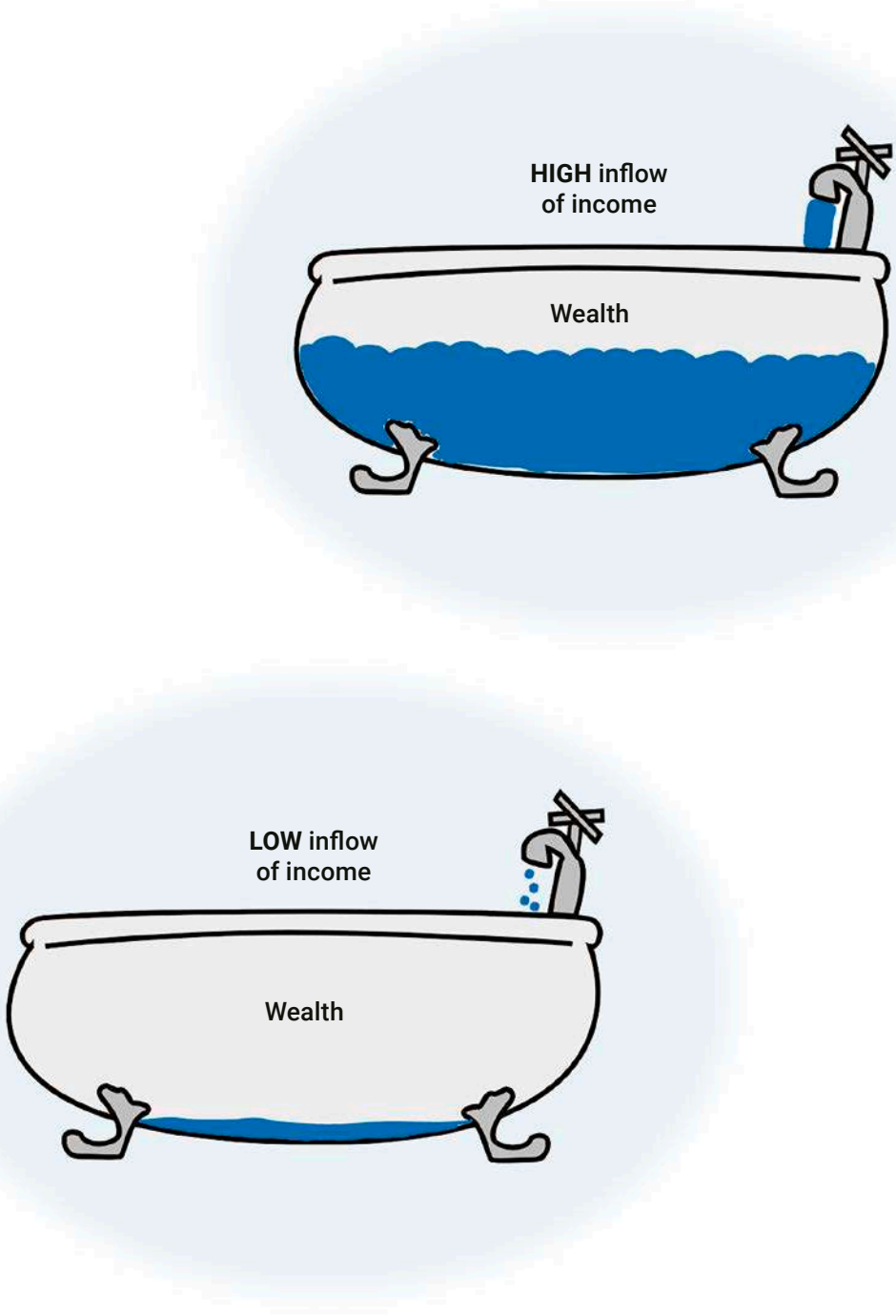
6.2.1 INCOME AND WEALTH MEASURES OF INEQUALITY

The monetary resources available to an individual can be measured as income or as wealth. The income measure represents a flow variable: a certain money income received *over a period of time,* for example someone's monthly income or hourly wage. The wealth measure represents a stock variable: the monetary value of an individual's total assets *at a point in time,* for example someone's net worth. An analogy of a bathtub can help explain the distinction between income (a flow variable) and wealth (a stock variable), as demonstrated in Figure 6.2.

A clear understanding of the wealth–income relationship is essential for policymakers. Extreme concentrations of wealth are not merely an outcome of income inequality but a cause of it, as wealth generates further income. A critical policy failure is the unequal tax treatment of income sources, which often favours returns on wealth over returns on income from labour. Principles of tax justice are discussed in Session 6.5.2.

FIGURE 6.2

Income (a flow variable) versus wealth (a stock variable)



Source: Author's illustration using publicdomainvectors.org.

Most commonly, analyses of economic inequality focus on income. Data on income are widely available and regularly collected, as income is a fundamental component of GDP, which is itself a flow measure. In countries where income data are not available, consumption expenditures can serve as an indication of access to resources.

GROUP EXERCISE:

PERCEPTIONS VERSUS REALITY – LOCATING YOURSELF IN THE NATIONAL AND GLOBAL INCOME DISTRIBUTION

The aim of the exercise is to make abstract inequality metrics personally tangible by confronting individual perceptions about data, fostering a deeper understanding among participants with regard to their own position in the national income distribution and the structure of economic inequality in a national context.

Guide participants through the following tasks:

- **Task 1:** Based on your household's total income, in which percentile of your country's national income distribution do you believe you are located? (For example, do you think you are in the top 20 per cent? The top 10 per cent? The top 5 per cent?). Write down your estimate.
- **Task 2:** Now, use the online tool from the World Inequality Database to find your data-based position.
  - Go to the World Inequality Database.
  - Select your country, enter your annual household income from the sources specified in the website (excluding income from wealth, in local currency, after taxes if possible), and adjust the household size and composition to match your situation.
  - The tool will calculate your precise percentile in your country.
- **Task 3:** Before continuing, reflect on how accurate your estimate was.
  - Next, the tool will prompt you to include income from wealth (such as rents, dividends, interest) and imputed rent (the estimated income you 'receive' by owning your home).
  - Fill this in to the best of your ability.
- **Task 4:** Before proceeding to the last step, take a minute to reflect on where you think you are in the world distribution. Write down your estimate.
- **Task 5:** Complete the information to reveal your percentile in world distribution.

Note to the Facilitator: Ask participants if they were surprised by the result, how this compared to their initial estimate, and what informed their prior belief about their position in the national and global distribution. The idea is that participants will be able to reflect on their own difficulties in positioning themselves. People tend to underestimate their position in the distribution, which reflects a difficulty in grasping how unequally resources are distributed. The exercise aims to make people aware of their own biases on the topic and also to highlight the importance of wealth concentration in perpetuating inequality.

By completing this exercise, participants will:

- Experience the gap between personal perception and data-driven reality regarding economic inequality.
- Understand their precise position within national and global income distributions.
- Recognize the critical role of capital-derived income (from wealth) in shaping overall economic rankings and perpetuating inequality.
- Reflect on how individual biases can shape understanding of broader economic structures.

In contrast to data on income, the collection of data on wealth is far less standardized, and more limited and challenging. This is due to methodological difficulties, such as severe underreporting by the wealthiest households, as well as the lack of a consistent administrative need to collect it. Consequently, reliable wealth data are unavailable for many countries and wealth is often significantly underestimated where such data do exist, obscuring the true scale of wealth inequality.

Hence, monetary inequality measures focus predominantly on income inequalities rather than wealth inequalities. This results in underestimation, since wealth inequalities are substantially larger than income inequalities. Gender wealth inequalities are also substantially larger than gender income inequalities. For example, women face barriers to land and resource rights due to weak or unenforced laws and deep-rooted cultural discrimination (UN Human Rights 2013), which results in their limited control of land and property, a key component of wealth.

The most commonly used conventional measures of income inequality are (see Table 6.1):

- Group shares, e.g. 1 per cent or 10 per cent share; women's share.
- Ratios by income groups, e.g. Quintile ratio, Palma ratio.
- Index measures, e.g. Gini index, Theil index.

TABLE 6.1
Measures of income inequality

Type	Measure	What it Calculates	Key Interpretation & Use
Group share	Top 10% or top 1% share	% of total income appropriated by the top 10% or top 1%	Direct measure of income concentration at the top
	Women's share	% of total income appropriated by the group of women	Percent of total income that is appropriated by women
Ratio by income group	S80/S20 (Quintile Ratio)	Income of top 20% / Income of bottom 20%	Higher ratio = greater inequality between 'rich' and 'poor'
	Palma Ratio	Income share of top 10% / Income share of bottom 40%	Focuses on inequality between the extremes of the distribution
Index	Gini Coefficient	Statistical dispersion from perfect equality (0 to 1), measured using the Lorenz Curve	0 = perfect equality, 1 = perfect inequality, more sensitive to the values around the mode
	Theil Index	Measures entropy; decomposable (within vs between groups)	Useful for diagnosing sources of inequality (decomposable), more sensitive to extreme values

The most widely used income inequality measure is the Gini index (also referred to as the Gini ratio or coefficient), a statistic that summarizes income distribution and reflects it as a single number. The Gini ratio is calculated based on the Lorenz curve, which plots the proportion of individuals arranged by income level from the lowest to the highest (see Appendix 6A, Figure 6A-1). A theoretical 45-degree Lorenz curve would imply perfect equality when all individuals have equal income. Empirical estimates of Lorenz curves, using income data, give us convex curves with respect to origin and imply income inequality. The Gini index is proportional to the area between the Lorenz curve and the 45-degree line; hence, a higher Gini index implies higher inequality.[3]

While the Gini index provides a valuable summary of overall dispersion, it has long been known that it "is more sensitive to transfers at the centre of the distribution than at the tails" (Atkinson 1970). This inherent limitation means the Gini can fail to fully capture dynamics at the very top of the distribution. Recent work reveals that it is precisely a sharp increase in income appropriation by top earners that has been driving inequality in the last few decades. Studies in this area have been advanced through methodological innovations by researchers associated with the World Inequality Lab, most notably Thomas Piketty, Emmanuel Saez, Lucas Chancel and Gabriel Zucman. Their approach, which merges household surveys with administrative data such as income tax returns and national account data, has exposed the scale of top-end concentration. Because the Gini is less sensitive to these changes at the extreme tail, the work by Piketty and colleagues has popularized use of the share of total national income accruing to top subgroups as an inequality measure.

As discussed in this session, there are many measures of inequality, each with distinct uses, limitations and analytical purposes. Because it expresses a philosophy of justice, a measure of inequality has a meaning (Medeiros 2012). The decision about which measure to use depends on the characteristics of the society/economy being studied as well as the objective of the analysis. While many of the measures discussed, such as the Gini coefficient, cannot directly capture gender inequality, important gender conclusions can still be drawn; concentration in income distribution is likely to imply that gender income inequalities are also getting worse, since women are overrepresented at the bottom of the distribution. Other measures can be used to study gender inequality directly, as is the case of group shares or decomposable measures, such as the Theil index. A more technical discussion on the key advantages and limitations of each measure is presented in Appendix 6A.

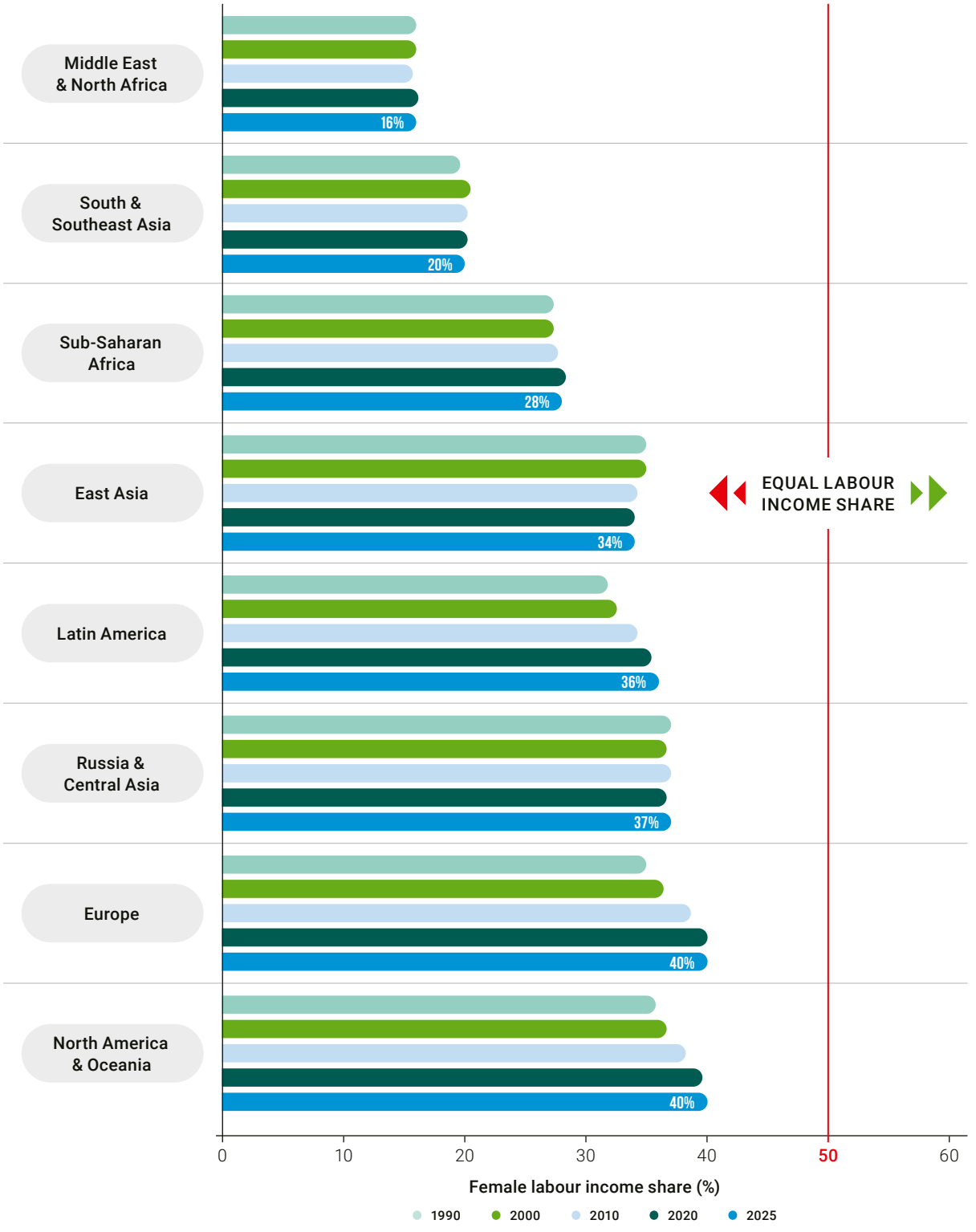
A deeper understanding of the trends and regional features of inequality is also important for designing gender-sensitive policy solutions to inequality. Appendix 6B applies the measures presented here to depict and discuss the global rise in inequality over time, aiding understanding of key characteristics of this trend. Global income inequality remains near its historical peak. Since the 1980s, inequality *within* countries has become the dominant component of global inequality, surpassing the contribution of inequality *between* countries. Furthermore, high income growth is observed for the emerging global middle class (e.g. in China), highlighting divergent distributional outcomes of globalization. The most striking evidence comes from examining the income appropriated by the top 1 per cent, which absorbed 23 per cent of all global growth between 1980 and 2020.[4]

Moving on to gender inequality, Figure 6.3 presents the evolution of women's income from paid work across regions between 1990 and 2020.[5] Globally, women's share of total income from work stood at around 27 per cent in 1990 and remained at 28 per cent in 2025 (Chancel et al. 2025). Data from Figure 6.3 provide a critical lens through which to interpret the preceding analysis of global income inequality and regional differences. Because the data only contain wage and self-employment income, but exclude earning from wealth, pensions and transfers, they underestimate the full extent of gender income inequality.

The earnings gap observed in the figure is a result of multiple factors such as the wage pay gap, women's lower labour force and employment participation rates, and women's concentration in precarious jobs (see Module 2: The Care Economy and Transformative Care Systems). The slow progress towards equality with stark regional differences can be analysed considering those factors. The Middle East and North Africa region exhibits the lowest female labour income share, reflecting women's low employment participation in the region. In the case of Latin America and East Asia, participation rates are not as low, but high informality rates also play a role in explaining women's income share. Women's share of income in European and North American countries mostly reflects the gender wage gap.

FIGURE 6.3

Female labour income share across regions, 1990–2025



Interpretation: This figure shows the evolution of the female labour income share between 1990 and 2025 across world regions. In 2025, female workers earn about 16% of total labour income in the Middle East & North Africa, but about 40% in North America & Oceania and Europe. At the global level, women earned 27.8% of labour income in 1990 and 28.2% in 2025. While some progress has been made, gender parity remains distant in all regions.

Source: Chancel et al. 2025: 17.

This indicates that the documented rise in within-country inequality, the extreme concentration of growth captured by the top 1 per cent, and the stagnation at the lower end of the distribution are not gender-neutral phenomena. The persistently low and slowly rising female share of labour income demonstrates a disproportionate constraint in women's economic advancement—yet another feature of the global inequality landscape.

6.2.2 MACROECONOMIC APPROACHES ON INCOME DISTRIBUTION

The global trends and measures reviewed above (and in Appendix 6B) are based on the size distribution of income. Accordingly, what matters is the level of income rather than the type or source of the income earned. There are four definitions of household income used in measurement:

- **Market income (also known as primary definition of income):** Household income consists of payments (i.e. wage income, profit, interest or rent income) to households owning different factors of production (i.e. labour, capital, land) in each household before taxes and subsidies, as determined by market institutions.
- **Disposable income (also known as secondary definition of income):** Household income after deduction of income taxes and inclusion of transfer payments, as determined by fiscal policies.
- **Consumable income:** Disposable income plus the indirect subsidies received, less indirect taxes and contributions paid. This is a much less standard measure, as calculating the impact of indirect taxes and subsidies on individuals is very complex.
- **Final income (also called tertiary definition of income):** Household income after taxes and subsidies with the addition of imputed benefits from public expenditure. This interpretation of household income is relevant for all countries, as different government services are often provided for free or below market prices. It might account for the impact of indirect taxes or not, depending on the data available.

Most policy discussions on inequality focus on disposable income distribution (take-home pay, rents, interest earnings and profits after taxes). The impact of fiscal policy on income inequality can be measured by looking into how much inequality measures change as we move from one definition to another: from pre-tax to post-tax income, excluding and including transfers, subsidies and public services.[6] The progressiveness of a country's direct tax systems (discussed in Module 4: Macroeconomics and Public Finance) can be measured by the reduction of income inequality measures, such as the Gini, when we compare the distribution of pre-tax and post-tax income. The total impact of fiscal policy is frequently measured by the Gini reduction between market income and final income. Furthermore, measures of gender inequality will differ according to the income measure used.

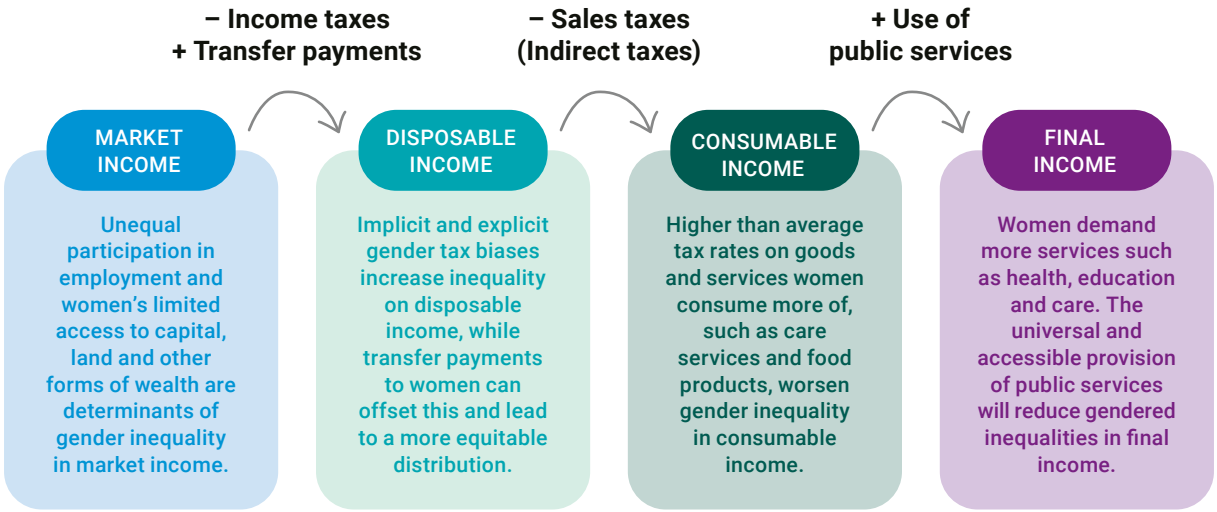
A schematic summary of the gendered relevance of each of these definitions of household income, and how gender inequality might differ depending on which is used, is presented in Figure 6.4. The difference in income inequality measures (e.g. the Gini coefficient), moving from one definition of household income to the next, reflects the inequality-reducing impact of fiscal policy (taxation and public spending) with gendered effects. See Session 6.5 for a more in-depth discussion on the impact of fiscal policy on gender inequality.

So far, we have approached the distribution of income by households, individuals or groups according to their characteristics (such as gender). A fundamental macroeconomic approach to distribution of market income is to investigate how national income (or total value added through production) is distributed

between wages (labour) and profits (capital). This is called the functional distribution of income (covered in Module 4: Macroeconomics and Public Finance). It investigates how the value that was added to the economy through production is distributed among those employed to produce it: the relative share of wages versus profits in value added. The functional income distribution is a macroeconomic measure of income distribution. It provides a perspective on the macroeconomic forces driving the changes in trends in household income distribution (as measured by the Gini index, for example).

FIGURE 6.4

Gendered aspects of the multiple definitions of household income



Source: Author's Illustration.

Functional distribution of income also informs policy. For instance, Wolff and Zacharias (2013), using a decomposition of the Gini coefficient by income source, find that rising income from non-home wealth was the major driver of increased inequality in the United States between 1989 and 2000, and Daudey and García-Peñalosa (2007) find that raising Mexico's labour share to US levels would reduce its Gini coefficient by two to five points. However, as presented in more detail in Module 4, the labour share of income has been losing ground against capital over the last decades.

Analysis based on the functional distribution of income is important not only to better understand the underlying driving forces and different sources of income inequality, but also to help establish the links between distribution at the household level and at the aggregate income level, i.e. linking micro-level distributional issues with macro-level aggregates used in national accounting. There is renewed interest in the functional distribution of income approach to inequality measurement, using more elaborate analyses of income inequality rather than looking only at size distribution of income to inform policy. One application comes from considering how taxation varies according to the source of income. For example, tax privileges given to capital gains, profits and interest hinder the redistributive power of fiscal policy as we move from market income to final income.[7] This can have gendered impacts given structural differences in women's income sources, such as lower capital ownership than men.

While the functional distribution of income is central to the non-mainstream approach to income distribution, feminist economics also highlights the existence of feedback effects between the unpaid and paid spheres that lead to gendered structures in the labour market and influence within household inequalities. A key mechanism for these effects is the wage-setting process.

A feminist political economy approach to wage setting emphasizes the gendered institutions which determine bargaining power. Wages are conceptualized as the outcome of a social practice and not just as a price for performance (productivity) of labour (Power et al. 2003). Wage setting as a social practice becomes operational through categories which include race, ethnicity, class and gender. Acknowledging bargaining power through segmented labour markets as part of the wage-setting process is essential to this comprehension. Some countries appear to have very equitable distributions of household income but have wide gender wage gaps due to such feedback effects (Seguino 2005).

KEY TAKEAWAYS FROM SESSION 6.2:

- Income is a flow of resources over time, and wealth a stock of assets at a point in time. While distinct, income and wealth inequality interact with and reinforce each other.
- Inequalities in distribution of wealth, including gender disparities, are often substantially greater than those in income, including gender disparities. Hence income distribution by gender often underestimates the true extent of gender inequalities in access to monetary resources.
- Household income can be measured as market income, disposable income (after taxes/transfers) or final income (including public services). The difference in income inequality measures (e.g. the Gini coefficient) depending on which definition of household income is used reflects the inequality-reducing impact of fiscal policy (taxation and public spending) with gendered effects.
- Given that women are typically concentrated at the bottom of the income distribution and more dependent on public services relative to men, a macroeconomic context where impact of fiscal policy on reducing income inequalities is weak (strong) has a negative (positive) impact on gender inequalities in income distribution.
- The study of functional income distribution, i.e. the split of national income between wages and profits, is crucial to understand the underlying drivers of household income inequality. A declining labour share of income is directly linked to rising household income inequality.
- Given that women are typically more concentrated among wage earners (and in the bottom of the wage distribution) relative to men, rather than among profit (or interest-rent) earners, a worsening (improving) functional income distribution to the disadvantage (favour) of wage earners exacerbates (reduces) gender inequalities in income distribution.
- Beyond functional income distribution, the feedback effects between paid and unpaid spheres of the economy constitute an important structural driver of gender income inequalities. Given the imbalanced gender division of unpaid work, women have lower bargaining power, leading to the gender wage gap and driving inequalities in gender distribution of income.

6.3 A BROADER FRAMEWORK FOR INEQUALITY

This session presents a broader framework for analysing inequality from a feminist perspective, moving beyond income-based measures. While recognizing the continued policy relevance of monetary indicators, feminist economics, along with other non-mainstream approaches, argues that an exclusive focus on income obscures the structural and multidimensional nature of inequality, particularly its gendered and intersectional manifestations. To accurately diagnose and address these deeper disparities, this session introduces core feminist and interdisciplinary concepts—including multidimensional well-being and intersectionality—that are essential for understanding how power, unpaid care and overlapping social identities shape economic outcomes. By integrating these perspectives, it establishes a more comprehensive foundation for gender-aware analysis and for designing policies that tackle the root causes of inequality.

To move beyond income-based measures of inequality, we need to introduce two debates:

- The difference between inequality of outcomes and inequality of opportunities (economic, social and political).
- Adequate measures of well-being beyond monetary measures (which was discussed in Module 4: Macroeconomics and Public Finance, within the context of 'beyond GDP' debates).

First, there are two distinct approaches to inequality in the literature: inequality of outcomes and inequality of opportunities (economic, social and political). Unequal opportunities are generally acknowledged as important to explain inequality of outcomes, but —as feminist economists argue—unequal outcomes also lead to unequal opportunities, creating a self-reinforcing cycle of poverty and inequality that is difficult to escape.

Furthermore, the importance of opportunities in determining outcomes is known to be overstated. For example, despite women's significant convergence with men in educational attainment (an important determinant of opportunities), gender employment and pay gaps persist globally. This reveals structural barriers and underscores the importance of considering other dimensions besides the market to assess gender inequality.

Second, the income-based approach to inequality assumes that well-being is a matter of material needs that can be met through access to market-produced goods and services. However, recent research questions this limited conceptualization focused exclusively on markets, and argues for an expansion of the list of needs. There is now a consensus that income is an inadequate measure of welfare and well-being. Note that the discussion here parallels the one in Module 4: Macroeconomics and Public Finance, on measures of economic performance and well-being beyond GDP.

6.3.1 INEQUALITY BEYOND DISTRIBUTION OF INCOME

The feminist approach to inequality proposes a decisive move away from income-based measurements of inequality. Through its analytical lenses, it uncovers the structural features of inequality rooted in power relations and recentres the economy around life itself by bringing to the forefront the contribution of care labour, predominantly performed by women.

This framework allows for the analysis of complex, intersecting inequalities based on gender, race and class, which are reproduced through a matrix of domination (Collins 1990). Understanding inequality

as a systemic issue, rather than a mere problem of unequal opportunities, underscores the importance of economic policy and challenges policymakers to address issues of justice. Human well-being is the ultimate target of economics and requires us to move beyond narrowly defined welfare.

A capabilities approach sees well-being as a combination of the resources a person can access, what they can achieve with those resources, and how they think about those achievements (UNDP 2013). See Box 6.1.

BOX 6.1

DIMENSIONS OF WELL-BEING

In 2008, French president Nicolas Sarkozy established the Commission on the Measurement of Economic Performance and Social Progress (CMEPSP), led by economists Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi, to move beyond GDP as the primary measure of societal progress. Their report identified eight key dimensions that must be considered simultaneously in a multidimensional approach to well-being: material living standards (income, consumption, wealth), health, education, personal activities (including work), political voice and governance, social connections and relationships, environment (present and future conditions), and economic and physical insecurity.

The report emphasized that both objective conditions and subjective capabilities are critical. It specifically recommended improving the measurement of social connections, political voice and insecurity, as these factors are essential to quality of life but are often overlooked by traditional income-based measures.

Building on this foundation, Cook and Kabeer (2023) synthesize these dimensions into four core pillars of a well-being economy:

1. **Subjective well-being:** This acknowledges that a good life includes personal happiness and life satisfaction. It can be measured through people's own cognitive evaluations of their lives and their experienced emotions, recognizing that factors beyond income are crucial to how individuals perceive their well-being.
2. **Capabilities:** Developed by Amartya Sen, the capabilities approach focuses on people's functionings and freedoms. What matters is the freedom that people have to choose among a set of opportunities to live life in a way they value. It ranges from simple things, such as being healthy and well-nourished, to more complex ones like participating in community life.

3. **Justice and fairness:** Well-being is deeply tied to equity. This dimension has two key aspects:
   - **Fair allocation:** Ensuring that the valuation of non-monetary goods respects the preferences of all citizens equally, not just the wealthy.
   - **Intersecting inequalities:** Recognizing that deficits in well-being are concentrated among groups facing multiple, overlapping forms of marginalization (e.g. based on gender, race, class). A just society makes these inequalities visible and addresses them.
4. **Sustainability:** Well-being must be intergenerational. This dimension asks whether the current level of well-being can be maintained for the future. It depends on preserving or enhancing key capital stocks—natural, physical, human and social—that are passed on to future generations.

Source: Stiglitz, Sen and Fitoussi 2009; Cook and Kabeer 2023.

As discussed in Module 4 (Macroeconomics and Public Finance), there have been several attempts to provide alternative development indicators to income, such as the Human Development Index. New multidimensional measures have been developed using not only income but more comprehensive socioeconomic indicators.

Some of these multidimensional indices reported in Human Development Reports (Box 6.2) not only provide a much better picture of developments in socioeconomic inequalities, but also give a more comprehensive understanding of the links between economic well-being and gender inequalities[8] (also see Module 4).

Even multidimensional measures, however, can become questionable when assessing the well-being of people living in poverty. Like income, these measures can also be partial and are not suitable indicators for use at different levels of aggregation like the household level. Standard national statistics typically assume an equal distribution of resources within households and fail to capture intra-household inequality. Considerable evidence shows that resources such as income and food are unequally distributed between men and women, meaning standard metrics underestimate inequality and poverty (Kanbur 2016).

BOX 6.2

MULTIDIMENSIONAL DEVELOPMENT INDICES

Considering the multidimensionality of well-being requires operationalization through specific alternative indices. Some examples have been developed by UNDP:

- **Human Development Index (HDI)** tracks development in three dimensions: a long and healthy life, access to knowledge, and a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth. The education dimension is measured by mean of years of schooling for adults aged 25 years and older and expected years of schooling for children of school-entering age. The standard of living dimension is measured by gross national income per capita. The HDI uses the logarithm of income to reflect the diminishing importance of income with increasing gross national income.

  The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. The HDI simplifies and captures only part of what human development entails. It does not reflect on inequalities, poverty, human security, empowerment, etc.

- **The Inequality-adjusted Human Development Index (IHDI)** adjusts the HDI for inequality in the distribution of each dimension across the population. The IHDI accounts for inequalities in HDI dimensions by 'discounting' each dimension's average value according to its level of inequality. The IHDI equals the HDI when there is no inequality but falls below the HDI as inequality rises. In this sense, the IHDI measures the level of human development when inequality is considered.

- **The Gender Development Index (GDI)** measures gender inequalities in achieving three basic dimensions of human development: health, measured by female and male life expectancy at birth; education, measured by female and male expected years of schooling for children, and female and male mean years of schooling for adults aged 25 and older; and command over economic resources, measured by female and male estimated earned income.

- **The Gender Inequality Index (GII)** reflects gender-based disadvantage in three dimensions—reproductive health, empowerment and the labour market—for as many countries as data of reasonable quality allow. It shows the loss in potential human development due to inequality between female and male achievements in these dimensions. It ranges between 0, where women and men fare equally, and 1, where one gender fares as poorly as possible in all measured dimensions.

Note: UNDP provides an online tool 'Calculating the Indices using Excel'. This shows how the composite human development indices—the HDI, IHDI, GII and the GDI—can be calculated using Excel, based on current methodologies described in the technical reports.

Source: UNDP 2015. Technical Notes.

Multidimensional measures of inequality can be maximized when employed to complement each other. Measures such as the Multidimensional Gender Equality Index (MGEI), Relative Status of Women (RSW) index and Women's Disadvantage Index illustrate alternatives that reflect gender gaps in different well-being dimensions.[9]

Moreover, a comprehensive assessment of economic inequalities between men and women must account for the dimension of unpaid care and domestic work, which is disproportionately performed by women. Therefore, the feminist approach requires that we recognize both the multidimensional and structural nature of inequality.

6.3.2 INTERSECTIONALITY

Feminist economics points to the need to recognize that gender does not operate in isolation, and that women's experiences are not uniform. A focus on inequality at the household level or between men and women masks how other factors, such as race, ethnicity and class, can compound disadvantage. Considering social categories is essential for a deeper understanding of the structural aspects of inequality. This can be operationalized through an intersectional framework.

First developed by Kimberlé Crenshaw in 1989, intersectionality is now widely utilized and commonly described as a theory, methodology, paradigm, lens and framework (UN Women 2021). As an analytical tool, intersectionality acknowledges that categories such as race, gender, class and sexual orientation mutually shape one another to create a complex reality. Through that lens, "intersectionality investigates how intersecting power relations influence social relations" (Collins and Bilge 2020).

Collins (2019) proposes that intersectionality goes beyond an analytical tool. It is a metaphor—a way of seeing the world and its interconnected structures of power. It is a heuristic tool to systematically examine power relations, which helps diagnose social problems by revealing how individual experiences are connected to larger structural forces. It is also a paradigm, a structured thinking that is foundational to studies, establishing questions and methods for critical inquiry. Beyond these uses, Collins solidifies intersectionality as a critical social theory and provides core constructs and principles based on how practitioners have used the term.[10]

Intersectionality is essential for developing policies that effectively fight inequality and poverty. It addresses the fundamental limitation of single-axis approaches, which often make marginalized subgroups invisible. For example, while a policy might aim to support 'women' or 'rural populations', it can fail to address the unique disadvantages faced by Black women in rural areas. An intersectional approach guides policymakers to understand how interlocking systems of power—such as racism, classism and sexism—create unique social problems at different intersections of identity, and to actively pursue social justice.

In summary a gender perspective on inequality requires acknowledgement of its multidimensional nature, which includes not only considering socioeconomic aspects, but also matters of recognition, such as agency and participation (Razavi 2016). Gender inequalities can be better understood by going beyond the concept of income inequality to consider other outcome indicators of inequality such as educational attainment, health indicators and political representation. Gender inequality requires a wider perspective that considers unpaid work and encompasses agency and empowerment as well as subjective well-being indicators.

KEY TAKEAWAYS FROM SESSION 6.3:

- An exclusive focus on income is insufficient. A comprehensive analysis of inequality must consider non-monetary dimensions, including time use (unpaid care work), health, education, political voice and environmental security, which are central to human well-being.
- Inequality is not merely a problem of unequal opportunities (like education) leading to unequal outcomes (like income). Feminist analysis shows a reinforcing cycle where unequal outcomes also constrain future opportunities, with structural barriers like the gender pay gap persisting even when opportunities are equal.
- The feminist economic framework makes visible the foundational role of unpaid care work, disproportionately performed by women, and analyses economic structures through the lenses of power, ethics and intersecting social differences.
- Gender inequality cannot be understood in isolation. An intersectional analysis is essential to reveal how gender, race, class and other identities combine to create unique, compounded forms of disadvantage, ensuring that policies do not leave the most marginalized groups behind.
- While multidimensional indices (e.g. Human Development Index, Gender Inequality Index) are crucial improvements on GDP, they have limitations. They often fail to capture intra-household inequality and can mask specific deprivations. Therefore, they must be used alongside direct gender metrics (such as the female labour income share) and an intersectional lens for a complete picture.

6.4 POVERTY: FROM INCOME POVERTY TO MULTIDIMENSIONAL POVERTY

Having established a broader framework that takes into account the multidimensional and intersectional nature of inequality, the module now turns to the related but distinct concept of poverty. This session first presents conventional poverty measurement and critiques of the narrow focus on monetary approaches (income). It moves on to a gender analysis of poverty, highlighting the need for multidimensional frameworks for gender-aware analysis to capture the depth of women's deprivation. The discussion then introduces a series of alternative measures, ranging from the Multidimensional Poverty Index (MPI) to participatory and time-use methodologies, that better reflect the complexity of poverty from a gender-aware perspective. The session concludes by demonstrating how the integration of time and income into a poverty measure reveals policy trade-offs, showing that employment alone cannot reduce poverty without addressing unpaid care workloads and job quality.

6.4.1 CONCEPTS AND MEASURES OF POVERTY

Poverty is universally associated with deprivation, and it is often distinguished from inequality by its focus on an absolute level of well-being, in contrast to inequality's concern with relative positions. Nonetheless, even this distinction needs to be refined. Peter Townsend and Amartya Sen have influenced the current understanding of poverty, arguing that poverty is absolute in the space of needs (e.g. all people need nutrition and shelter), but relative in the space of 'satisfiers' (i.e. the resources required to meet those needs vary by social and economic context) (Medeiros 2012).

The elimination of poverty has been a central concern of economic development policy discourse among international development agencies and national governments. As many countries started to witness the adverse distributional impacts of the transformation of the global economy, interest in poverty reduction grew within the development community. The first global policy goal set by the Post-2015 Development Agenda pertains to 'ending poverty'.[11]

To assess progress towards that goal, we need poverty measures that can be used to compare poverty rates over time. The most broadly used measures on poverty are based on the World Bank poverty line, which is subject to periodic revision.[12] The current values of the poverty line, established by what became known as the World Bank 'dollar-a-day' approach, are US$8.30 a day for high-middle-income countries and US$4.20 a day for low-middle-income countries, while extreme poverty is set at US$3.00 a day.[13] As measured by this method,[14] poverty has declined since the 1980s. Yet in 2025, 831 million people still lived below the US$3.00 per day extreme poverty line, while 1.51 billion people lived below the US$4.20 per day poverty line.[15]

In the conventional monetary approach to poverty, the status of poverty is identified on the basis of insufficient income or consumption spending with respect to some minimum threshold level. Thus, poverty is conceptualized as a lack of resources to meet basic needs. Basic needs can be defined as narrowly as nutritional needs (to guarantee food security), but can also be broadened to include the minimum cost of other needs such as shelter or clothing, as in a cost-of-basic-needs approach.

There are three different general approaches to setting poverty thresholds:

1. **Absolute threshold** is calculated as the cost of a basket of goods and services required for the minimum standard of living in an economy. At the global level, absolute levels such as a US$3-a-day exemplify an absolute threshold.
2. **Relative threshold** is the income level that is most typical in an economy and is presumed to reflect the consumption standards prevailing in a society. This threshold is set at 60 per cent of median household disposable income in EU countries (household income adjusted by the household size using an equivalence scale). The population earning income lower than 60 per cent of the median-adjusted household income is termed 'the population at risk of poverty'. In OECD countries, several relative thresholds are set at 40 per cent, 50 per cent and 60 per cent of median household disposable income.
3. **Subjective threshold** is based on self-assessed perceptions of poverty, where individuals report the income level that they consider necessary for a minimum standard of living. The threshold is derived by using survey responses, grounding it in people's own perceptions of a socially acceptable minimum standard of living.[16]

Furthermore, poverty thresholds may vary by magnitude of severity of deprivation: namely, the income poverty threshold versus the extreme income poverty threshold.

After setting the poverty threshold, it is possible to measure the number of people living in poverty, the rate of poverty, and the severity of poverty. These are defined as follows:

- **Population living in poverty:** Total number of people living under the poverty line. For example: In 2025, 831 million people lived in extreme poverty, with less than US$3 per day.
- **Poverty rate (also called head count ratio):** Share of a population living under the poverty line. This is calculated by the total number of people living in poverty divided by the population. For example: In 2025, 10.1 per cent of the world population lived in extreme poverty, with less than US$3 per day.
- **The poverty gap or level of severity:** The gap between the median income of the poor and the poverty line. For example, in France in 2021, using a relative poverty threshold, OECD calculates the poverty gap at 29.3 per cent. That is to say, the median income of the poor was 29.3 per cent smaller than the median income of the population.

The choice between the above measures can have ethical and practical implications. Each measure captures a different facet of poverty; therefore, it can then lead policymakers to vastly different conclusions and interventions. A policy aimed at reducing the poverty rate will achieve its results more easily by focusing on the least poor (rather than the extremely poor), while a policy aimed at reducing the poverty gap may distribute resources equally among the poor (Medeiros 2012).

The poverty measure most widely used in international comparisons was introduced by the joint programme of the World Bank and the United Nations Statistical Division (UN DESA). First set in 1990 at one dollar a day,[17] it is continuously revised to account for the increase in the cost of living. While the World Bank poverty measure serves as a valuable tool for monitoring worldwide poverty trends, assessing progress towards international objectives like the Sustainable Development Goals (SDGs), and making broad comparisons between countries and regions,

it doesn't properly capture national realities. The translation of income thresholds via purchasing power parity (PPP) is contested for its inability to accurately reflect comparable living standards across diverse countries and over time, undermining claims about the precise extent of global poverty reduction.[18] The provision of public services, transfer programmes and food stamp programmes, as well as regulatory policies on housing, influence how poverty varies from country to country in terms of lack of access to food, education, shelter and basic health needs.

National poverty lines are better for analysing and formulating policy to combat poverty within the unique economic, social and cultural context of an individual country (Gammarano 2025). Individual countries and regions use different absolute poverty lines, based on the cost-of-basic-needs method, and take into account food, clothing and shelter or use food-intake methods. In these estimates, household income and consumption are used as a welfare indicators and thresholds for needs are identified at the household level.

While income-based absolute poverty measures calculated at the household level remain dominant in policymaking (as is also the case for measures of inequality, as discussed in Session 6.2), these measures are subject to various shortcomings and criticisms. These can be categorized as follows:[19]

Exclusive focus on income: This excludes the importance of access to resources other than income in determining people's capabilities and well-being. The economic literature widely acknowledges that neither income nor consumption constitute a comprehensive well-being indicator. Standard income measures fail to incorporate essential non-market goods such as access to public schooling and healthcare, which are essential parts of peoples' basic needs.

Assumption of equal sharing of income within the household: Most poverty measures define poor individuals as those living in households below the poverty threshold. As already discussed above in relation to measures of income inequalities, this ignores inequalities in intra-household distribution of income, which has a gender aspect. Consequently, standard measures systematically render a layer of gendered poverty invisible (as discussed in detail in the next session).

Assumption of homogeneity among poor people and stigmatization of poverty: The so-called 'poor' are not a homogenous group, and people's own views of their condition are absent in most policy-making. The stigma surrounding poverty frequently promotes dangerous misconceptions leading to the belief that lack of income is a reflection of individual failure. For example, inadequate income does not necessarily mean one is jobless. People may live in poverty despite having jobs in the market. This situation is termed 'in-work poverty'. Having a job may not be enough to live out of poverty due to the requirements of unpaid work as well as the conditions in the labour market, for example, low wages, high and persistent unemployment, unfavourable conditions of employment including lack of work–life balance, and the prevalence of temporary jobs.

These critiques demonstrate that poverty is a multidimensional phenomenon shaped by the social and economic context. This multidimensionality is evident in food security, a component of poverty that transcends income. The evolution of this concept mirrors the broader critique presented here, as it has moved beyond a narrow focus on food availability at a household level (analogous to income) to a multidimensional understanding that encompasses critical issues of access, stability and agency. This shift confirms that meeting a basic human need is determined not just by the existence of resources, but by the social, economic and political capacity to command them (see Box 6.3). In the same way, an accurate portrait of poverty, including its manifestation as hunger, requires metrics that go beyond income to capture other dimensions of deprivation.

BOX 6.3

THE EVOLVING UNDERSTANDING OF FOOD SECURITY

The original definition of 'food security' dates to 1974, stating that it is "[the] availability at all times of adequate world food supplies of basic foodstuffs to sustain a steady expansion of food consumption and to offset fluctuations in production and prices" (FAO 1974).

This view was challenged by Sen (1981), whose work demonstrated food availability was only one component in explaining hunger. He showed that the traditional approach to famines, focused on food supply, failed to capture their determinants, leading to dangerously inadequate policies.

Sen's research established the need for a broader framework to explain why vulnerable populations frequently lacked access to food despite its abundant supply. Consequently, the concept evolved, and in 1996 the definition of food security was updated to its current prevailing form (FAO 1996): "Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life."

A report by the High-Level Panel of Experts on Food Security and Nutrition of the Committee on World Food (HLPE 2020) identifies six dimensions of food security:

- **Availability:** Having a quantity and quality of food sufficient to satisfy the dietary needs of individuals, free from adverse substances and acceptable within a given culture.
- **Access (economic, social and physical):** Having personal or household financial means to acquire food for an adequate diet at a level to ensure that satisfaction of other basic needs are not threatened or compromised; and that adequate food is accessible to everyone, including vulnerable individuals and groups.
- **Utilization:** Having an adequate diet, clean water, sanitation and healthcare to reach a state of nutritional well-being where all physiological needs are met.
- **Stability:** Having the ability to ensure food security in the event of sudden shocks (e.g. an economic, health, conflict or climatic crisis) or cyclical events (e.g. seasonal food insecurity).
- **Agency:** Individuals or groups having the capacity to act independently to make choices about what they eat, the foods they produce, how that food is produced, processed and distributed, and to engage in policy processes that shape food systems. The protection of agency requires socio-political systems that uphold governance structures that enable the achievement of food security and nutrition for all.
- **Sustainability:** Food system practices that contribute to long-term regeneration of natural, social and economic systems, ensuring the food needs of the present generations are met without compromising the food needs of future generations.

Source: HLPE 2020.

6.4.2 GENDER AND POVERTY

The standard measure of household income poverty reveals that poverty rates are higher among women,[20] but it is criticized from a gender perspective for its inability to capture the true level of deprivation that women experience (see Ilkkaracan and Memiş 2021). The feminist perspective on poverty led to the now well-known concept of 'feminization of poverty', which is "the empirical expression of the facts that women, compared to men, generally suffer from a higher incidence of income poverty and that women's poverty is more severe than men's and, over time, the incidence of poverty among women is increasing compared to men" (Çağatay 1998: 2).

Gender-aware analysis of poverty highlights its gendered patterns and structural drivers, and the inadequacy of conventional measures to capture women's deprivation, resulting not only from market obstacles but from intra-household dynamics as well. Moreover, feminist scholars clearly state that the concept of the feminization of poverty needs to go beyond an understanding of poverty as only the lack of monetary income (see Appendix 6D, Figure 6D-1).

Gender as a structural driver of poverty

Gender is a cross-cutting dimension for poverty risk, intersecting with class and other social categories to shape economic vulnerability. The prevalence of poverty among women is not incidental but is structurally driven by gendered economic patterns, particularly the systemic imbalance in unpaid care work. This imbalance results in time poverty for women, constraining their opportunities for paid employment, education and skills development, thereby reinforcing economic dependence. Furthermore, as women are predominantly assigned the role of primary caregivers, this gendered deprivation has intergenerational consequences, impacting children's poverty and well-being.

Revealing the intra-household poverty gap

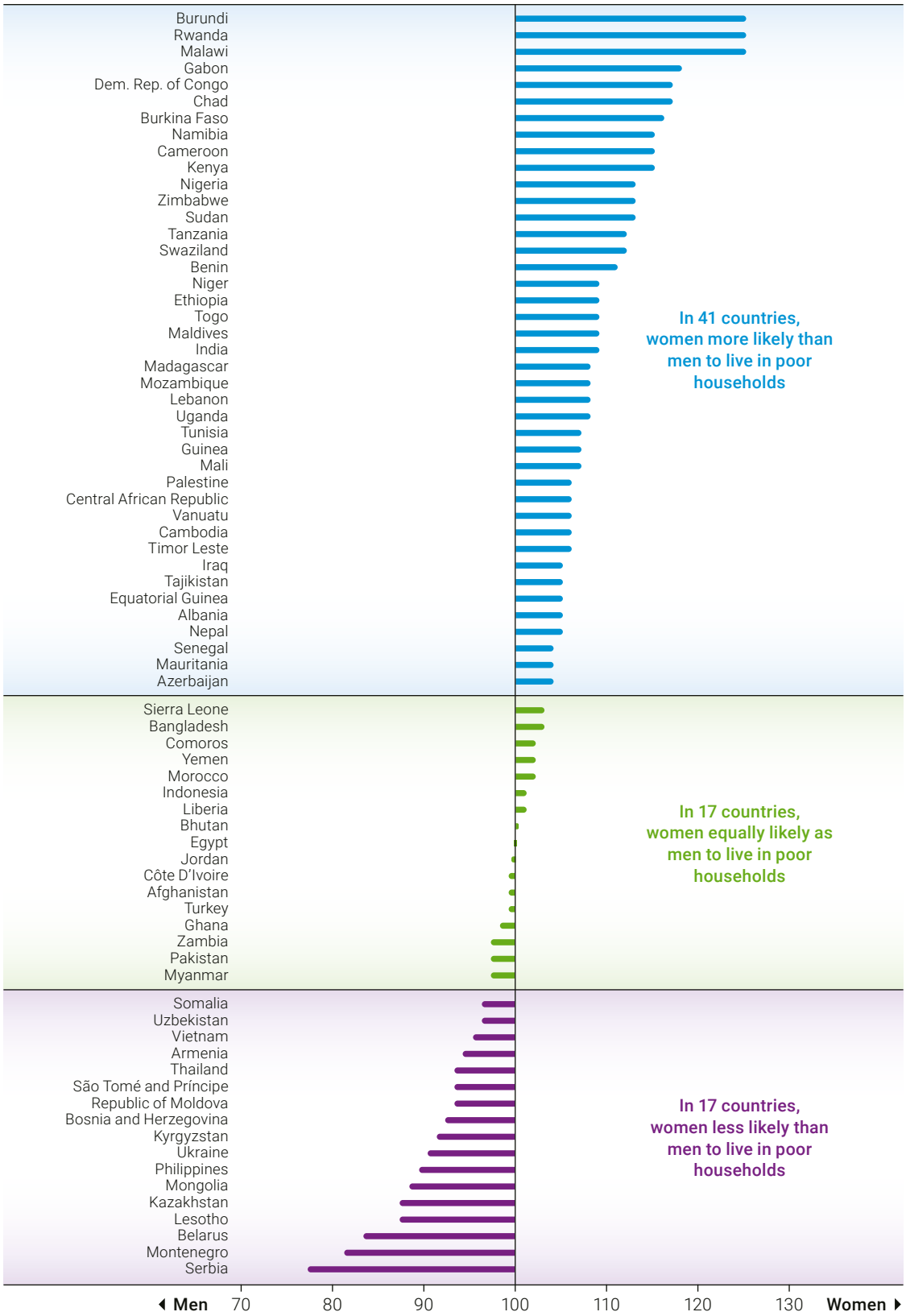
Generally, poverty measures rely on the assumption of equal distribution of income (or consumption expenditures) within the household. This assumption is used to produce a household per capita figure, which is then compared to the poverty threshold to identify a household as poor or non-poor. It is assumed that everyone (women and men) living in this household is deemed either poor or non-poor. However, it is possible (and often the case) that women and men living in the same household do not have the same control over income (or enjoy the same access to consumption). Hence, while a given household may be above the poverty line, a woman can be deprived of access to resources to the extent that she does not have any control over how the income will be spent. Similarly, in a poor household the severity of poverty may differ by gender: a woman can be extremely poor while a man in the same household is not.

To try to overcome measurement shortcomings and study the feminization of poverty, a sizable part of feminist economic poverty research has looked into the poverty status of female-headed households while highlighting their unpaid care workloads. The focus on female-headed households reveals women's higher risks of experiencing poverty, social exclusion and other hardships. Even though this approach helps elucidate some gendered aspects of poverty, it still fails to identify any intra-household differentiation by gender in the level of deprivation that women and men living in the same household experience. This is precisely why feminist economists highlight the importance of gender inequalities in intra-household resource access and allocation, exploring how the burden of poverty varies among female and male members of the same household.

As Ilkkaracan and Memiş (2021) expound, empirical evidence on the feminization of poverty is complex and not globally conclusive. Feminist scholars have criticized the hypothesis as oversimplified, noting that female headship does not constitute a homogeneous group and that women in male-partnered households also experience significant poverty.

FIGURE 6.5

Women are at higher risk of living in a poor household



Interpretation: Ratio of women to men aged 20 to 59 in the lowest wealth quintile of all households, selected developing countries, 2000–2013.

Source: UN Women calculations using the latest available data from Demographic and Health Surveys (DHS) and the Multiple Indicator Cluster Survey (MICS).[21]

Alternative frameworks, such as the 'feminization of responsibility' and detailed analysis of intra-household poverty gaps, can lead to a more nuanced understanding of gendered poverty. The evidence points to a persistent, though regionally varied, gender poverty gap, which is especially pronounced in regions with high extreme poverty such as sub-Saharan Africa.

Towards a multidimensional understanding of women's deprivation

While important, the emphasis on income limits the issue to formal market work and the public sphere of paid employment, neglecting a considerable amount of work generated outside formal markets.

The feminization of poverty, which goes beyond the female-headship approach, points to the multidimensional aspects of gender inequalities, including lack of access to commonly owned social resources, lack of autonomy and lack of power by which to control decisions affecting one's life (Çağatay 1998 and 2001). Figure 6.5 shows the number of countries in which working-age women are more likely to be living in poor households, and thus much more likely to be affected by the long-term negative effects of adverse macroeconomic shocks. The figure also underscores that, on average, in poorer nations women are more likely than men to live in a poor household; hence, the burden of poverty falls more on women than men.

From a gender-aware perspective, there is therefore a need for multidimensional measures of poverty, which are the focus of the following sessions.

6.4.3 ALTERNATIVE MEASURES OF POVERTY

The criticisms of conventional poverty measures presented so far have been very influential in shifting poverty research from a focus merely on the lack of private income/consumption towards extended notions that include scarcity of opportunities to access social resources and services, autonomy and human dignity. Consequently, poverty is redefined as 'human poverty' to mean more than a lack of what is necessary for material well-being. This shift is particularly critical for a gender-aware analysis, as it moves beyond metrics that systematically obscure women's deprivation. Human poverty can be defined as the denial of opportunities and choices that are fundamental to human development—to lead a long, healthy, creative life and enjoy a decent standard of living, freedom, dignity, self-esteem and the respect of others (UNDP 1997: 5).

Poverty of choices and opportunities is more informative than income poverty for policymakers, as human poverty can point to the sources and causes of poverty and thus lead more directly to strategies of empowerment. Unlike income poverty, human poverty is multidimensional, with income as just one indicator among others.

Alternative definitions and measures of poverty acknowledge the complex nature of poverty and include consideration of these dimensions:

- **Monetary:** Poverty is defined as the lack of a minimum level of income.
- **Capability:** Poverty is the lack of ability to do or be, lacking freedom to choose.
- **Social exclusion:** Poverty is defined as deprivation based on certain well-being indicators such as psychological well-being, mental health, lack of dignity, or inability to participate fully in activities.
- **Participatory:** Considers poverty as a subjective issue and aims to incorporate the views of people living in poverty.[22]

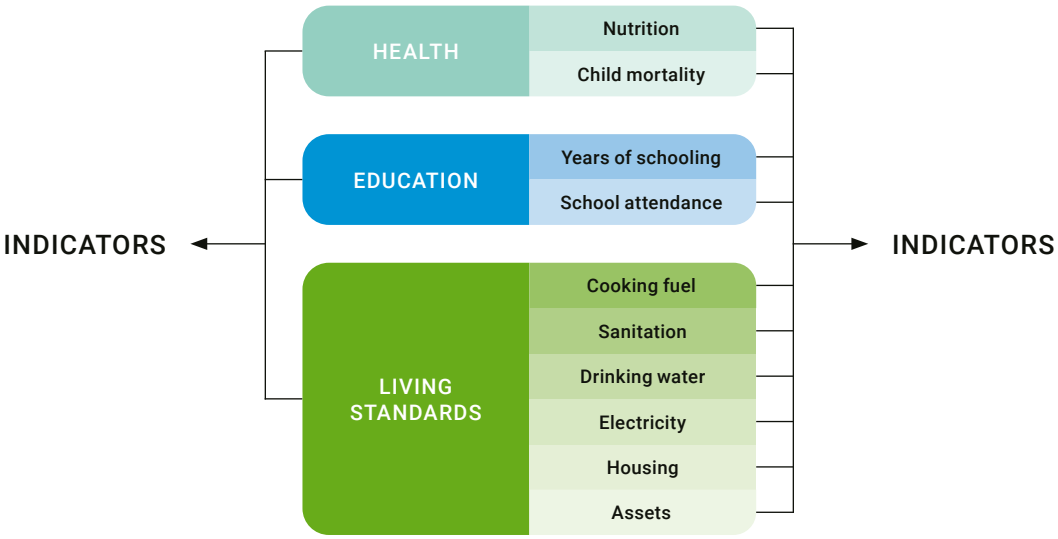
A gender lens reveals how women may be disproportionately poor in key non-monetary dimensions, even within households not classified as income-poor. This is evident in the capability dimension, where women often face significant constraints on their freedom to make fundamental life choices regarding education, work or marriage due to social norms and structural barriers. It is equally apparent in the dimension of social exclusion, where women experience poverty through restricted mobility in public spaces, or the inability to participate fully in community and political life.

These gendered forms of deprivation underscore the need for multidimensional frameworks. One example of such a framework is the Multidimensional Poverty Index (MPI). The three pillars of the composite MPI are the indicators for health, education and living standards (see Figure 6.6).[23]

While composite indices like the MPI provide a valuable, multidimensional snapshot of poverty, a comprehensive understanding involves policy-makers also analysing their constituent dimensions separately. This more holistic methodological approach acknowledges a fundamental critique of such indices: the challenge of setting the relative weights between dimensions, which is often an ad hoc process. As Ravallion (2014) argues, collapsing multiple welfare dimensions into a single number requires making assumptions about trade-offs—for instance, the monetary value of an extra year of life versus an extra year of schooling—that lack a clear, transparent justification. Furthermore, standard weightings in composite indices may not reflect the different values that women and men place on various dimensions, or how deprivations in specific dimensions can have different causes and produce different outcomes for men and for women, which undermines the design of gender-sensitive policies.

As with inequality measures, the choice of poverty measure needs to consider the characteristics and assumptions behind the data presented in order to credibly propose a robust policy framework. For example, poverty rates or a composite index can be used to understand the evolution of poverty through time, or to identify specific countries or demographic groups that are more vulnerable to poverty. Those are good starting points for identification of the problem. However, to design targeted interventions that address the complex, layered reality of human poverty, it is necessary to look in more detail at specific measures regarding each dimension.

FIGURE 6.6
Multidimensional Poverty Index



Source: Author's design based on OPHI and UNPD 2024: 4.

Each dimension of poverty can itself be studied through the definition of specific thresholds, for example, to look into individuals' access to basic services such as sanitation and water, or access to food. To do that, a measure needs to define how to identify who is poor, what the space for the definition of poverty should be, and how best to draw a line between the non-poor and poor populations.

Should the line be based on an absolute measure that is constant across/within societies, or on a relative measure that varies from society to society? Other questions include whether to draw a line, who should decide the basis for the appropriate line (e.g. basic needs, nutritional requirements, and food and non-food minimum thresholds), and whether the population in poverty will be involved in this decision.

An alternative to overcome poverty assessment difficulties is the construction of a subjective poverty method through a participatory approach, primarily using surveys that ask individuals to self-assess their own welfare. This is typically done through one of two methods: using qualitative categories, such as asking respondents to place themselves on an economic ladder from poorest to richest, or by asking for a money-metric evaluation, such as the minimum income they consider necessary to make ends meet. The data are then used to inform poverty measurement in three key ways: to test whether existing, objective poverty lines align with people's own perceptions; to calibrate a composite welfare index by using the survey responses to assign weights to different dimensions of well-being; or to directly derive a subjective poverty line, defined as the income level at which a person is expected to reach a critical threshold of self-assessed welfare (Ravallion 2014).

The evolution from narrow definitions of poverty to more comprehensive ones contributes a great deal to the understanding of its multidimensionality; however, unresolved issues remain from a gender viewpoint. From a gender equality perspective it is important to track inputs, such as household livelihoods, and inequalities in inputs, including time. Information on time use has the potential to depict the intra-household allocation of resources within households outside formal markets, as discussed in the next session; however, this is yet to be used.

6.4.4 INCORPORATING TIME USE INTO POVERTY MEASUREMENT

This session focuses on how time-use data on paid work and unpaid care work can be integrated into measures of poverty, and examines the implications for gender equality. The discussion is based on research by the Levy Economics Institute on Time and Income Poverty.[24]

Time-use data (discussed in Module 2: The Care Economy and Transformative Care Systems) is a transformative indicator for gender equality in the Post-2015 Development Agenda. Time-use surveys go beyond the information obtained from conventional surveys employed in poverty analysis. They make it possible to obtain more comprehensive statistics for well-being, inequality and poverty. Time use renders the invisible visible: it helps explain existing gender gaps in access to time, employment and earnings (discussed in Modules 2 and 3), as well as the intergenerational transmission of inequalities and poverty. Early research based on time-use data has found that gender gaps in unpaid and paid work push women into social and income poverty (Elson 2005 and 2009) as well as into time poverty (Bittman and Folbre 2004; Antonopoulos and Memiş 2010).

Anti-poverty policies should consider the fact that time devoted to unpaid activities is higher in households below the poverty line. Policy interventions that solely target income deficits without knowledge of their time availability are very likely to aggravate existing disparities. Conventional poverty measures, by neglecting inequalities in terms of time use, ignore the fact that unpaid household production contributes to the fulfilment of material needs that are essential to attaining a minimum standard of living. Such measures assume all households and individuals have enough time to adequately attend to the needs of household members including, for example, caring for children. However, some households may not have sufficient time and thus experience time poverty.

If a household experiencing a time deficit cannot afford to pay for market substitutes (e.g. hiring a care provider), the official poverty threshold would understate the requirements of that household for attaining a minimum standard of living (Antonopoulos and Memiş 2010). The concept of time poverty proposes that it is important to track inequalities in time use to better understand poverty and inform gender-responsive policy design.

It is possible to integrate time and income dimensions of poverty into a single measure: the Levy Institute Measure of Time and Income Poverty (LIMTIP)—see Appendix 6E for a detailed description. The reasoning is straightforward. Household consumption has two components: market-produced goods and services, which are procured by income; and household-produced goods and services, which are produced by unpaid labour (i.e. time on unpaid work). Hence, a household's consumption possibilities (or status of deprivation) depend on the availability (or lack) of both monetary income and time.

The LIMTIP identified the following categories of poverty at the intersection of income and time. Individuals can be:

- Income-poor but time-nonpoor
- Income-nonpoor but time-poor
- Both income- and time-poor
- Neither income nor time-poor

The measure identifies an individual as 'time-poor' if their total weekly time commitment for necessary activities (i.e. paid and unpaid work plus minimum self-care for survival) exceeds the hours available in a week. Operationalization of time poverty thresholds are explained in Appendix 6E. While one cause is excessive paid work (employment time-bind), a critical insight of this framework is that an individual can also be time-poor due to an overwhelming burden of unpaid household production (housework time-bind), often resulting from an inequitable division of labour. These two binds can also co-occur (see Appendix 6E, Table 6E-1 for detailed typology of time poverty).

The LIMTIP's primary policy contribution is to reveal a trade-off between income and time that standard poverty measures conceal. LIMTIP simulations with different countries' labour force and time-use data demonstrate that when prime working-age, non-employed, healthy adults living in income-poor households (predominantly women) are provided with a job opportunity matching their skills, they may lift their household above the income poverty threshold through access to labour earnings. Yet in many instances, given the time requirements of the new job and commuting, the household (and the individual) may fall below the time-poverty threshold, in other words, the income deficit of the household is transformed into a care deficit. As a result, despite being lifted out of income poverty, the well-being of household members—both primary caregivers and care-dependent members (such as children or those with long-term care needs)—may not improve and can even deteriorate if adequate time for personal care and family is sacrificed. Another common finding of LIMTIP studies across different countries is that the time-poverty rates of employed women are greatly higher than those of men in employment.

This multidimensional measure of poverty enables a deeper understanding of the linkages between the functioning of labour markets, unpaid household production activities and existing arrangements of care production, including social care provisioning. The current policies adopted in many developing countries to promote women's employment may help reduce official (income) poverty rates. However, it cannot insulate women from time poverty unless supported by additional policies. The LIMTIP framework demonstrates that active labour market policies cannot be effective anti-poverty strategies in isolation (as discussed in Module 3: Employment, Decent Work and Social Protection). To avoid this damaging trade-off, such policies must be integrated with: (i) the provision of accessible, quality care services (such as childcare, eldercare and after-school programmes) to reduce the unpaid workload; and (ii) the improvement of job quality, including adequate wages (such as through a minimum wage policy) and reasonable work hours compatible with family life.

Indeed, recent extensions of LIMTIP simulations show that when individuals living in income-poor households are provided with a job opportunity matching their skills, along with access to day care services for care-dependent household members, many move out of income poverty but do not risk time poverty, with a positive well-being effect (i.e. reduction in the LIMTIP poverty rate).

DISCUSSION

Ask participants to think about poverty in a community or country they know well.

- How would different aspects of deprivation be addressed by giving poor households more money?
- Time poverty: Would women and caregivers have more time for rest or personal activities?
- Access to services: Would people gain better access to services such as health, education, clean water or public transport?
- Intra-household inequality: Would all members, especially women and children, have equal access to and control over the new income?
- Agency and social exclusion: Would marginalized members gain real autonomy or the ability to participate in public life?
- Job quality: Would work conditions improve?

Note to the Facilitator: Push for specifics and connection. Ask participants to give a concrete example from their context and to connect it to concepts from this module (e.g. time poverty, intra-household inequality, multidimensional deprivation, the capabilities approach). The discussion can help introduce policy considerations in preparation for the next session on gender-responsive policy.

KEY TAKEAWAYS FROM SESSION 6.4:

- A single, universally applicable poverty line (such as the World Bank approach) is both conceptually and practically problematic. This underscores the need for alternative processes in setting thresholds and for the complementary use of multiple measures.
- The construction of a poverty line involves normative choices about what constitutes a minimum acceptable life in a society, which determines who is counted as poor. Thus, the choice of poverty measure (headcount versus poverty gap, absolute versus relative, unidimensional versus multidimensional) has direct ethical and practical consequences, guiding policymakers towards more or less effective interventions for different groups.
- Standard measures that assume equal resource sharing within households systematically underestimate women's poverty by rendering intra-household inequality and control over resources invisible.
- Accurate measurement of poverty requires moving beyond income to include capabilities, social exclusion and subjective well-being, as women's deprivation is often also concentrated in these non-monetary dimensions.
- Time poverty, caused by excessive paid work or an inequitable unpaid care workload, is a core dimension of deprivation. Integrated measures of income and time poverty, such as the LIMTIP, show that gaining income through employment can create a care deficit, failing to improve overall well-being. Consequently, effective anti-poverty strategies must integrate job creation with access to quality care services and improvements in job quality (wages, hours) to prevent households from trading income poverty for time poverty.

6.5 GENDER-RESPONSIVE POLICY RESPONSES TO INEQUALITY AND POVERTY

This session introduces a gender-responsive policy framework towards gender equality in access to resources and elimination of poverty. The pillars of the framework are: gender-responsive social protection policies; care economy policies; and macroeconomic policies for inclusive (equitable and pro-poor) growth as macro enablers.

Tackling poverty and inequality requires an understanding of its multidimensionality and intersection with social categories such as gender, race, class, disabilities and others. A key distinction in policy-making is made between targeted policies, which focus on specific groups of individuals, and universal policies, which are aimed at the whole population. Although preferences for a universal or targeted policy might reflect underlying principles of social justice (Kerstenetzky 2006), the use of each can be

complementary. Thus, the degree of universalism of each policy should be addressed considering the objectives and constraints in each context.

Universal social policies, such as the provision of public universal health, education and care services, are more effective in ensuring no one is left behind. Their implementation requires substantial immediate public investment but this must be weighed against their high multiplier effects, leading to long-term economic benefits. Universal policies benefit people at the bottom of the income distribution disproportionately, as they rely more on public services. Moreover, by providing a foundational level of security and access to services for all, universal policies directly counter structural inequalities and deliver outsized benefits to vulnerable groups, such as women living in poverty, who are often failed by targeted or contributory systems. The significant advantages of universalism thus become clear in the medium to long term, where they contribute to a more equitable, resilient and productive society, which in turn fosters stronger and more inclusive economic growth.

Targeted policies (e.g. cash transfer programmes) have been a cornerstone of anti-poverty policies. They also are a crucial complement to universal frameworks, as they can be seen as reparatory policies, aimed at restoring access to universal rights for groups that face compounded disadvantages (Kerstenetzky 2006). However, a key limitation of universal policies is their inability to effectively reduce intragroup inequality; for instance, they may not automatically bridge the gap in outcomes between racialized poor communities and other impoverished groups, as these disparities are rooted in structural discrimination.

Thus while universal policies are indispensable for addressing structural inequities, they may not automatically reach the most marginalized people. To ensure accessibility and effectiveness for all, universal frameworks must be designed with explicit inclusion mechanisms. Furthermore, to tackle entrenched intra-group inequality it is crucial to complement universalism with targeted interventions to dismantle these specific barriers.

The session begins by analysing the most widely implemented tools for combating poverty and inequality, namely social protection policies. It examines social protection systems as well as in-kind and cash transfer programmes, before discussing the need to incorporate care policies into social protection floors as a way of mitigating gender gaps in social protection. The channels through which care policies can alleviate poverty and promote gender equality are explored. The discussion then focuses on the importance of social protection policies for resilient economies that do not leave the most vulnerable groups as exposed to crises. Finally, the session shows how macroeconomic policies can enable equality, arguing that effective poverty alleviation requires understanding how such policies help create a virtuous cycle of growth.

6.5.1 GENDER-RESPONSIVE POLICIES FOR POVERTY ALLEVIATION: CARE AND SOCIAL PROTECTION

Gender-responsive care policies were discussed in Module 2: The Care Economy and Transformative Care Systems, within the context of comprehensive care systems. Gender-responsive social protection policies were discussed under Module 3: Employment, Decent Work and Social Protection, with a focus on the links to gender gaps in employment. The discussion highlighted the importance of integrating care policies into social protection programmes. A gender-responsive social protection floor establishes a universal minimum of guarantees built on three interdependent pillars: access to secure income, to quality social care services and to decent work. In this way, a gender-responsive social protection floor directly targets the linked deficits in income, care and labour security that perpetuate women's poverty.

Building on these earlier discussions, this session presents an assessment of gender-responsive social protection policies with a deepened focus on their impact on poverty alleviation. It focuses particularly on cash transfer policies from a gender perspective, and on the linkages with child poverty.

Social protection policies have been the hallmark of poverty-alleviating policy frameworks. They refer to the set of policies and programmes designed to prevent and protect all people against poverty, vulnerability and social exclusion throughout their life course. This includes guarantees for income security and access to essential healthcare, with a particular emphasis on providing support during key life events such as childhood, unemployment, motherhood, disability and old age (ILO 2024: 6). According to the International Labour Organization (ILO), "Social protection includes nine main areas: child and family benefits; maternity protection; unemployment support; employment injury benefits; sickness benefits; health protection (medical care); old-age benefits; invalidity and disability benefits; and survivors' benefits" (ILO 2024: 234).

A well-designed, accessible social protection system is essential for achieving inclusive economic growth, social progress and human development. Evidence confirms that public spending on social protection reduces poverty and inequality, promotes political stability and boosts productivity.

Inclusiveness of social protection schemes and gender gaps in coverage

The discussion in Module 3 highlighted that a critical gender aspect of social protection schemes is the conditionalities associated with their coverage. In many country contexts, social protection is financed through contributory schemes, primarily wage contributions, to deliver social insurance for employed workers. Feminist economics highlights this critical flaw in social security systems when benefits are linked to formal labour market participation, as is usually the case with public pension systems. The contributory design through formal work systematically excludes informal and unpaid workers, who are predominantly women.

An example of this systemic failure is the situation of elderly domestic workers. As a growing number of older women continue to perform this work, they face a precarious old age with inadequate pension support. Having devoted their lives to the care work that sustains society, they are excluded from social protection. In many cases, gender intersects with other dimensions such as race or migrant status (see the discussion of migrant domestic workers in the global care chain in Module 5: International Trade and Open Macroeconomy).

Critical coverage gaps persist globally. According to the ILO (2024), only 52.4 per cent of the world's population was covered by at least one social protection benefit in 2023, with severe regional disparities—coverage in Africa (19.1 per cent) is drastically lower than in the Europe and Central Asia region (85.2 per cent). Furthermore, only 33.8 per cent of the working-age population is covered by comprehensive social security systems, with women's coverage lagging 11.1 percentage points behind men's.

Feminist economics advocates both for a redesign of social protection schemes for universal coverage, and for policies towards eliminating gender gaps in employment, with the longer-term objective of ensuring equal access for older women and men to public pension and social protection schemes.

Cash transfers

Social protection measures can also be financed through general taxation, to deliver social assistance and other universal policies such as health to all the population, independent of their participation in formal employment. In-kind and cash transfers are widely used mechanisms to deliver social protection to households living in poverty. Direct cash transfers provide households with monetary resources to meet their self-determined needs, while in-kind transfers, such as food parcels, school feeding programmes or housing vouchers, deliver specific goods or services directly. Although it is debated which is more effective, the choice of in-kind or cash depends on the context. The argument in favour of cash transfers is that they support beneficiaries' autonomy and empowerment. On the other hand,

in-kind transfers are preferable for delivery of basic needs when market access may be impeded or if prices are volatile,[25] which is the case in some areas or during crises.

Conditionalities associated with cash transfers have also been criticized, especially in feminist literature. One well-known example of a conditional cash transfer programme is Brazil's Bolsa Família, which targets poor households, favouring women as the main beneficiaries, where continued eligibility is conditional on their children's participation in health and education programmes. Even though such conditionalities have shown to be successful in increasing health and education outcomes for beneficiary families,[26] they have been criticized for instrumentalizing women[27] and reinforcing their care responsibilities. Moreover, even when they are designed without explicit gender bias, cash transfer programmes can reinforce traditional caregiver roles for low-skilled, low-income women if they are implemented in a context of low female employment, lack of social care infrastructure and scarce job opportunities (Ilkkaracan 2026).

Access to quality social care services as an indispensable component of gender-responsive social protection

Care policies are frequently incorporated into social protection systems, but in many cases this is done in a fragmented manner. Integrating care into social protection as part of a unified systemic plan or system can amplify positive gender impacts. As discussed in Module 2, a comprehensive care system addresses the needs and rights of both those who need care and those who provide care. Hence a comprehensive care system prevents the instrumentalization of family caregivers (predominantly women) by social protection programmes, which often prioritize serving those on the receiving end of care (as in the example of Bolsa Família above, where women's access was conditional on children's participation in health and education programmes).

One successful example of a social protection programme that focuses on supporting caregivers from low-income (often poor) households is the Manzanas del Cuidado (Care Blocks) in Bogotá, Colombia. As presented in Module 2, these are integrated centres offering a range of services for both care recipients and caregivers, including childcare, laundry facilities, and activities for women (from job training to leisure and sports). This model illustrates an integrated care and social protection programme, which can fight poverty for care recipients and caregivers alike.

GROUP EXERCISE:

DESIGNING EFFECTIVE AND EQUITABLE CHILD POVERTY STRATEGIES THAT CONSIDER CAREGIVERS' WELL-BEING

This exercise aims to illustrate the fact that policies directly targeting women are not the only policies that have gendered consequences. In general, policies that target care recipients will have an impact on the care providers, who are predominantly women. Furthermore, policies that target a broad group of people can have differential gendered impacts within the target group. One example of this is child poverty policies. Girls in many regions face a higher risk of multidimensional poverty due to significant barriers to education, the high unpaid care and domestic workload, and vulnerabilities such as early marriage (UNICEF 2024).

Guide participants (acting as policymakers) through the process of creating a national strategy to combat child poverty, with a specific focus on identifying and rectifying gender biases in policy design. Participants move from drafting a broad plan to critically refining it using evidence on the gendered dimensions of poverty, ensuring that the interventions support both children and their primary caregivers.

The exercise is in three parts: drafting the plan; data confrontation and gender lens interrogation; and finally, sharing insights and conclusion. Give each group the following instructions.

PART 1: The National Task Force – drafting the Action Plan

Scenario: Your government has established a new National Childhood Poverty Fund with a mandate to design a bold, cross-sectoral strategy. Your group has been appointed as the leading Task Force.

Task: Your job is to define the core objective and targeted audience of your national plan and propose specific, actionable interventions.

Instructions: Write the general guideline that will frame your interventions. Then, in the table below, identify two to four key interventions. For each *Intervention*, specify the primary *Target group* and note critical *Gender design considerations* (e.g. general rules for the policy).

To illustrate, here is an example:

Intervention	Target group	Gender design considerations
What is the intervention that you are proposing?	**Who is the main group affected by the policy?**	**Are there specific design considerations for this policy that can lead to gendered results?**
For example: • Cash transfer	For example: • Poor households with children	For example: • Who within the household is the primary recipient of the transfer? • Are there conditionalities? • Is the gender of the children accounted for in any way? There is no need to specify all aspects of the intervention; just highlight any consideration that is relevant for gendered impacts.
Intervention 1:		
Intervention 2:		
Intervention 3:		
Intervention 4:		

Group presentation: As a Task Force, present and justify your choices. Why was this combination of interventions chosen? How do they reinforce each other to achieve your strategic approach?

PART 2: The evidence briefing – confronting the data

After the discussion, the Facilitator presents some data to the groups and invites them to consider the impacts of their policies. Read the following to the participants:

> *Now, let's bring facts to the table. As you review this evidence, consider: Does our plan effectively speak to these realities? Where might our pillars have unintended consequences or blind spots?*
>
> ***Fact 1:*** *Globally, more than 300 million children live in extreme poverty and nearly 1 billion endure multidimensional poverty. Progress in reducing child poverty has slowed significantly since 2020, putting the achievement of the SDG poverty targets increasingly out of reach. This is not only a profound violation of children's rights but also a barrier to lifelong economic opportunity and a constraint on overall economic growth, as a child's life chances remain overwhelmingly determined by the circumstances of their birth (UNICEF 2024: 5).*
>
> ***Fact 2:*** *Child poverty is not evenly distributed. Children from marginalized racial, ethnic and caste groups, girls and young women, and children with disabilities face significantly higher vulnerabilities due to systemic discrimination and exclusion. Indigenous, Afro-descendant and Roma children, for example, experience severe deprivations at much higher rates. Girls are often burdened with unpaid care work and face barriers to education and risks of early marriage, while children with disabilities have poorer health and education outcomes (UNICEF 2024: 5).*
>
> ***Fact 3:*** *There has been a significant global rise in lone-parent families, the vast majority of which are led by women. In the United States, lone-parent families constitute about a quarter of all families with children, while in the United Kingdom, lone mothers head 90 per cent of the 3 million lone-parent households (Jones et al. 2022). These households face a disproportionately high risk of poverty, a dynamic exacerbated by a severe global childcare crisis. An estimated 72 per cent of children aged under 3 with employed mothers—about 150 million children—lack access to needed childcare, a figure that rises to nearly 80 per cent in low-income countries (UNICEF 2024: 21–22). This lack of access is a barrier to the participation of mothers in the labour market and a risk to children's development. Moreover, unpaid care work falls heavily on females from a young age; globally, girls aged 5–14 spend 160 million more hours per day on domestic chores than boys, limiting their education and development, and perpetuating a cycle of gendered poverty (UNICEF 2024: 21–22).*

Task: Based on this evidence briefing, discuss with your group possible adaptations to the interventions you designed.

Note to the Facilitator: Ask the following questions to motivate the discussion:

Differential impact: Is your plan as likely to lift a girl out of poverty as a boy? Could a policy that works for a two-parent household fail a single mother and her children?

The care economy: How does your plan address the immense volume of unpaid care work that falls on women and girls, which limits their opportunities?

Beyond instrumentalization: Are we designing policy focused on mothers solely as instruments for delivering child outcomes, or are our interventions also designed to support women's empowerment, economic independence and well-being? This is an important question to introduce the idea that a key aspect of care-sensitive policies is that they should consider not only those who need care or those who provide care, but both (discussed in Module 2).

Reaching those at the bottom: How does your plan specifically identify and support racialized girls, or a girl who is also from an Indigenous community, living in a rural area, or has a disability? Will the policy address intersectional barriers or reinforce structural aspects of inequality?

PART 3: Final discussion

The Facilitator now initiates a discussion encouraging all participants to share their thoughts and conclusions. Below are policies implemented in different contexts and with the G20/UNICEF recommendations on child poverty reduction policies, which you can use to support the discussion. For more detail, see UNICEF (2024). Breaking the Cycle: Tackling Child Poverty and Inequities.

Real-life examples

The following examples from a G20 report on child poverty reduction (UNICEF 2024) illustrate how different countries have implemented policies across the key areas. Consider how these approaches could inform your National Plan.

- **Building a foundational system for targeting and crisis response – Brazil's Cadastro Único:** Brazil's Cadastro Único (Single Registry) is a unified database that collects socioeconomic data on low-income families. The system allows the government to accurately identify needs and target a range of social programmes efficiently. Its value was particularly evident during the COVID-19 pandemic, enabling the government to quickly identify and provide emergency cash transfers to millions of informal workers and lone-mother households who were suddenly in crisis, preventing a much larger spike in poverty.
- **Linking cash transfers to children's education – Brazil's Bolsa Família:** A key programme using the Cadastro Único in Brazil is Bolsa Família, which provides cash transfers to poor families, conditional on children's school attendance and health check-ups. The programme has been credited with significantly reducing child poverty and improving school enrolment and health outcomes. The transfer is typically paid to the mother, recognizing her role in managing household resources for the family's well-being. (This is a very interesting example, as research has shown successful implementation of the programme in two areas: it has increased children's school attendance and it has been a path for mothers to escape poverty and eventually increase their labour market participation. On the other hand, the conditionalities imposed on the receiver, most frequently women, are criticized by feminists as reinforcing women's role as caregivers. Because of the complexity of the issue, this example can lead to fruitful discussion).

- **Making childcare accessible for working mothers – Rwanda's mobile crèches:** In Rwanda, mobile crèches were piloted on public works sites and later adopted by private tea companies. This initiative provided quality childcare at the mother's place of work, allowing her to remain employed and productive. It was specifically scaled to reach nearly 50 per cent of female-headed households involved in public works, directly addressing the childcare barrier that often prevents mothers from participating in the labour force.
- **Designing inclusive social protection through the Philippines' Pantawid Pamilyang Pilipino Programme (4Ps):** The Philippines' conditional cash transfer programme automatically includes Indigenous people and those in geographically isolated and disadvantaged areas as beneficiaries. It also adapts its delivery, using mobile payments and on-site payouts, to overcome the challenges of reaching remote communities, ensuring that the most marginalized groups are not left behind.
- **Directly addressing gender gaps in education through Bangladesh's Higher Secondary Stipend Programme (HSSP):** This programme pays particular attention to closing gender gaps by providing stipends to 40 per cent of all female students and 10 per cent of all male students in targeted schools. This targeted approach aims to enable children, and particularly girls, from poor families to continue their secondary education.

UNICEF CORE RECOMMENDATIONS FOR AN EFFECTIVE NATIONAL PLAN

The UNICEF 2024 report *Breaking the Cycle* consolidates global evidence on child poverty reduction into a clear set of priorities, and recommends that a comprehensive national plan is built on three pillars:

1. **Expand equitable and universal social services:** Prioritize universal access to quality education, healthcare, nutrition and childcare. To reach the most marginalized groups, services must be culturally appropriate, accessible in underserved areas, and supported by a trained workforce.
2. **Strengthen inclusive social protection systems:** Focus on expanding the coverage of child benefits, with an emphasis on universal schemes to prevent exclusion. Programmes must be designed to overcome barriers for marginalized groups, including through higher benefits for children with disabilities or targeted stipends for girls' education.
3. **Prioritize fiscal policies that invest in early childhood:** Direct public investment towards the early years, funding integrated services that support health, nutrition, early education, and social protection. Progressive tax reforms are a key tool for generating the sustainable fiscal space needed for these investments.

MACROECONOMIC IMPACT OF SOCIAL PROTECTION SPENDING

Beyond poverty alleviation at the micro level, research shows that effective social protection schemes and associated public investments also trigger positive macroeconomic outcomes. Cardoso et al. (2025) find that the multiplier effects of social protection spending on GDP surpass those of total government expenditures. Their study also finds that the positive impact of public spending on social protection on GDP is especially pronounced in highly unequal countries. This has significant implications, as it suggests that social protection policies are not only effective at poverty reduction but can also enhance growth.

Policies enabled during the COVID-19 pandemic also provide good examples that highlight the countercyclical role of public spending on social protection. Studies show that social protection measures, such as those implemented in the EU and unemployment supplements in the United States, significantly mitigated income loss and sustained consumer spending during the crisis, highlighting their substantial positive fiscal multiplier effects.[28]

Beyond their countercyclical and growth-enhancing roles, social protection and care policies are foundational for building long-term economic and social resilience. The existence of well-established social protection floors is important to safeguard the most vulnerable populations in a world where we observe an increasing frequency, intensity and interconnectedness of global crises, from pandemics to climate disasters, which pose an escalating threat to social development. These crises do not impact populations equally; they act as powerful amplifiers of pre-existing inequalities, disproportionately pushing the most vulnerable groups into poverty and creating long-lasting setbacks in the fight for gender equality.

Shocks have a devastatingly asymmetric impact. Evidence shows that low-income countries and the poorest households within them often experience more severe impacts, from which recovery is difficult. Following a shock, households can be thrust into poverty through self-reinforcing mechanisms known as 'poverty traps'. These include loss of human capabilities due to ill health, malnutrition or interrupted education; loss of income-generating assets that cannot be recovered; and psychological impacts, such as shock-induced depression, that lower productivity and aspirations.

The COVID-19 pandemic reversed years of progress, pushing the global poverty rate up and leaving an estimated 122 million more people facing hunger in 2022 compared to 2019 (FAO 2024). This demonstrates how a single crisis can erase hard-won gains and trap millions in a cycle of deprivation. Moreover, the burden of crises is overwhelmingly gendered, exacerbating the feminization of poverty. Some examples of this are job losses, increased unpaid care work, and the erosion of rights and safety nets.

Moreover, climate change disproportionately harms vulnerable people and the consequent health risks are higher for people living in poverty. Women with lower socioeconomic status and less education are particularly vulnerable to climate impacts. They face greater heat stress, exposure to pollution and health risks while performing essential outdoor tasks like gathering water (Floro 2024). As discussed in Module 7: Ecological Crisis and Green Transformation, care crises and climate crises also reinforce each other. The advance of climate collapse increases the volume of unpaid care work. Simultaneously, the effort of care

itself diverts valuable social resources from combating the climate crisis, since sustainable practices and climate resilience require time and collective effort (Valodia et al. 2024). This connection between care, the climate crisis and poverty points to the need to incorporate a gender and social protection perspective in the environmental development agenda (see group exercise below on the gender–climate–poverty nexus).

The lesson from past crises is that countries with robust, inclusive systems were better equipped to respond. Countries with established social protection systems could quickly scale up support, stabilizing household income, particularly for women, and aggregate demand. Furthermore, universal health systems were crucial for responding to the pandemic and protecting populations. Thus, investing in gender-responsive social protection, universal public services, and decent work in the care economy is essential to build resilience, protect the most vulnerable women and girls from the next shock, and ensure that crises do not continue to widen the fissures of gender inequality and poverty.

6.5.2 GENDER-RESPONSIVE MACROECONOMIC POLICIES AS ENABLERS OF EQUALITY AND OF POVERTY ALLEVIATION

Module 4 (Macroeconomics and Public Finance) has shown that macroeconomic policies have gendered outcomes. Sessions 6.1 and 6.2 in this module highlighted macroeconomic drivers of inequalities in income distribution and poverty. In this session, we build on these earlier discussions and focus on gender-responsive macroeconomic policies as a pillar of inclusive growth and poverty alleviation.

Of particular concern to this analysis is the nature and direction of the relationship between patterns of economic growth, income inequality and poverty. Traditional economic theory believes that more globalization leads to faster economic growth, facilitating, over the long run, a reduction in inequality and poverty (the mainstream 'trickle-down' theory of growth was discussed in Module 4). However, empirical evidence has shown that it is possible for a country to grow without observing a reduction in either inequality or poverty. The relationship between those variables can be quite complex; the response of poverty to growth will depend on what is happening to inequality.[29]

Identifying the nature of the relationship between inequality and growth is already difficult, and accounting for its gendered implications is even more challenging. As the discussion in Module 4 pointed out, the impact of gender inequality on economic growth shows divergent links depending on the type of inequality and the economic structure (see also Seguino 2005).

BOX 6.4

SDG 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

- Achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average by the year 2030.
- Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status, ensuring equal opportunity and reducing inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.
- Adopt policies, specifically fiscal, wage and social protection policies, that would progressively achieve greater equality.
- Improve the regulation and monitoring of global financial markets and institutions, and strengthen the implementation of such regulations.
- Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions to deliver more effective, credible, accountable and legitimate institutions.
- Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

Source: United Nations. Sustainable Development Goals (SDGs) homepage.

Indeed, the world economy has experienced substantial GDP growth and important structural shifts in the productive system over the last century, a process marked by critical gender differences inside and outside the labour market. The world development process translated into very heterogenous experiences of inequality and poverty for women in different regions. The global development agenda, as embodied in the SDGs, is a direct response to the systemic failure to ensure that economic gains are shared equitably. These goals provide a vital framework for guiding national policies towards fairer outcomes, as detailed in Box 6.4

Macroeconomic policy for inclusive growth

Module 4 (Macroeconomics and Public Finance) and Module 5 (International Trade and Open Macroeconomy) have outlined a gender-responsive macroeconomic framework for inclusive growth. This entails the active use of fiscal and industrial policy not just to stimulate aggregate demand, but to also strategically reshape the structure of the economy. This means directing investment towards high-employment, high-multiplier sectors like the care economy, funding universal public services through progressive taxation, and ensuring that financial and trade policies don't exacerbate the precariousness of women's work. In this way, macro policy becomes the enabling environment allowing targeted social and care policies to achieve systemic, lasting change, enhancing equality and eradicating poverty.

Inclusive growth is widely understood as economic growth that results in broadly shared well-being. UNDP (2013: 229) states that inclusive growth can be promoted through three principal routes:

- By changing the patterns of economic growth, such that low-income households experience higher than average income growth.
- Through redistributive measures that contribute to growth while reducing inequality, such as the implementation of social protection policies.
- By expanding opportunities for low-income households and disadvantaged groups to access employment and income-generation options.

Regarding the last point on access to employment, Modules 3 and 4 have already highlighted that a core pillar of gender-inclusive growth is the creation of decent jobs for women. This is an objective that can be pursued through macroeconomic and fiscal policy frameworks that incorporate comprehensive social protection policies (including care). Module 2 has highlighted that when combined with comprehensive care systems, decent job creation enables not only dual-earner but also dual-career households. This household structure is more resilient to external shocks such as unemployment or disability, and reduces the risk of poverty in comparison to the male-breadwinner household structure. Research finds that dual-earner households have a greatly lower poverty risk than single-earner households (Ilkkaracan and Degirmenci 2013).

Mainstream macroeconomic policies traditionally have treated stability as the primary goal, understood as being achieved through debt and price stability via inflation targeting and fiscal adjustment. However, an inclusive growth strategy can only be implemented within a framework that moves beyond this narrow approach. Several policy instruments can address one or multiple objectives in reducing inequality.[30]

While the overarching frameworks of inclusive growth and the SDGs provide crucial direction for tackling inequality and poverty, they are not in themselves diagnostic tools. They offer limited guidance on the specific, structural drivers of these issues or the context-specific interventions required to address them. To effectively dismantle the gendered dimensions of inequality, a deeper analysis is needed —one that maps the multidimensional expression of poverty and discrimination in women's lives. Only then can policies be designed that directly impact the structural barriers women face.

Fiscal policy as a tool for reducing income inequality and poverty

Fiscal policy is a powerful macroeconomic tool to reducing inequalities in income distribution and alleviate poverty. Beyond their impact on the macroeconomy, fiscal policies can also be assessed in terms of their progressiveness, in other words, the

impact on enhancing equality in income distribution and reducing poverty. A progressive fiscal policy disproportionately benefits those at the bottom of the distribution or burdens those at the top, redistributing resources and alleviating inequality and (potentially) poverty. Conversely, a regressive policy may burden those at the bottom while benefiting those at the top. These principles apply to both taxation and public spending. To evaluate a fiscal policy's impact on income distribution and equality, simulations can distribute the benefits of government spending or the burden of taxation across individuals. By comparing key inequality and poverty measures before and after the intervention, the direct effect of the policy can be quantified (see Appendix 6C, Figure 6C-1).

As discussed in Session 6.2, if such policies are not gender aware they might unintentionally increase gender disparities (see Figure 6.4). Module 4 (Macroeconomics and Public Finance) identified the features of gender-responsive fiscal policy.

Progressiveness of fiscal policies can be achieved through spending or taxation, and will ultimately depend on who are the net beneficiaries. To combat inequality and fight poverty, public expenditure can prioritize social spending by implementing universal policies such as free health and education, and designing targeted transfer programmes. Resource allocation must prioritize the realization of human rights, focusing on neglected rights and using targeting not to undermine universality but to accelerate the correction of social inequalities and combat discrimination.[31] This ensures that public expenditure acts as a powerful tool for direct redistribution, improving well-being and guaranteeing an adequate standard of living for all. Some public expenditures will have a more direct and immediate impact on alleviating poverty and inequality and will be more successful in addressing their gendered dimensions, as is the case for social protection policies and care policies.

On the taxation side, Module 4 introduced the general features of progressive versus regressive taxation. Progressive taxation entails progressive personal income and wealth taxes, which lower inequality by taking a larger share from top earners. It also entails a reduction of reliance on regressive taxes, such as indirect (sales) taxes. Regressive indirect taxes, such as value-added tax (VAT), can exacerbate inequality as they disproportionately affect those at the bottom of the distribution, who consume a higher proportion of their income.

Nonetheless, this formula is not always easy to implement in poor or extremely unequal countries, which usually rely more on indirect taxes. This is because a significant share of the population in those countries do not earn enough to pay income taxes. Moreover, economic elites have imposed substantial political barriers to increasing taxes on the rich.

Beyond direct redistribution, the revenue generated is critical for funding public expenditure. Social transfers, such as unemployment benefits, and investments in public services like education and health, directly reduce inequality of both income and opportunity. Moreover, tax systems can have an indirect impact on pre-tax inequality, e.g. by influencing wage bargaining or investment decisions, though this channel is often more complex.

To fight inequality, the tax system should adhere to the core tenets of tax fairness: equal treatment of those in similar circumstances (horizontal equity) and a greater burden for those with greater capacity (vertical equity), as realized through progressive taxation based on the ability-to-pay principle. Structural inequality frequently leads to implicit biases in taxation. As has been explained in Module 4, this can manifest through gender differences in tax incidence, for example, due to tax exemptions for certain income sources, such as dividends and capital gains.

BOX 6.5

SUMMARY: KEY ADVANCEMENTS IN GLOBAL TAXATION

The global tax system is shifting from an OECD-dominated model to a more multipolar one, driven by demands for greater equity.

1. **The OECD/G20 Two-Pillar Solution:** The OECD process remains central but faces challenges. The G20 has welcomed progress on Pillar Two (the Global Minimum Tax) but notes stalled negotiations on Pillar One, which aims to reallocate taxing rights. This framework faces criticism from civil society groups and the African Union, who argue that it marginalizes source countries and reflects a broken international financial architecture.
2. **The UN Framework Convention:** The new UN Framework Convention process seeks to establish a more legitimate and inclusive global tax order. Establishing a UN-based tax convention marks a historic shift away from the OECD towards a more democratic forum. The first session of the UN Intergovernmental Negotiating Committee (INC) was held in August 2025 and marks a historic gathering to correct structural injustices in the global tax order. The African Union emphasized this as a chance to create a system "rooted in equity, transparency, and the sovereign right of every nation".
3. **The G20 Rio Declaration–Broadening the Agenda:** Under Brazil's presidency, the G20 expanded its tax focus to address inequality. The Rio Ministerial Declaration champions "fair and progressive taxation", specifically targeting ultra-high-net-worth individuals. This aligns with the Brazilian Ministry of Finance's domestic and regional efforts to increase tax progressivity.
4. **The Latin American Regional Cooperation Platform:** Regional bodies are aiming to amplify the voice of developing nations. The Plataforma Regional de Cooperação Tributária para América Latina e o Caribe (PTLAC) has a focused agenda on tax progressivity, environmental taxation and a regional asset registry to combat evasion.

Overall, the centre of gravity in international tax is shifting. The OECD/G20 process now operates alongside a new UN-based convention and a broader G20 agenda focused on progressivity, supported by regional platforms like the PTLAC. The collective push is for a system that tackles inequality and provides support to development financing policies through international taxation agreements.

Sources: G20 Finance Ministers and Central Bank Governors 2024; African Union 2025.

The overall goal of progressive tax reforms is to create a tax system with significant redistributive impact, where those with greater economic capacity contribute a larger share of public revenue, thereby avoiding measures that worsen the situation of the most vulnerable groups. Furthermore, increasing pressures to reduce public debt have led to greater reliance on progressive taxation to levy the funds necessary for public investment. Limited fiscal space can result from conditionalities which are imposed by international financial institutions on indebted countries or through internal or external political pressures, which may materialize in the establishment of fiscal rules (e.g. as in Brazil and Germany).

Limited fiscal space and emerging crises, such as the climate crisis, have heightened the importance of developing alternative financing mechanisms and advancing global taxation agreements. Box 6.5 above presents a summary of recent advancements in the global taxation movement.

GROUP EXERCISE:

THE GENDER–CLIMATE–POVERTY NEXUS – FROM IMPACT TO ACTION

This exercise aims to help participants understand the bidirectional relationship between climate change, gender inequality and poverty, and to design integrated policy solutions that address these issues simultaneously.

PART 1: Gendered impacts of climate change

Ask the participants to form small groups and guide them to discuss and list the specific ways in which climate change disproportionately affects women and girls, particularly those living in poverty. Start by posing these questions: Why is climate change not 'gender neutral'? How do pre-existing social and economic inequalities shape women's experiences of climate impacts?

Guide the discussion to cover the following areas:

- **Livelihoods and work** (e.g. agriculture, water collection, informal economy).
- **Health and safety** (e.g. exposure to pollutants, extreme weather, disease).
- **Unpaid care work** (e.g. impact of droughts or floods on unpaid care and domestic work).
- **Social stability** (e.g. risk of displacement, conflict or gender-based violence).

Part 2: The vicious cycle – inequality, poverty and environmental stress

Now present the graphs showing the distribution of carbon emissions (see Appendix 6G). These show (i) the historical overwhelming contribution of North America and Europe to carbon emission; and (ii) the growth of emissions by percentile, exposing the causal relationship between inequality and emissions.

DISCUSSION

Ask participants:

- What does this data reveal about responsibility for the climate crisis?
- How does the climate crisis, in turn, exacerbate the poverty and inequality experienced by the groups in the lower deciles (as discussed in Step 1)?
- Discuss the concept of a 'vicious cycle'. How can increased poverty and inequality (e.g. loss of livelihoods, forced migration) lead to further environmental stress (e.g. unsustainable use of resources for survival, deforestation for farming)?

Note to the Facilitator: Highlight how the population groups contributing the least to the problem are often the most vulnerable to its effects and have the least capacity to adapt, creating a feedback loop that intensifies both inequality and environmental degradation.

PART 3: Designing integrated policy solutions

Divide the participants into groups. Tell the groups they are now a policy advisory team and task them with the following:

Propose one or two concrete policies that simultaneously address climate change and gender inequality. Consider:

- **Gender impact:** How does the policy specifically support women and girls, reduce their burdens, or empower them?
- **Climate impact:** How does it contribute to climate adaptation (coping with effects) or mitigation (reducing emissions)?

Each group elects a representative to share their key policy proposal with the wider group.

KEY TAKEAWAYS FROM SESSION 6.5:

- Effective poverty reduction requires combining universal social policies (such as public healthcare and childcare) that provide a foundational security net for all, with targeted interventions designed to address the specific, compounded disadvantages faced by marginalized groups.
- Social protection and care policies are highly effective economic investments with significant fiscal multiplier effects. They create jobs, boost aggregate demand and enhance productivity, with impacts often exceeding other forms of public spending, particularly in highly unequal countries.
- Traditional social protection systems often fail women by linking benefits to formal employment, excluding those in informal and unpaid work. A gender-responsive system must guarantee a universal minimum of income security, access to quality care services, and access to decent work.
- Investing in the care economy is a powerful strategy with multiple benefits: it directly reduces women's time poverty, enables their labour market participation, creates jobs in feminized sectors, and generates high economic multiplier effects that stimulate broader growth.
- Social protection and care policies are critical for building economic resilience, as crises disproportionately impact women. Robust systems mitigate shocks by stabilizing women's incomes, sustaining demand, and preventing long-term poverty traps.
- Macroeconomic policy must be an active enabler of gender equality by using progressive taxation and strategic public spending to fund care services and social protection. This reshapes the economy towards inclusive growth and the creation of decent jobs for women.

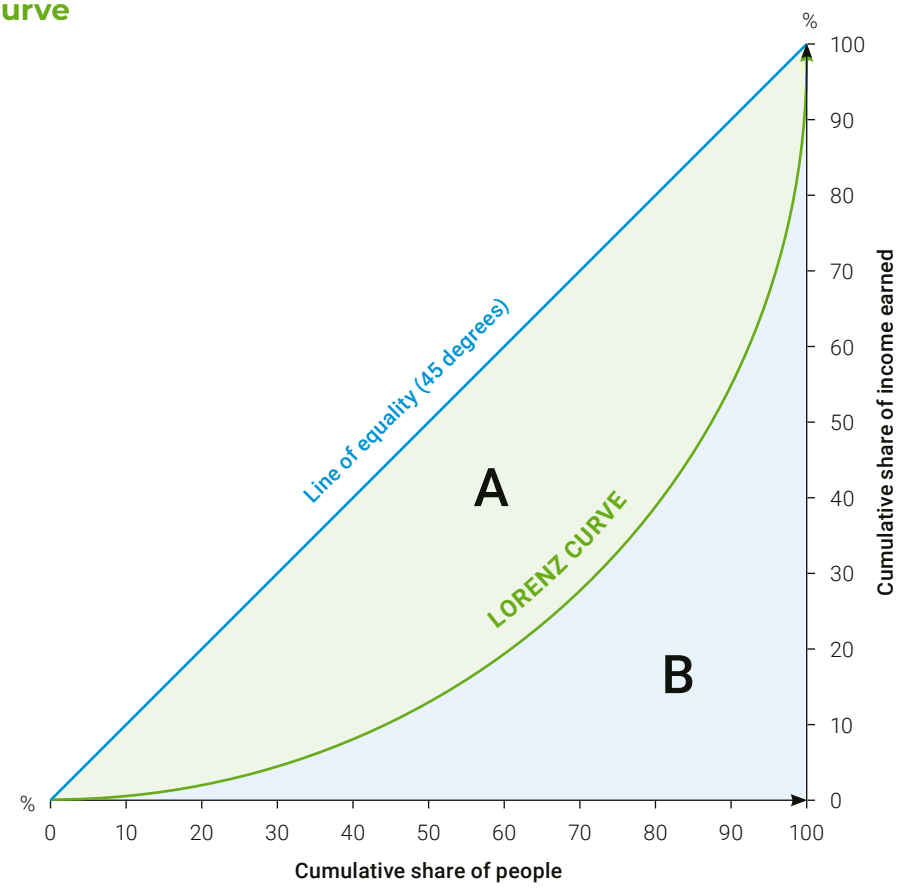
APPENDICES

APPENDIX 6A
ADVANTAGES AND LIMITATIONS OF INEQUALITY MEASURES

GINI COEFFICIENT

The Gini coefficient is the most widely cited conventional measure of inequality, summarizing the entire income distribution into a single number. It is calculated based on the Lorenz curve (Figure 6A.1).

FIGURE 6A.1
Lorenz curve



The Lorenz curve is obtained by plotting the share of individuals vis-à-vis the share of income they get out of total income. It relates the cumulative share of population with the cumulative share of income out of total income. 0 per cent of the population owns 0 per cent of income. 100 per cent of the population owns 100 per cent of income. Hence, the Lorenz curve starts at coordinates 0%, 0% and ends at coordinates 100%, 100%.

The 45-degree line in the figure (blue line) above shows the perfect equality case when all individuals have equal income. Perfect equality shows 10 per cent of population owns 10 per cent of total income while, for example, 80 per cent of the population owns 80 per cent of the total income. The Gini coefficient is calculated by dividing area A in the figure by the total area under the diagonal line of perfect equality (A+B). When the Gini coefficient = 0, all people have the same level of income. When it approaches 1, one person receives all of the income.

Key advantages:

- **Comprehensive:** Uses information from the entire income distribution.
- **Intuitive scale:** Ranges from 0 (perfect equality) to 1 (maximum inequality).
- **Scale invariant:** It is independent of the scale used or the mean of the distribution (Medeiros 2012) and thus it allows direct comparison of two populations' income distribution, regardless of their size. Consequently, it is a valuable metric for tracking long-term global inequality trends across countries.
- **Adheres to the Transfer Principle (or Pigou-Dalton principle):** The Gini coefficient is reduced when a transfer of a fixed amount of income is made from a richer individual to a poorer individual (Atkinson 1970). The Gini coefficient adheres to this fundamental ethical principle of inequality.

Key limitations:

- **Insensitive to location:** Does not capture where in the distribution the inequality occurs; two very different distributions of income can have the same Gini index.
- **Sensitivity bias:** When comparing changes in income distribution over time, the Gini index is more sensitive to changes in the denser low-to-middle parts of the distribution than it is to changes towards the end of the distribution.
- **Not decomposable:** The Gini index does not allow for decomposition based on population subgroups or income types. For instance, income inequality decomposed by population groups based on gender has two components: between-group inequality, which corresponds to inequality between women and men; and within-group inequality, which reflects inequality among women and inequality among men. Alternative decomposable measures are introduced that enable decomposition among such population subgroups or different income types.
- **Weak correlation:** The weak correlations obtained between the Gini index and alternative measures of human well-being also leave the index in doubt. Some researchers contend that the S80/S20 ratio is a more useful measure as it correlates well with measures of human development and social stability, including child well-being and health indices.

THEIL INDEX

The Theil index belongs to the family of General Entropy measures and is distinguished primarily by its property of additive decomposability.

Key advantages:

- **Fully decomposable:** Total inequality can be exactly broken down into within-group and between-group components (e.g. within-country and between-country inequality), which can prove useful to policymakers. This feature is very powerful for gender analysis as it allows total income inequality to be broken down into between-group (men versus women) and within-group (inequality among men and inequality among women).
- **Sensitivity choice:** Can be parameterized to be more sensitive to changes at the bottom (Theil's L) or the top (Theil's T) of the distribution.

Key limitations:

- **Less intuitive:** Considered less intuitive and harder to grasp than ratio-based measures.
- **Not bounded and not comparable:** Since it has no upper limit, the raw values are difficult to interpret directly. As a consequence, it is not directly comparable across populations with different sizes or group structures.

PALMA RATIO

The Palma ratio, created by Chilean economist Gabriel Palma, is the ratio of the income share of the top 10 per cent to the lowest 40 per cent. The idea behind the Palma index is the common observation that the middle classes (between the top 10 and bottom 40 per cent) earn roughly 50 per cent of the total income across countries over time; however, the distribution of the remaining 50 per cent varies, and this is a defining characteristic of income inequality differences among countries.

Key advantages:

- **Focuses on tails:** Directly responds to the Gini index's oversensitivity to changes in the middle and its insensitivity to changes at the top and bottom. It is relevant for policymakers interested in the standing of the poorest people.
- **Transparent and intuitive:** It is clear about which part of the distribution is driving the measured change. Its interpretation is straightforward, as it represents 'how many times more the richest 10 per cent earn than the poorest 40 per cent'.

Key limitations:

- **Ignores the middle:** Its rationale relies on ignoring the middle 50 per cent of the distribution, potentially missing important dynamics. Thus, it provides an incomplete picture.
- **Weak transfer principle:** The measure may not change if income transfers occur entirely within the defined top or bottom groups.

GROUP SHARES
(e.g. top 10 per cent, top 1 per cent, bottom 50 per cent, women's share)

Group shares measure the proportion of total income or wealth held by a defined segment of the population. Instead of creating an index, it directly responds to the question: 'What percentage of the total pie does a group possess?' It can be used to analyse the percentage of income appropriated by a specific group according to social categories such as gender, race and region.

Key advantages:

- **Intuitive and transparent:** The concept is immediately understandable. Stating 'the top 1 per cent earns 20 per cent of all income' provides a clear measurement against the ideals of perfect equality and maximum inequality. Example: Under perfect equality, the group of women would earn around 50 per cent of all income.
- **Provides a powerful tool:** It is unparalleled for illustrating extreme concentration of resources at the very top. It is the primary tool for documenting the rise of the 'top 1 per cent' and the dynamics of the top 0.1 per cent, important drivers of the income inequality rise over the last decades.
- **Policy usefulness:** It is easy to formulate policy goals around shares and it is practical for policy simulations. For example, the impact of fiscal policies—such as taxes and transfers—can be concretely simulated by calculating how they alter the income shares of specific groups.

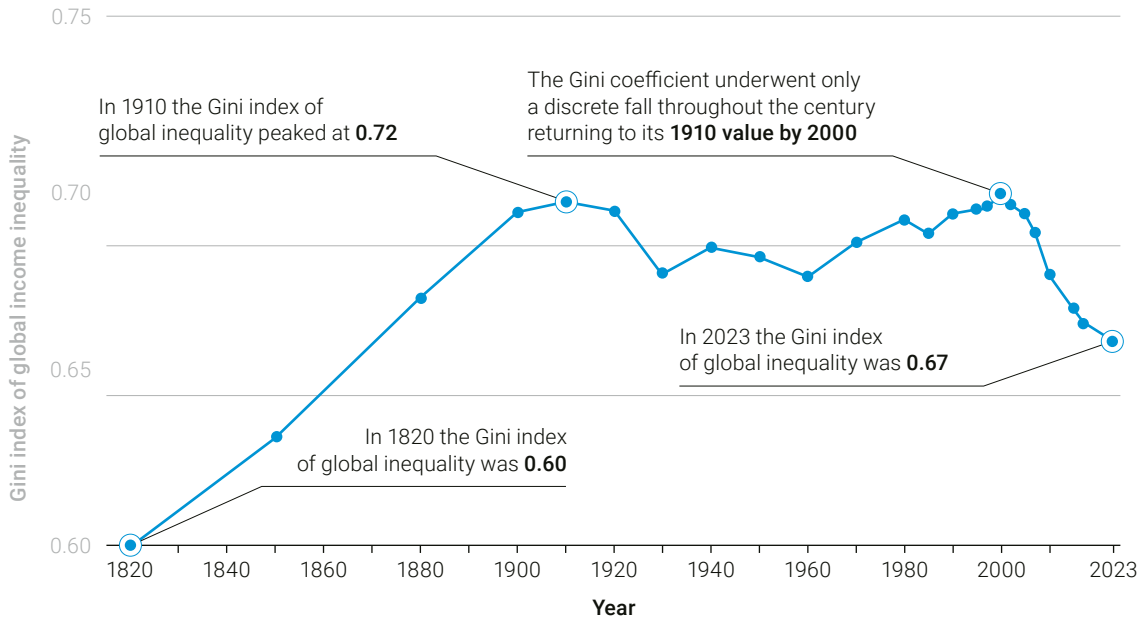
Key limitations:

- **Measurement difficulties:** Top shares are frequently undermeasured.[32] Data for specific sociodemographic groups require researchers to manipulate microdata themselves; often there are difficulties with representativeness of samples.
- **Incomplete picture:** Group shares describe parts of the distribution but do not, by themselves, provide a single measure of overall dispersion for the entire population. They are a set of indicators, not a unified index. To get a complete picture of the distribution, several shares have to be looked at simultaneously (e.g. the top 10 per cent, bottom 50 per cent and middle 40 per cent), rather than relying on a single summary number like the Gini coefficient.
- **Silent on intra-group inequality:** The measure does not reveal how unequal the resources are within the defined group. For example, the 'top 10 per cent' share does not distinguish between the 90^{th} percentile and the 99.9^{th} percentile. Another example is that looking into the income share of women will mask inequalities based on race, class and other factors.

APPENDIX 6B
INEQUALITY ACROSS SPACE AND TIME

Research by Chancel and Piketty (2021) depicts the long-run trajectory of global income inequality, finding that the global Gini coefficient rose sharply from 0.60 in 1820 to a peak of 0.72 in 1910. After 1910, it experienced a moderate decline until around 1980, before rising again in subsequent decades. As a result, the level of global inequality in the early 21st century, with a Gini of 0.67 in 2023, remains comparable to its peak in the early 20th century (Figure 6B.1). The overall changes in the Gini are driven by the interplay of two fundamental dimensions: inequality within countries and between countries.

FIGURE 6B.1
Global income inequality, Gini index 1820–2023



Source: Author's elaboration with data from Chancel and Piketty 2021 and the World Inequality Database.

Milanovic (2013) provides a conceptual framework for analysing these trends, distinguishing between three key concepts:

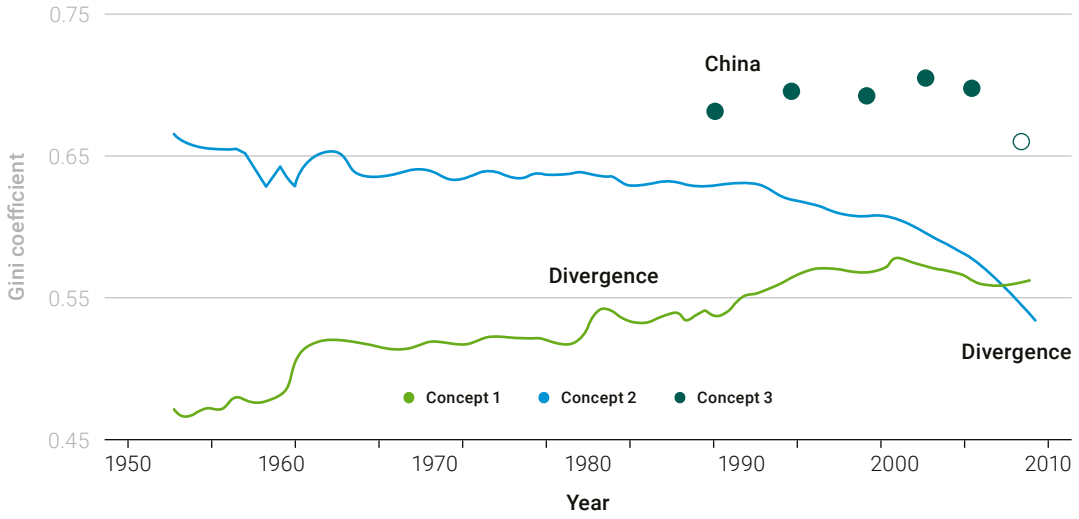
- Inequality within countries (Concept 1)
- Inequality between countries (Concept 2)
- Overall global interpersonal inequality (Concept 3).

Figure 6B.2 presents the trend in the Gini index of global inequality from 1950 to 2010, according to Milanovic's three concepts.[33] Trends in income inequality provide different pictures depending on the measure used as well as the sample of countries covered. Using calculations covering/excluding China and India, Milanovic shows a decline in global inequality coinciding with the rise in per capita income and decline in poverty in both countries (Figure 6B.3).

The contribution of these two elements to world inequality over time is depicted in Figure 6B.4. A decomposition of the Theil index and the top 10/bottom 50 ratio[34] into the between-country and within-country components shows an increase in the between-country components up to 1980, strongly declining since, with the within-country component becoming responsible for two-thirds of inequality measured by the Theil index by 2020.

FIGURE 6B.2

Global income inequality, Gini index 1950–2009

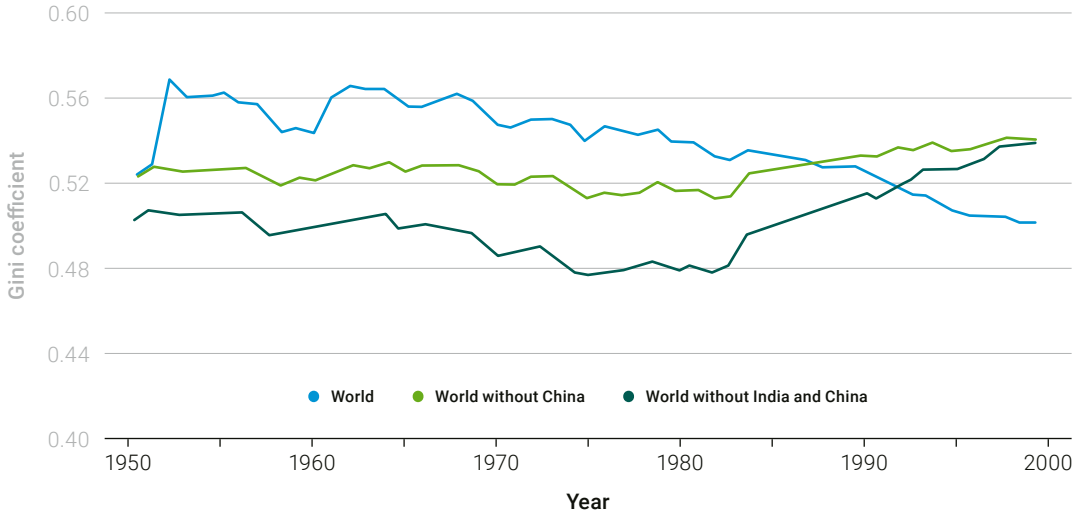


Note: Concept 1 (intercountry inequality) focuses on inequality among countries based on their level of average GDP (income) per capita, without considering differences between countries in population size. Concept 2 (international inequality) focuses on the differences in GDP per capita or average incomes across countries, but it also accounts for population weight. Concept 3 (global inequality) differs from Concepts 1 and 2 in that it looks at the actual incomes of individuals, not national income averages. That is, unlike the first two concepts, Concept 3 is based on individuals who, regardless of their country, enter into the calculation with their actual incomes.

Source: Milanovic 2013.

FIGURE 6B.3

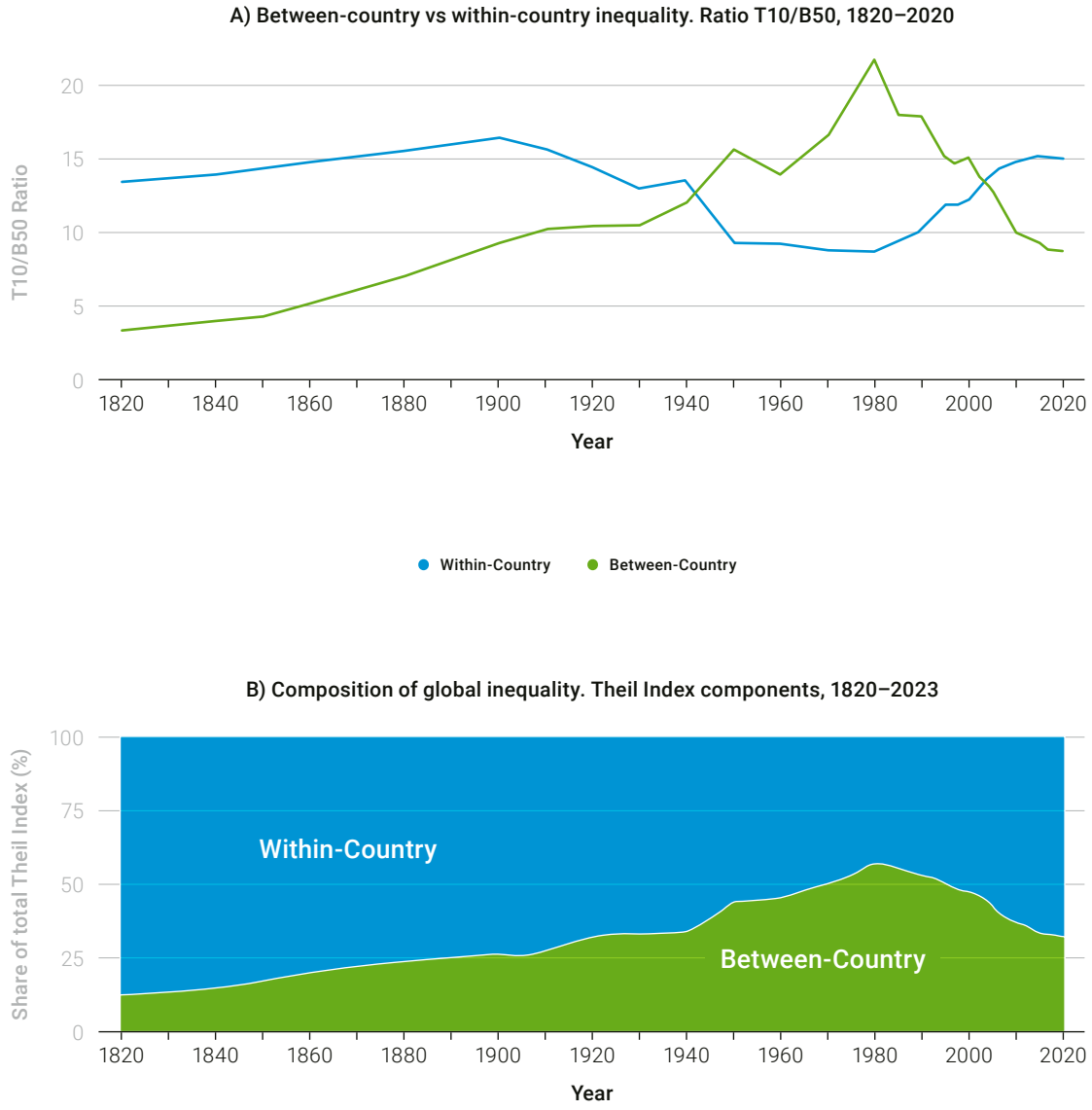
Long-term global inequality – with/without China and India



Source: Milanovic 2013.

FIGURE 6B.4

Decomposition of inequality into between- and within-country components according to T10/B50 Ratio and the Theil Index, 1820–2020

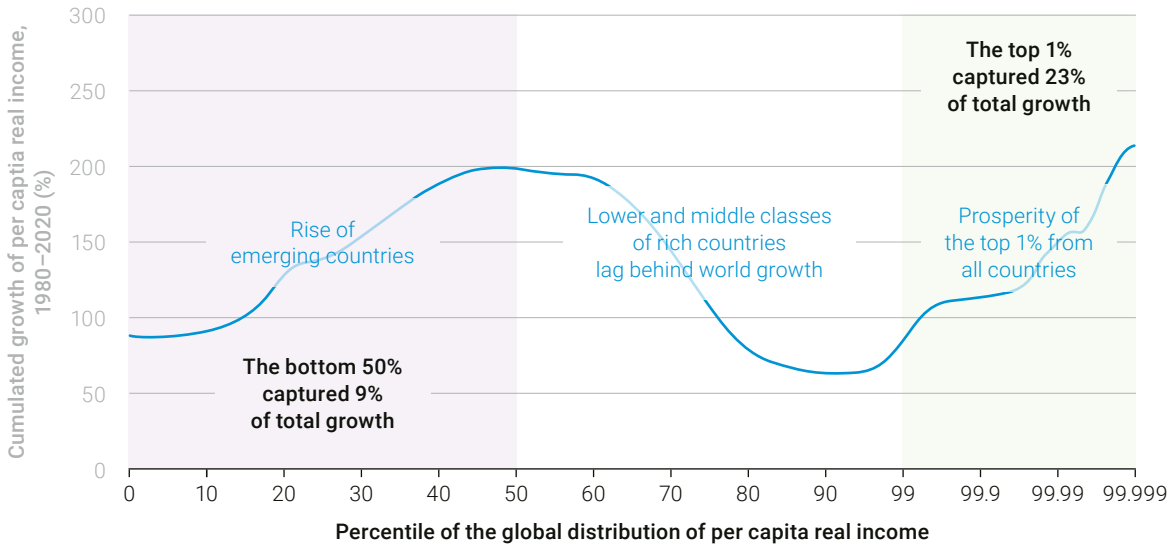


Source: Author's elaboration with data from Chancel and Piketty 2021.

Milanovic (2013) has also shown that the largest shares of growth in income from 1988 to 2008 was captured by global median income earners (50th percentile) and by the top 1 per cent. His chart became widely known as Milanovic's 'Elephant Curve of Globalization'. According to him, the changes reflect the growth of the middle class in emerging economies (mainly China) and the large gains by top income earners in advanced countries, referred to as the booming global elite. An updated version of the graph depicts the changes from 1980 to 2020. While incomes for the bottom 50 per cent and the top 1 per cent both saw high growth (ranging from +50 per cent to +200 per cent), the gains were disproportionately captured at the very top. The top 1 per cent absorbed 23 per cent of all global growth during this period—more than double the 9 per cent captured by the entire bottom half of the world's population. This resulted in a decline in inequality between the bottom and middle of the global distribution, but a sharp increase between the middle and the top (Figure 6B.5).

FIGURE 6B.5

Global income growth 1980–2020 by household income percentiles, aka the Elephant Curve



Interpretation: The bottom 50% incomes of the world saw substantial growth between 1980 and 2020 (between +50% and +200%). The top 1% incomes also benefited from high growth (between +100% and +200%). Intermediate categories grew less. In sum, inequality decreased between the bottom and the middle of the global income distribution, and increased between the middle and the top. In effect, the top 1% captured 23% of total world growth between 1980 and 2020, versus 9% for the bottom 50%. Income is measured per capita after pension and unemployment insurance transfers and before income and wealth taxes.

Source: Chancel and Piketty 2021 and Chancel et al. 2021: 61.

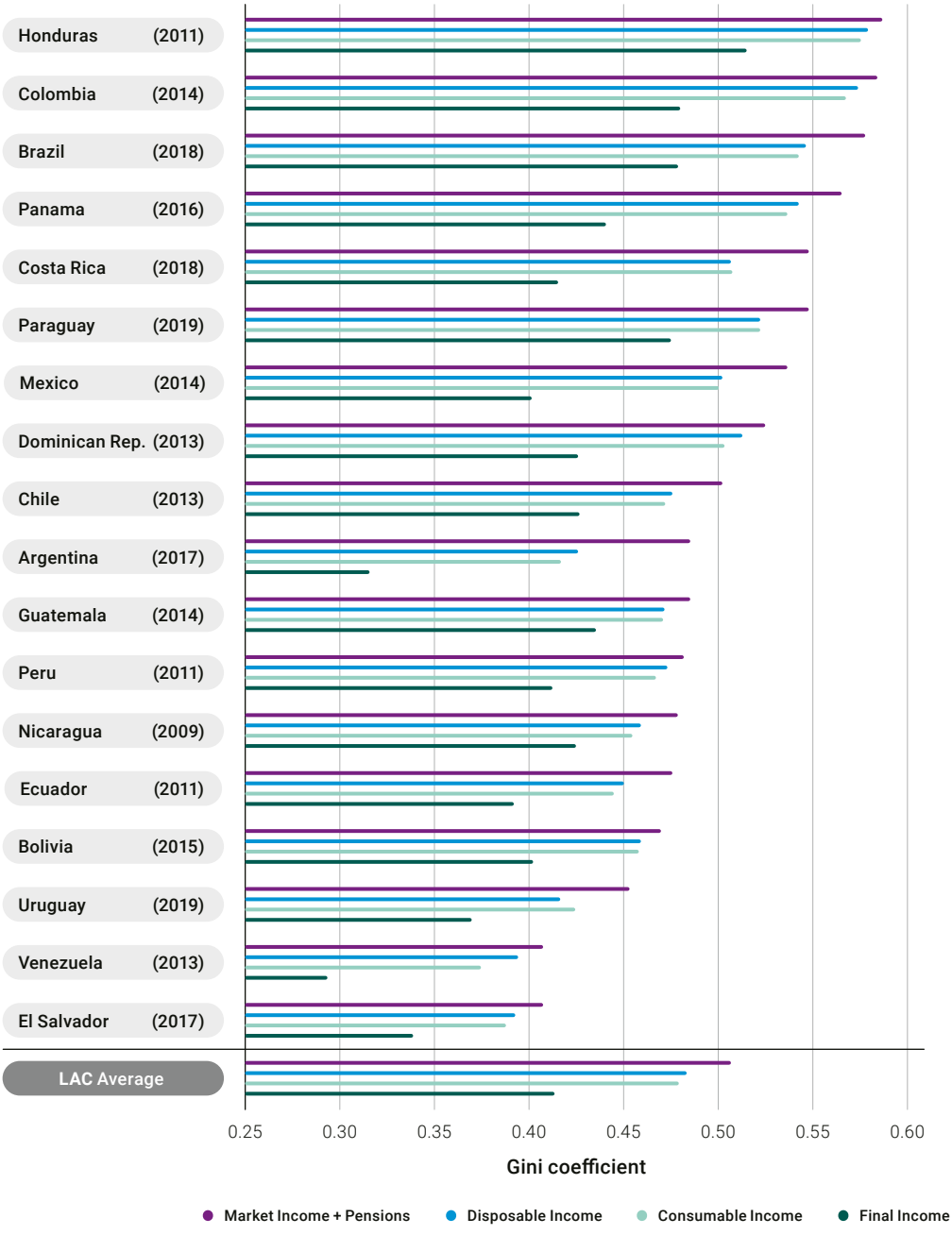
Recent trends in global income distribution highlight a widening income gap, with more than half of the gains received by the richest 5 per cent. The poorest 10 per cent are left behind without any gain from growing income. Through analysis of inequality trends from the 1990s to the 2000s, UNDP (2013) found an average increase of 11 per cent in income inequality in a sample of 116 developing countries. It is important to note that these average trends cannot reflect varied experiences at the regional and country levels. We do not observe a uniform change in inequality for all regions and all countries both in terms of size and/or direction (See UNDP 2013 for more details on regional trends).

APPENDIX 6C

FISCAL POVERTY AND INEQUALITY

FIGURE 6C.1A

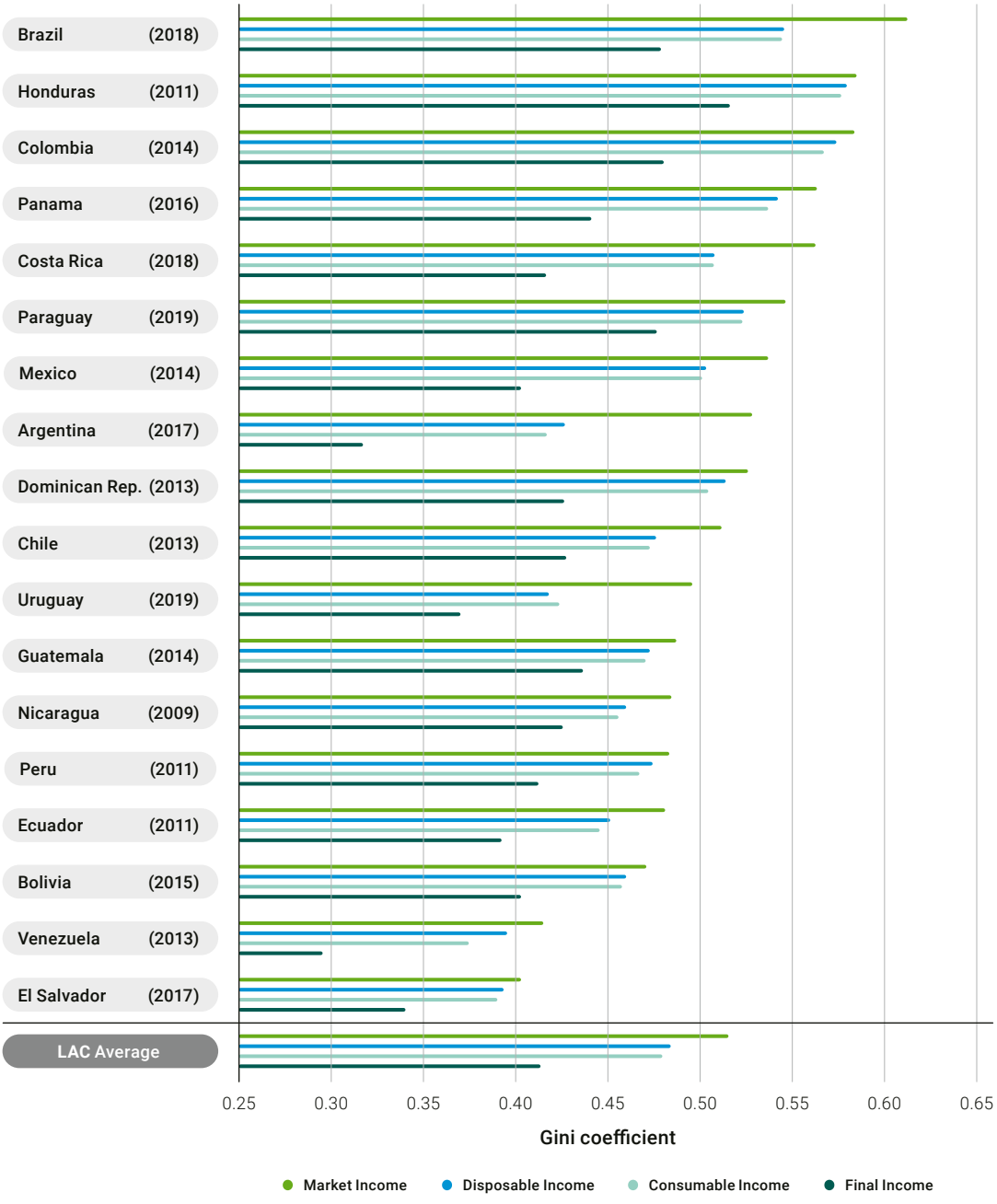
Fiscal policy and inequality: Gini coefficient for market + pensions, disposable, consumable and final income



Source: Lustig et al. 2025.

FIGURE 6C.1B

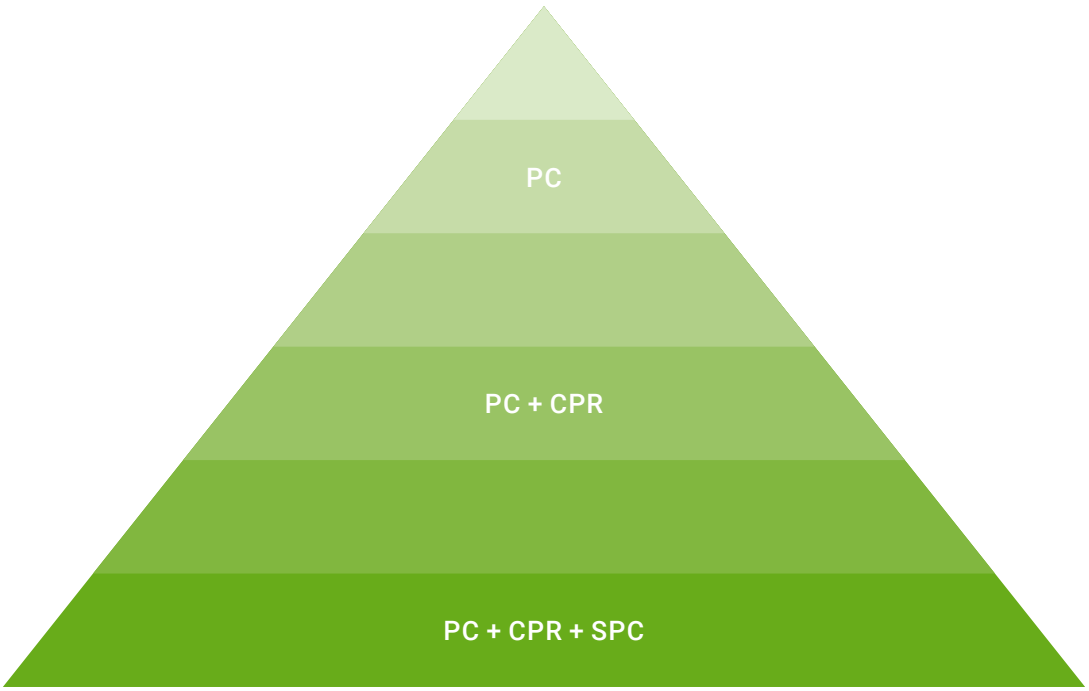
Fiscal policy and inequality: Gini coefficient for market, disposable, consumable and final income



Source: Lustig et al. 2025.

APPENDIX 6D
PYRAMID OF POVERTY CONCEPT

FIGURE 6D.1
The pyramid of poverty



Note: PC stands for per capita consumption, CPR for common property resources and SPC for state-provided commodities.
Source: Çağatay 1998.

APPENDIX 6E
TIME AND INCOME POVERTY MEASUREMENT

The starting point is the basic accounting identity of time allocation. Assuming the unit of time to be a week, we can express the identity as:

$$168 \equiv L_i + U_i + C_i + V_i \quad (1)$$

In the equation above, the physically fixed number of total hours equals the sum of L_i, the time spent on employment by individual i, U_i, the time spent on household production, C_i, the time spent on personal care, and V_i, the time available for everything else (leisure, volunteering etc.). The equation for time deficit/surplus is derived from the identity by introducing the threshold values for personal care and household production:

$$X_{ij} = 168 - M - a_{ij} R_j - L_{ij} \quad (2)$$

The time deficit/surplus faced by the individual i in household j is represented by X_{ij}. The minimum required time for personal care and non-substitutable household activities is represented by M. Personal care includes activities such as sleeping, eating and drinking, personal hygiene, rest, etc. The idea behind including non-substitutable household activities is that there is some minimum amount of time that household members need to spend in the household and/or with other members of the household if the household is to reproduce itself as a unit.

The minimum amount of substitutable household production time that is required for the household to subsist with poverty-level income or consumption[35] is denoted by R. As discussed, poverty lines generally rest on the implicit assumption that households around or below the poverty line have available the required number of hours to spend on household production. Numerous studies based on time-use surveys document well-entrenched disparities in the division of household production tasks among the members of the household, especially between the sexes. Women tend to spend far more time on household production relative to men. The parameter a_{ij} is meant to capture these disparities. It represents an individual's share in the total time that their household needs to spend on household production to survive with the poverty level of income.

An individual suffers from a time deficit if the required weekly hours of personal care and household production plus the actual weekly hours the individual spends on employment is greater than the number of hours in a week. In general, time deficits occur because hours of employment exceed the time available after setting aside the required hours of personal care and household production.

We refer to this type of time poverty as the 'employment time-bind'. Traditional approaches predict only this route to time deficits. However, in our framework, time deficits can occur even before the hours of employment are considered, due to excessive burdens of household production ('housework time-bind'). Such burdens can be the result of highly inequitable division of household work or inordinately high demands of household production, or a com-bination of both. Indeed, some individuals might suffer from both types of time poverty ('double time-bind'). The three cases are summarized in Table 6E.1.

TABLE 6E.1

Types of time poverty

X_{ij}	A_{ij}	L_{ij}	Type
Less than zero	Greater than zero	Greater than zero	Employment time-bind
Less than zero	Less than zero	Equal to zero	Housework time-bind
Less than zero	Less than zero	Greater than zero	Double time-bind

Note: $A_{ij} = 168 - M - \alpha_{ij} R_{ij}$. See equation (2). X_{ij}, A_{ij} and L_{ij} refer to the time deficit/surplus, available time, and employment hours for individual $_i$ in household $_j$.

Source: Zacharias, A., Antonopoulos, R., and Masterson, T. (2012).

To derive the time deficit at the household level, we add up the time deficits of the individuals in the household, thus ruling out automatic redress of the time deficit of an individual in the household by the time surplus of another individual in the same household:

$$X_j = \sum_{(i=1)}^{n} min(0, X_{ij}) \quad (3)$$

Now, if the household has a time deficit, i.e. $X_j < 0$, it is reasonable to consider that as a shortfall in time with respect to R_j; that is, we assume that the household does not have enough time to perform the requisite amount of substitutable household production.

Neglecting such deficits can render the use of standard poverty thresholds fundamentally inequitable. Consider two households that are identical in all respects that also happen to have an identical amount of income or consumption expenditures. Suppose that one household does not have enough time available to devote to the necessary amount of household production while the other household has the necessary time available. To treat the two households as equally income-poor or income-nonpoor would be unfair to the household with the time deficit.

We resolve this inequity by revising the income thresholds. We assume that the time deficit can be compensated by purchasing market substitutes and to assess the replacement cost. The latter can then be added to the income poverty threshold to generate a new threshold that is adjusted by time deficit:

$$y_j^0 = \bar{y}_j \; min(0, X_i) \; p \quad (4)$$

where y_j^0 denotes the adjusted threshold, $\bar{y}_j$ the standard threshold, and p the unit replacement cost of household production. Obviously, the standard and modified thresholds would coincide if the household had no time deficit. The thresholds for time allocation and modified income together constitute a two-dimensional measure of time and income poverty. This measure is referred to as the Levy Institute Measure of Time and Income Poverty (LIMTIP) or as the Levy Institute Measure of Time and Consumption Poverty (LIMTCP). We consider the household to be income-poor if its income is less than its adjusted threshold, and we term the household as time-poor if any of its members has a time deficit:

$y_j < y_j^0$ *income-poor household*

$X_j < 0$ *time-poor household*

For the individual in the household, we deem them to be income-poor if the income of the household they belong to is less than the adjusted threshold, and we designate them as time-poor if they have a time deficit:

$y_j < y_j^0$ *income-poor person*

$X_j < 0$ *time-poor person*

The LIMTIP allows us to identify the 'hidden' income-poor—households with income above the standard threshold but below the modified threshold—who would be neglected by official poverty measures and therefore by poverty alleviation initiatives based on the standard thresholds. By combining time and income poverty, the LIMTIP generates a four-part classification of households and individuals: (a) income-poor and time-poor; (b) income-poor and time-nonpoor; (c) income-nonpoor and time-poor; and (d) neither income nor time-poor. This classification offers a richer framework for thinking about the impacts of employment and income growth on poverty.

APPENDIX 6F
THE MULTIDIMENSIONAL POVERTY INDEX

The Multidimensional Poverty Index (MPI) identifies multiple deprivations at the household level in education, health and standard of living. It uses micro data from household surveys, and (unlike the Inequality-adjusted Human Development Index) all the indicators needed to construct the MPI must come from the same survey. More details about the general methodology can be found in Alkire and Santos (2010). Further information about changes in the methodology and the treatment of missing responses and non-applicable households is given in Klasen and Dotter (2013) and Kovacevic and Calderon (2014).

Each person is assigned a deprivation score according to their household's deprivations in each of the 10 component indicators. The maximum deprivation score is 100 per cent with each dimension equally weighted; thus, the maximum deprivation score in each dimension is 33.3 per cent. The education and health dimensions have two indicators each, so each indicator is worth 6.7 per cent. The standard of living dimension has six indicators, so each indicator is worth 5.6 per cent. The indicator thresholds for households to be considered deprived are as follows:

Education

- **School attainment:** No household member has completed at least six years of schooling.
- **School attendance:** A school-age child (up to grade 8) is not attending school.

Health

- **Nutrition:** A household member (for whom there is nutrition information) is malnourished, as measured by the body mass index for adults (women ages 15–49 in most of the surveys) and by the height-for-age z score calculated using World Health Organization standards for children under age 5.
- **Child mortality:** A child has died in the household within the five years prior to the survey.

Standard of living

- **Electricity:** Not having access to electricity.
- **Drinking water:** Not having access to clean drinking water, or if the source of clean drinking water is located more than 30 minutes away by walking.
- **Sanitation:** Not having access to improved sanitation or, if improved, it is shared.
- **Cooking fuel:** Using 'dirty' cooking fuel (dung, wood or charcoal).
- **Having a home with a dirt, sand or dung floor.**
- **Assets:** Not having at least one asset related to access to information (radio, TV, telephone) and not having at least one asset related to mobility (bike, motorbike, car, truck, animal cart, motorboat) or at least one asset related to livelihood (refrigerator, arable land, livestock).

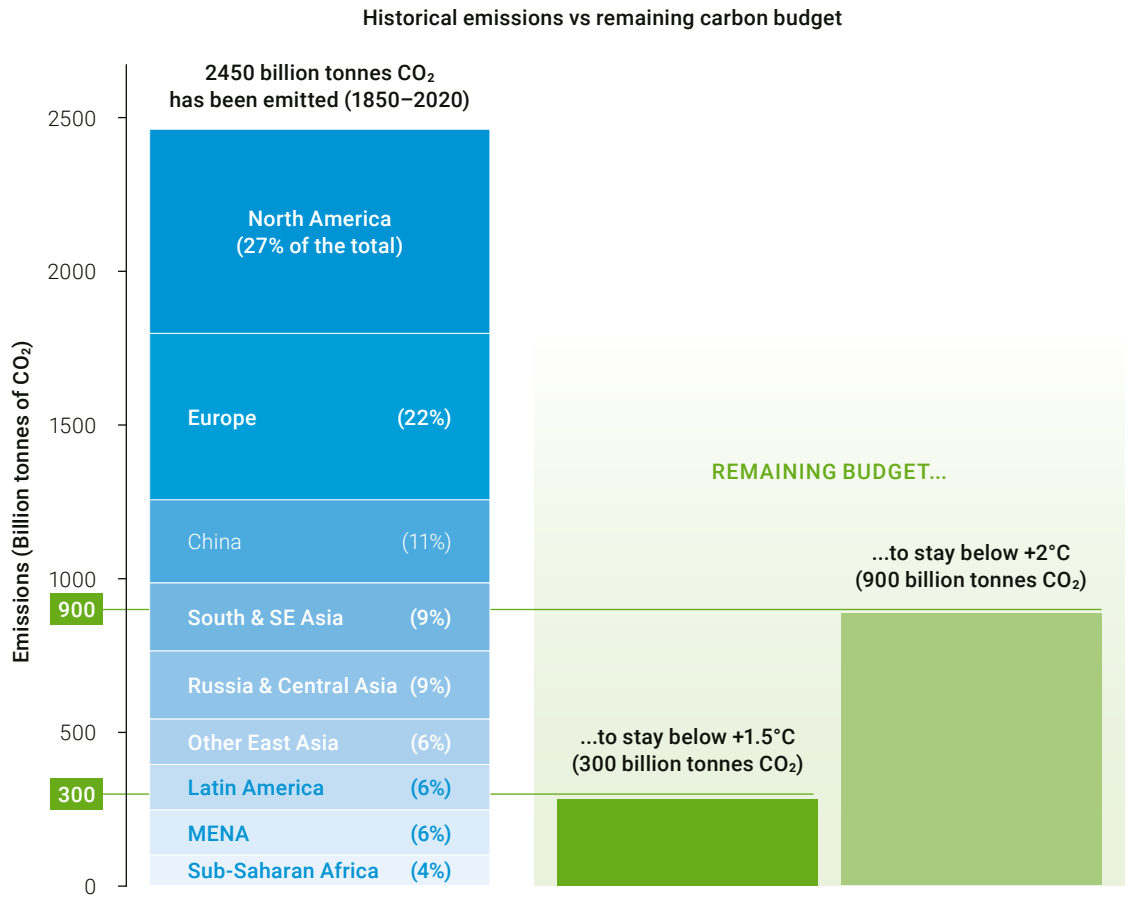
To identify the multidimensionally poor, the deprivation scores for each indicator are added up to obtain the household deprivation score. A cut-off of 33.3 per cent, equivalent to one-third of the weighted indicators, is used to distinguish between the poor and non-poor. If the deprivation score is 33.3 per cent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20 per cent but less than 33.3 per cent are considered near multidimensional poverty. Households with a deprivation score of 50 per cent or higher are severely multidimensionally poor.

APPENDIX 6G

THE GENDER–CLIMATE–POVERTY NEXUS

FIGURE 6G.1A

A gender-aware model of the economy: Historical emissions vs remaining carbon budget

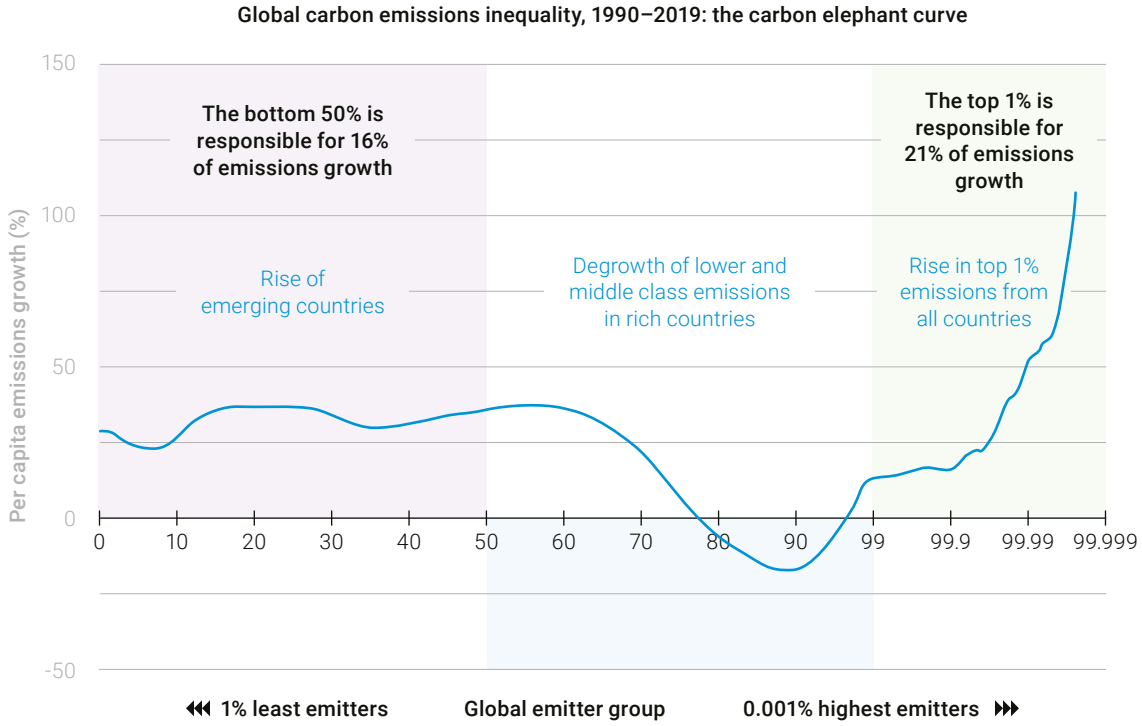


Interpretation: The graph shows historical emissions by region (left bar) and the remaining global carbon budget (centre and right bars) to have an 83% chance to stay under 1.5°C and 2°C, according to IPCC AR6 (2021). Regional emissions are net of carbon embedded in imports of goods and services from other regions.

Source: Chancel et al. 2021: 117.

FIGURE 6G.1B

A gender-aware model of the economy: Global carbon emissions inequality



Interpretation: Emissions of the global bottom 50% rose by around 20% to 40% between 1990 and 2019. Emissions notably declined among groups above the bottom 80% and below the top 5% of the global distribution; these groups mainly correspond to lower and middle income groups in rich countries. Emissions of the global top 1% and richer groups rose substantially. Personal carbon footprints include emissions from domestic consumption, public and private investments as well as imports and exports of carbon embedded in goods and services traded with the rest of the world. Modeled estimates based on the systematic combination of tax data, household surveys and input-output tables. Emissions split equally within households.

Source: Chancel et al. 2021: 124.

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ENDNOTES

1. Equivalence scale is a weighted index used to adjust a household's income that accounts not only for its size (as per capita adjustment does) but also for its composition. It takes into account the different needs of adults and children and the presence of economies of scale.
2. Amartya Sen's missing women phenomenon is driven by the relatively lower ratio of female to male populations in the Global South and particularly in Asia. Excessive female mortality cannot just reflect variations among regions in terms of income and economic development. Gender discrimination, social norms and intrahousehold inequalities may in large part explain more than 100 million missing women, as estimated by Sen in 1990.
3. See Appendix 6A for a more detailed graph of the Gini index.
4. See Appendix 6B, Figure 6B.5.
5. The data include wage and self-employment income, and thus exclude wealth earnings, transfers and pensions. For details on the methodology, refer to Gabrielli et al. 2024.
6. Figure 6C.1 in the Appendix provides a simulation made by Lustig, Martinez-Pabon and Pessino 2025 that shows how the Gini coefficient increases or decreases as we move from one definition to the next.
7. One example of this is Brazilian's exemption of taxes on all profits and capital gains in personal tax returns. The measure, introduced, 1996 has been highlighted as a significant source of tax injustices (See Gobetti and Orair 2016).
8. The main source of information on the definitions and the scope of alternative measures are the Human Development Report technical reports of UNDP.
9. The RSW was proposed by Dijkstra and Hanmer 2000; the MGEI was proposed by Permanyer 2008; and the WD was proposed by Benería and Permanyer 2010 to create measures of gender equality that overcome core limitations of the UNDP indices by specifically isolating and quantifying gender gaps. See Benería and Permanyer 2010 for a more detailed discussion on all of these indices.
10. UN Women 2021 is a useful resource for policymakers seeking to address intersectionality. It provides eight 'intersectionality enablers' that can be used to analyse context and guide practitioners in applying an intersectional approach to each stage of development planning and processes.
11. SDG 1 targets an end to extreme poverty by 2030 for all people everywhere. UN Women 2025 tracks progress on gender.
12. The most recent revisions were made in 2011, 2017 and 2025 to account for changes in the cost of living.
13. All values correspond to 2021 PPP dollars.
14. As will be discussed in this section, there are many criticisms of this measure that lead to a contestation of falling poverty rates.
15. World Bank. "Poverty & Inequality Platform."
16. See UNECE 2024. *Subjective Poverty*. Geneva: United Nations.
17. See UN DESA 2010 for a more detailed explanation of the methodology. The two latest updates were in 2017 and 30 September 2025. See also World Bank 2025.
18. See Moatsos 2016 for a summary of the critique.
19. See Laderchi, Saith and Stewart 2003 for an extensive discussion of the critiques and attempts to conceptualize and measure poverty.
20. UN Women 2025 recognizes persistent income poverty rates among women, with around 1 in every 10 women living in extreme poverty since 2020.
21. From United Nations 2015. Millennium Development Goals Gender Chart 2015.
22. These are discussed in more detail in Laderchi, Saith and Stewart 2003.
23. The Multidimensional Poverty Index (MPI), which replaced the Human Poverty Index (HPI) used from 1997 to 2009, offers a significant methodological advancement. Unlike the HPI, which relied on national averages, the MPI identifies specific individuals or households experiencing overlapping deprivations. It measures both the prevalence of poverty and the

intensity of deprivations faced, and its results can be disaggregated by group (e.g. region, ethnicity) to provide targeted insights for policy. For more details, refer to Appendix 6F or see UN ESCWA. "Multidimensional Poverty Index."

24. See Antonopoulos and Memiş 2010; Zacharias, Masterson and Memiş 2014; Zacharias, Antonopoulos and Masterson 2012; Zacharias 2011; Ilkkaracan, Kim, Masterson, Memiş and Zacharias 2021; and Rios-Avilla, Zacharias, Masterson and Sinha 2026.

25. For a review of the debate on the advantages and disadvantages of each design, see Gentilini 2014.

26. Ribeiro et al. 2017 provide a survey of the empirical literature on the impacts of Bolsa Família.

27. According to Carloto 2015, women's 'better skills' at managing household finances and caring for their children was used as an argument by government officials and Bolsa Família programme officers for privileging them as the main beneficiaries of the programme.

28. See Almeida et al. 2020 for the impacts of EU policy interventions, and Casado et al. 2020 for the impacts of US federal supplements to unemployment insurance.

29. See Kanbur 2016 for an interesting discussion on how growth, inequality and poverty relate to each other. As the author explains, if "[growth] is accompanied by rising inequality, the poverty reduction impact from growth will be attenuated".

30. UNDP 2013 provides examples of such policy instruments.

31. Principles for Human Rights in Fiscal Policy 2021. *Principles for Human Rights in Fiscal Policy*. May.

32. Data on the very top (e.g. top 1 per cent) are often unreliable. Household surveys, a common data source, suffer from low response rates and underreporting by the wealthy. Furthermore, top earners can report modest taxable incomes relative to their vast wealth, as capital gains—a major component of wealth growth—are often excluded from standard income measurements until realized. A common database choice for measurements of group shares is the World Inequality Database (WID). This addresses the systematic under-measurement of top shares by moving beyond reliance on household surveys alone. The database combines national accounts, survey data, fiscal data (particularly tax records) and wealth rankings to create more comprehensive distributional estimates. To ensure transparency, the WID assigns a data quality score for each country's underlying dataset, indicating the reliability of its estimates. Its methodology is described here.

33. According to Concept 1, average incomes across countries have actually become more divergent. Yet if the population size is taken into account (Concept 2 and Concept 3), we see that incomes across the world are converging. The reason for this difference in trends is that a number of very populous countries, mainly China and India, experienced relatively faster growth in per capita GDP than most other countries. For more information, see Figures 6B.2 and 6B.3.

34. The within-country T10/B50 ratio is calculated by equalizing average incomes across countries and aggregating national distributions. The between-country ratio is calculated by equalizing incomes within each country to the national average. Decompositions of the Theil index are standard. For more details on the methodology, see World Inequality Lab 2022.

35. The concept used to set the poverty threshold depends on data availability. The threshold is calculated based on either income (from household surveys) or consumption (from expenditure surveys). In this Appendix, we explain the framework through the use of income.

MODULE 7

ECOLOGICAL CRISIS AND THE GREEN TRANSFORMATION

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LEARNING OBJECTIVES AND OUTCOMES

By the end of this module, participants will be able to:

- **Understand the structural drivers of the ecological crisis and their intersection with gender and other inequalities.**
- **Distinguish between the different analytical and policy approaches to the ecological crisis (green growth/green transition versus green transformation) and be able to apply these distinctions to policy assessment.**
- **Assess the gender implications of different approaches to green transformation policies.**
- **Understand how feminist (ecological) economics policy approaches on care and equality complement the green transformation agenda.**
- **Apply gender-responsive tools and frameworks to design, monitor and assess programme and policy interventions within a transformative green agenda, and integrate gender justice in green economy planning and implementation.**

KEY CONCEPTS AND DEFINITIONS

Blue economy:

The sustainable use of ocean resources for economic development, while preserving the health of marine ecosystems. The Center for the Blue Economy states that Blue Economy "is now a widely used term around the world with three related but distinct meanings—the overall contribution of the oceans to economies, the need to address the environmental and ecological sustainability of the oceans, and the ocean economy as a growth opportunity for both developed and developing countries."[1]

Carbon neutrality:

A state when an actor's net contribution to global carbon dioxide (CO2) emissions is zero. This is achieved when all CO2 emissions attributable to an actor's activities are fully compensated by CO2 reductions or removals that are exclusively claimed by the actor, regardless of differences in timing or scale between emissions and compensating actions (UNEP 2024).

Care–climate nexus:

The interconnections between systems of care (including paid and unpaid care work, social reproduction and care infrastructures) and climate change, encompassing both the impacts of climate change on care needs and workloads, and the role of care-centred policies, practices and values in climate mitigation, adaptation and justice. The concept highlights how climate change disproportionately intensifies care responsibilities —particularly for women and marginalized groups—and frames care as a critical lens and strategy for equitable and sustainable climate action.

Circular economy:

A regenerative economic system designed to minimize resource extraction, waste generation and environmental impacts by maintaining the value of products, materials and resources in use for as long as possible through strategies such as reuse, repair, remanufacturing and recycling.

Climate change:

Long-term alterations in the Earth's climate system, including changes in temperature, precipitation patterns, storm frequency and intensity, ocean circulation and other climactic variables. While such changes can occur due to natural processes, current climate change is largely driven by human activities, primarily the emission of greenhouse gases associated with global warming.

Climate justice:

A framework addressing the ethical, social and political dimensions of climate change, emphasizing the disproportionate impacts on vulnerable and marginalized communities, and the inequalities in responsibility, exposure and capacity to respond to climate change.

Commons:

Resources that are ideally shared by and accessible to members of a community. These resources can be governed collectively by communities for shared use and benefit, or they may fall under state governance or private control. In practice, however, commons are often not managed collectively, and access to decision-making and governance is frequently unequal, with women and marginalized groups commonly excluded. Scholarly debates on the governance of commons, including discussions of the potential for a 'tragedy of the commons', have been significantly shaped by Elinor Ostrom's work (1990) on *Governing the Commons: The Evolution of Institutions for Collective Action* (Ostrom was the first woman to win the Nobel Memorial Prize in Economic Science; see also Appendix 7B).

Degrowth and post-growth economics:

Alternative economics approaches that challenge conventional economics approaches which promote the pursuit of continuous economic growth as a primary objective. These frameworks emphasize ecological sustainability, social equity and human well-being by advocating reduced material and energy throughput, redistribution of resources and the reorientation of economic systems towards sufficiency, care and collective prosperity rather than increased production and consumption.

Earth care:

The ethical responsibility to protect natural systems; paid and unpaid work devoted to sustaining and regenerating the ecological foundations that make life possible, recognizing ecological maintenance as an essential form of labour.

Ecological crisis:

A systemic disruption of Earth's ecosystems due to human activities, including climate change and global warming, pollution (of air, water and land), depletion of natural resources and habitat destruction (soil degradation, deforestation, overfishing, habitat destruction, biodiversity loss and species extinction).

Environmental crisis:

Widespread environmental degradation occurring at a scale and intensity that threaten human societies and ecological systems. While often used interchangeably with ecological crisis, the term environmental crisis typically emphasizes impacts on human well-being and socio-environmental systems, whereas ecological crisis more directly highlights disruptions to ecosystems and biodiversity independent of human-centred concerns.

Ecological economics:

An interdisciplinary field that examines the economy as a subsystem embedded within the Earth's biophysical and thermodynamically closed system. It argues that planetary limits constrain resource throughput and emphasizes the need for an economy that operates within these limits while ensuring equitable and sufficient living standards for all.

Environmental economics:

A branch of mainstream economics that addresses environmental problems by incorporating environmental costs and benefits into market analysis, primarily through the concept of externalities. It focuses on correcting market failures using policy instruments such as pricing, regulation and market-based mechanisms to improve environmental outcomes within a growth-oriented economic framework.

Ecofeminism:

A feminist perspective linking the exploitation of nature and gender inequality.

Feminist political ecology:

A feminist perspective using an intersectional framework to understand the power dynamics in human–environment relations, such as gendered access to and control over resources, and interlinkages of the care–climate nexus.

Global warming:

The long-term increase in the Earth's average surface temperature, primarily resulting from the accumulation of greenhouse gases (especially CO2) in the atmosphere due to human activities such as the burning of fossil fuels, deforestation and industrial processes.

Green economy:

An economy that results in improved human well-being and social equity, while maintaining the stability and resilience of ecosystems and reducing environmental risks.

Greenhouse gases (GHGs):

The atmospheric gases responsible for causing global warming and climatic change. The major GHGs are CO2, methane (CH4) and nitrous oxide (N2O). Less prevalent but very powerful GHGs include hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6) (UNEP 2024).

Green growth:

Economic growth that is environmentally sustainable.

Green transition vs green transformation:

- *Green transition:* Reliance on policy shifts and technological innovation to attain decarbonization and restore the environment.
- *Green transformation:* Structural and systemic change in economic, social and ecological relations that take into account feedback effects and longer-term consequences to attain sustainability.

Green finance:

Use of a financial product or service such as debt and investment for the development and implementation of climate mitigation and adaptation initiatives as well as green projects.

Green jobs:

Decent employment that contributes to preserving or restoring the environment.

Just transition:

Ensuring fairness in the sharing of risks of the ecological crisis and benefits of green transformation across the population; inclusion of workers, vulnerable communities and marginalized groups in decision-making as economies shift towards sustainability.

National adaptation plans (NAPs):

National planning documents through which countries set out their medium- and long-term priorities, strategies and actions for adapting to the impacts of climate change. NAPs aim to reduce vulnerability and enhance adaptive capacity by integrating climate change adaptation into national development planning and decision-making. They are developed through a continuous national adaptation planning process under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

Nationally determined contributions (NDCs):

Submissions by countries that have ratified the Paris Agreement which present their national efforts to reach the Paris Agreement's long-term temperature goal of limiting warming to well below 2°C. New or updated NDCs were to be submitted in 2020 and every five years thereafter. NDCs thus represent a country's current ambition or target for reducing emissions nationally (UNEP 2024).

Conditional nationally determined contribution:

An NDC proposed by some countries that is contingent on a range of possible conditions, such as the ability of national legislatures to enact the necessary laws, ambitious action from other countries, realization of finance and technical support, or other factors (UNEP 2024).

MODULE 7 OVERVIEW

The ecological crisis is a cross-cutting dimension of gender and economics. While this module focuses on this theme, the issue is also discussed in other modules such as Module 2 (The Care Economy and Transformative Care Systems), Module 5 (International Trade and Open Economy Macroeconomics), and Module 6 (Income Inequality and Poverty).

The first session in this module introduces the ecological crisis from a gender perspective, before introducing participants to alternative economic approaches to the ecological crisis and green policies in Session 7.2. Specific gender-just green transformation policies are discussed in the rest of the sessions. Session 7.3 discusses gender-equal access to green jobs. Session 7.4 (optional) is on women's equal access to land and other resources as the basis for their equal participation in the green transformation, focusing particularly on gender-just green transformation in agriculture. Care policies as an enabler of gender-just green transformation have already been explored in Module 2 (The Care Economy and Transformative Care Systems) and Module 3 (Employment, Decent Work and Social Protection). The final session of this module, which is also optional, further explores the care–climate nexus in the context of the 'purple + green transformation' framework.

CORE SESSIONS

7.1 THE ECOLOGICAL CRISIS AND ITS INTERSECTIONS WITH GENDER

This session aims to provide a basic understanding of the ecological crisis from a gender perspective. It first points to structural causes of the ecological crisis as a phenomenon resulting from excess human economic activity and deregulated free markets in a planet with boundaries. It then explores efforts for governance at the global level, as required by global warming and climate change. This is followed by a discussion of how ecological risks, responsibilities and adaptive capacities are not evenly distributed across the Global North and the Global South or across intersectional dimensions such as socioeconomic status, urban-rural location, ethnicity, caste, race, gender or migrant status. Against this background, the rest of the session focuses on how gender operates as a cross-cutting, intersectional dimension of the ecological crisis. The session suggests a documentary for participants to watch on their own in advance (see Box 7.1) and a warm-up group exercise to help kick off the discussion.

BOX 7.1

ANTHROPOCENE: THE HUMAN EPOCH – A DOCUMENTARY

Anthropocene: *The Human Epoch* (2018) is a visually striking documentary that explores how human activity has become the dominant force shaping the Earth's systems, hence the use of the term 'Anthropocene' to depict the new geological epoch. Filmed across nearly 20 countries, it documents large-scale mining operations, deforestation, industrial agriculture, mass urbanization and ocean extraction. Through powerful imagery rather than narration, the film shows how these activities are transforming landscapes, disrupting ecosystems and altering the climate at an unprecedented scale. Some examples it features are:

- **Lignite mine in Germany**
  - Enormous mechanical diggers strip away earth in a barren, desolate pit. The scale dwarfs all human activity, emphasizing the brute force of extraction.
- **Ivory burn in Kenya**
  - Rows of elephant tusks in flames, as part of a ceremonial destruction to oppose poaching. A powerful symbol of loss and protest.
- **Chinese concrete factory**
  - Endless towers of cement silos and conveyors. A portrait of mass industrialization and resource use.

- **Sea wall in China**
  - Miles of artificial barriers push back the ocean. A representation of humanity's attempt to redraw coastlines.
- **Italian marble quarries**
  - Mountain faces carved into geometric terraces. Earth looks sculpted by a colossal hand, merging beauty and violence.

The film provides participants with a clear, immersive illustration of a core idea discussed in Session 7.1: the ecological crisis stems from the expansion of human economic activity beyond the Earth's planetary boundaries. It demonstrates how production, consumption and resource extraction—central features of our global economic model—are exceeding the Earth's capacity to regenerate resources and absorb waste. Watching the film helps ground the session's discussion in concrete, real-world examples of how these pressures accumulate, enabling participants to better understand why systemic economic change is necessary for ecological sustainability and justice.

Source: Film directed by Jennifer Baichwal, Edward Burtynsky and Nicholas de Pencie. *The Anthropocene Project.*

DISCUSSION

After participants have watched the documentary (Box 7.1), ask them:

- Can you think of other similar examples from where you live of how human economic activity transforms landscapes and disrupts ecosystems?
- Are there examples of how supposedly 'green policies' can also be disruptive in the pursuit of 'green growth' (as in the example in the film on lithium mining for electric car batteries)?
- Can you think of any gender-differentiated aspects of the examples of disruptive economic activity in the film or in relation to the question above?

GROUP EXERCISE:

FOREST HARVEST AND REGROWTH

The objective of this exercise is to build intuition before introducing concepts of sustainability and ecological economics, in preparation for discussing what the limits of growth should be. The exercise is based on Elson and Goodwin (2009: 180).

Discuss what 'sustainable' harvesting means in a stylized model.

SCENARIO:

A FOREST BEGINS WITH 10,000 TREES. IF LEFT ALONE, IT REPLENISHES BY 10 PER CENT PER YEAR. AT THE END OF EACH YEAR, 1,500 TREES ARE HARVESTED.

Note: The 10 per cent regrowth is calculated based on the number of trees at the start of the year. Harvesting happens after regrowth at the end of the year.

- **Q1.** How many trees are there after one year, accounting for regrowth and harvest?
- **Q2.** How many trees are there after two years?
- **Q3.** How many trees are there after three years?
- **Q4.** What is the largest constant number of trees that could be harvested each year (***H***), starting with 10,000 trees, so that the harvest is sustainable?

Answer key (for Facilitator)

- **Q1.** $N_1 = 1.10 \times 10{,}000 - 1{,}500 = 11{,}000 - 1{,}500 = 9{,}500$
- **Q2.** $N_2 = 1.10 \times 9{,}500 - 1{,}500 = 10{,}450 - 1{,}500 = 8{,}950$
- **Q3.** $N_3 = 1.10 \times 8{,}950 - 1{,}500 = 9{,}845 - 1{,}500 = 8{,}345$
- **Q4.** $\text{Set } N_{(t+1)} = N_t = 10{,}000 \rightarrow H = 1.10 \times 10{,}000 - 10{,}000 = 1{,}000$

Hence, the largest sustainable harvest is 1,000 trees per year.

Note: Harvesting more than 1,000 trees annually leads to contraction of the forest and its eventual depletion; harvesting fewer trees leads to its growth. This is a simplified model to build intuition before introducing the discussion on sustainability and growth.

Discuss with participants:

- What does 'sustainable harvest' mean in this simplified setting?
- What happens if growth slows at higher stock levels?
- What risks arise if harvesting exceeds regrowth?
- How would uncertainty (fires, pests, drought) affect a prudent harvest rule?

The exercise can be extended by discussing:

- **Proportional harvest rule:** Replace constant H with $h \times N_t$. What H keeps the stock constant at 10,000?
- **Shock scenario:** After year 1, a fire destroys 800 trees. Recompute years 2–3 with $H = 1{,}000$. What happens?

This simple forest harvest exercise illustrates a core insight of ecological economics; sustainability is about respecting biophysical limits and regeneration rates. Harvesting beyond the system's capacity leads to gradual depletion rather than immediate collapse—highlighting how ecological crises often unfold slowly and invisibly until thresholds are crossed. Hence it is essential to understand that sustainability depends on choices about scale, timing and recognition of uncertainty as a real restraint. This intuition will guide the discussion on planetary boundaries and what it means to organize economic activity in ways that respect these limits. This begins by examining what happens when these boundaries are exceeded.

7.1.1 UNDERSTANDING THE ECOLOGICAL CRISIS: WHAT IS AT STAKE?

The 'ecological crisis' refers to an understanding that the current patterns of production and consumption have surpassed the ecological limits of our planet, undermining the very systems that sustain human and non-human life. The concept of 'planetary boundaries' is used as the basis of a framework which identifies critical processes that maintain the stability and resilience of the Earth system, all of which are prone to disruption due to the way the economy (production and consumption activities) is organized.[2]

The ecological crisis manifests through the following outcomes of human activity transgressing the planetary boundaries:

Climate change and global warming: This is a critical process with implications for the stability and resilience of the Earth system. The year 2024 was the hottest in the past 175 years, with the annual global mean near-surface temperature reaching 1.55°C ± 0.13°C above the 1850–1900 average (WMO 2025). As well as causing extreme weather events with direct impacts on human well-being and implications for agricultural production and food systems, global warming triggers a series of detrimental effects on ecological systems such as warming oceans, rising sea levels and melting of glaciers at unprecedented rates, leading to biodiversity loss and species extinction.

Rising pollution levels: Air, water and land pollution (including plastic pollution) have dynamically interacted to undermine ecological balance, leading to a profound ecological crisis. The impact of ambient outdoor air pollution alone is estimated to have caused 4.2 million premature deaths annually, of which 89 per cent occurred in low- and middle-income countries (WHO 2024). These processes have debilitating effects on the planet, the lives of humans and other species, and the global economy.

Depletion of natural resources and biodiversity loss: The scale and intensity of resource throughput in economic activity results in soil degradation, deforestation, overfishing, habitat destruction, biodiversity loss and species extinction.

While the effects of natural resource depletion or certain forms of localized pollution (such as contamination of a specific lake or water source, or destruction of a particular habitat through an urban project) can be confined to particular geographic areas, most dimensions of the ecological crisis transcend national borders. In particular, greenhouse gas emissions and the resulting climate change and global warming are not limited to the regions where the emissions originate. They impact entire populations, including those who bear no responsibility for producing the emissions. For this reason, the ecological crisis necessitates policy coordination and governance mechanisms at the global level, going beyond national jurisdictions.

7.1.2 GLOBAL GOVERNANCE FOR CLIMATE CHANGE: UNFCCC AND COP

The United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty for the environment adopted in 1992 at the Rio Earth Summit and entered into force in 1994. The UNFCCC is the umbrella framework which governs international climate negotiations and action. Under the UNFCCC, countries (called 'Parties') commit to the monitoring and reporting of greenhouse gas emissions. The principle of common but differentiated responsibilities and respective capabilities (CBDR-RC) is established, recognizing differing historical responsibilities and capacities.

Under the UNFCCC, the Conference of the Parties (COP) is the supreme decision-making body. It is composed of all countries *(Parties)* that have ratified the Convention. It meets annually to assess progress on climate action, negotiate agreements, adopt decisions and guide the implementation of international climate policy. Each meeting is numbered

(e.g. COP21). Major outcomes—such as the Paris Agreement—are adopted at COPs. COP decisions shape rules on mitigation, adaptation, finance, transparency, and loss and damage.

The first UN COP (COP1) was held in 1995 in Berlin, Germany. Its key outcome documents typically include COP Decisions, which record negotiated agreements, as well as national reporting instruments such as nationally determined contributions (NDCs), countries' pledges outlining how they will reduce emissions and adapt to climate impacts, and national adaptation plans (NAPs), which detail long-term strategies for strengthening resilience. Civil society actors, including women's organizations, play an important role at COPs by participating in observer constituencies, contributing expertise, advocating for equity-driven policies, organizing side events and influencing negotiations through consultations, submissions and direct engagement with country delegations.

In 2015, at UN COP21 held in Paris, France, nearly all countries adopted the Paris Agreement, pledging to pursue efforts to limit global warming to 1.5°C and submitting their NDCs to that effect. However, according to the latest UNEP Emissions Gap Report, achieving this target is more and more difficult. To remain on track for 1.5°C, global emissions must decline by 42 percent by 2030 and 57 percent by 2035 compared with 2019 levels. Without rapid and decisive action, the world is projected to warm by 2.6°C to 3.1°C by the end of this century (UNEP 2024).

The most recent COP at the time of this manual's writing was COP30, held in Belém, Brazil from 10 to 21 November 2025, with the participation of 194 nations (UNFCCC 2025). One of the major outcomes of COP30 is on adaptation finance (funding that helps countries cope with climate impacts): the objective is to increase adaptation finance threefold by 2035. Another outcome is on helping countries achieve NDCs. Current NDCs would deliver progress if fully implemented but progress remains insufficient to achieve the 1.5°C mitigation target. To help close this gap, solutions have been proposed: the Baku –Belém Political Package introduces the Belém Mission to 1.5, seeking to raise ambition through enhanced international cooperation and investment, and the Global Implementation Accelerator, which is a voluntary platform designed to support countries to turn climate plans into concrete mitigation and adaptation action.

The target for resources to finance climate action is set at $1.3 trillion annually by 2035. Moreover, during COP30 an agreed set of indicators was produced to enable evaluation of progress in adaptation (in areas such as water security, food systems, infrastructure resilience and access to adaptation finance). COP30 also marked a step forward on just transition. The establishment of the Belém Action Mechanism (BAM) creates a formal platform within the UN climate system which reflects an institutional commitment (UNU 2025). The meeting also addressed the importance of adopting a more gender-responsive perspective in climate action. The adoption of the Belém Gender Action Plan aims to provide countries with practical guidance for integrating gender considerations across different areas of climate policy and implementation (UN Women 2025b).

7.1.3 CLIMATE JUSTICE: RESPONSIBILITY FOR AND IMPACT OF CLIMATE CHANGE ACROSS THE GLOBAL NORTH AND GLOBAL SOUTH

Responsibility for and vulnerability to climate change are highly unequal across countries, and particularly across the Global North and the Global South. The largest emitters—mostly high-income nations—are both the greatest contributors to GHG emissions and the least affected due to their stronger adaptive capacities. Table 7.1 shows that the United States has one of the highest per capita emissions, at 18 tonnes of CO2 equivalent (tCO_2e) per person, followed by China at 11 and the European Union at 7.3. By contrast, per capita emissions are only at 1.5 tCO_2e per person for the 45 least developed countries and 2.2 for the African Union.

Consequently, G20 members account for 77 per cent of global emissions, while African Union member countries combined account for 5 per cent of total emissions. The United States and China together account for nearly one-third of global emissions, while the least developed countries contribute just 3 per cent. Despite some shifts over the past two decades, these disparities remain profound (UNEP 2024: xiii).

TABLE 7.1

Total, per capita and historical emissions of selected countries and regions

	Total GHG emissions in 2023	Change in total GHG emissions, 2022–2023	Per capita GHG emissions in 2023	Historical CO_2 emissions, 1850–2022
	M_tCO_{2e} (% of total)	%	$_tCO_{2e}$/capita	G_tCO_2 (% of total)
China	16,000 (30)	+5.2	11.0	300 (12)
United States of America	5,970 (11)	-1.4	18.0	527 (20)
India	4,140 (8)	+6.1	2.9	83 (3)
European Union	3,230 (6)	-7.5	7.3	301 (12)
Russian Federation	2,660 (5)	+2	19.0	180 (7)
Brazil	1,300 (2)	+0.1	6.0	119 (5)
African Union	3,190 (6)	+0.7	2.2	174 (7)
Least developed countries (45 countries)	1,720 (3)	+1.2	1.5	114 (4)
G20 (excl. African Union)	40,900 (77)	+1.8	8.3	1,990 (77)

Note: Emissions are calculated on a territorial basis. LULUCF CO_2 emissions are excluded from current and per capita GHG emissions but are included in historical CO_2 emissions based on the bookkeeping approach. Some members of the African Union are also least developed countries.

tCO_{2e} = tonnes of CO_2 equivalent; M_t = megatonnes; G_t = gigatons.

Source: UNEP 2024: XIII.

Developing countries, despite contributing far less to the emissions driving climate change, bear a disproportionate share of its consequences. Unlike advanced economies, they often lack the institutional resilience and policy frameworks needed to mitigate the adverse impacts of climate change on their populations and economies. Adaptation measures in these contexts tend to be fragmented, reactive and under-resourced, frequently emerging as last-minute responses to unfolding crises rather than as part of coherent long-term strategies. As a result, climate-related disasters exact a far heavier toll in human lives and disrupt livelihoods more deeply.

7.1.4 GENDER AS A CROSS-CUTTING DIMENSION OF ECOLOGICAL CRISIS AND JUSTICE

Inequalities in climate vulnerability and adaptive capacity across the Global North and Global South intersect with existing socioeconomic inequalities within countries, further amplifying the impact of the ecological crisis on vulnerable and marginalized populations. The highest-income groups indulge in material consumption, fuelling the production of 'status' and luxury goods, while substantially less material throughput occurs to meet the basic needs of low-income and marginalized populations. For those already burdened by poverty, job insecurity and fragile social protection, climate shocks arrive not as isolated events but as intensifiers of long-standing inequities.

Other dimensions intersect with global geography and socioeconomic status such as rural-urban location, indigeneity, ethnicity, caste and gender, which shape contribution to environmental pressures and exposure to ecological harms. Gender is a cross-cutting dimension through gendered hierarchies in access to resources, paid and unpaid work, and decision-making, which exacerbate the vulnerability of low-income, marginalized women in the Global South to environmental and climate-induced stresses. Hence, effective responses must adopt justice-oriented, intersectional and inclusive approaches to go beyond purely environmental or economic considerations.

The intersectional nature of the ecological crisis and justice can be explained through two channels:

Impact of the ecological crisis: Various structural inequalities along multiple intersectional dimensions, including gender, determine access to resources, decision-making, labour markets, income, time, land, information, knowledge systems and technologies. These structural inequalities in turn shape exposure, risk, vulnerability and adaptive capacity to climate and ecological impacts.

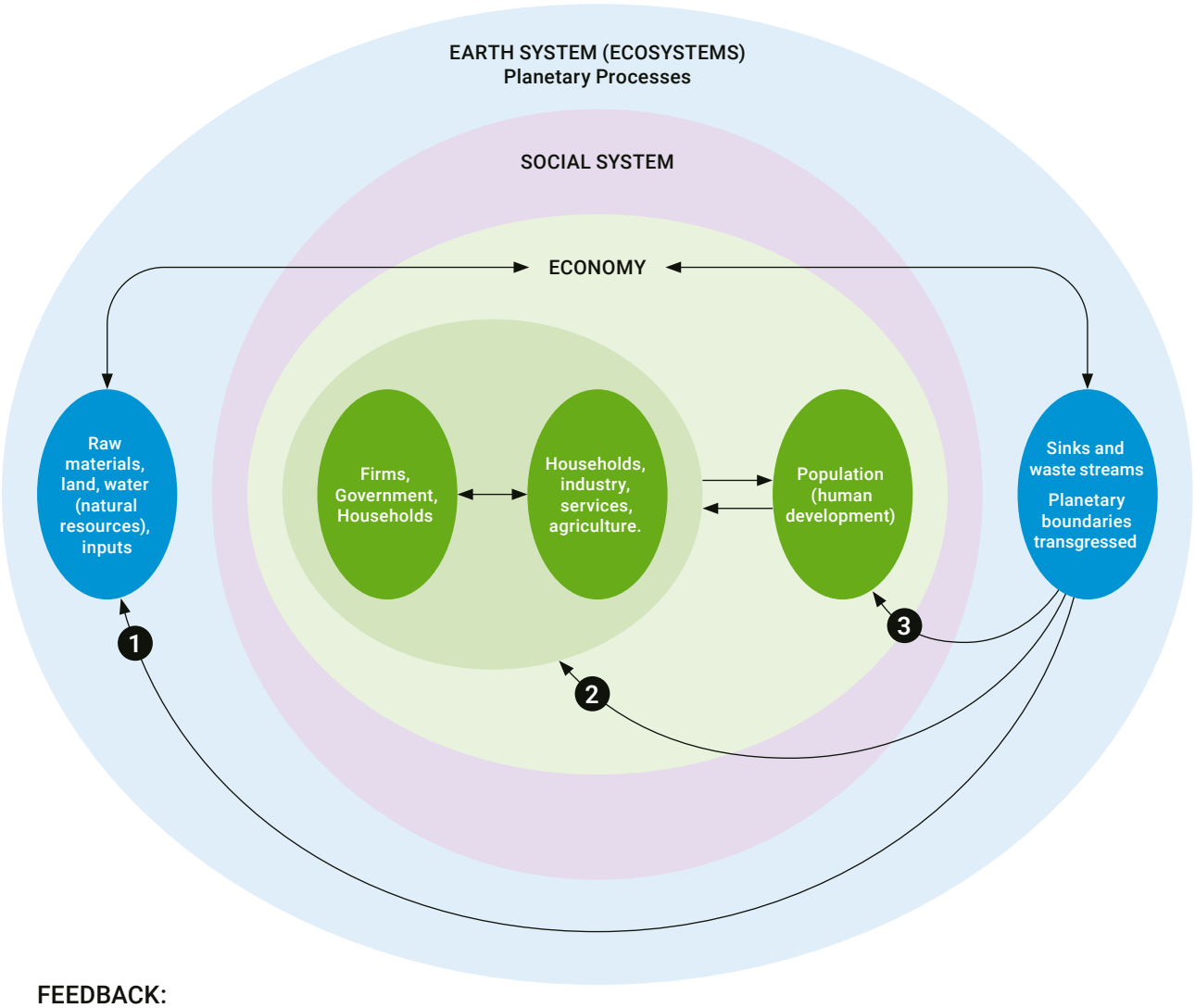
Response to the ecological crisis: Beyond differential impacts, intersectionality also matters in response to the ecological crisis. Green transformation processes and climate policies are not neutral by these intersectional dimensions; without deliberate intervention they may reproduce or deepen inequalities. Moreover, the most vulnerable groups (such as Indigenous women) hold crucial knowledge, insights and capabilities for resilience; excluding them from policy design and decision-making thus threatens to weaken climate responses.

Figure 7.1 shows an extended version of the depiction of the economy from a gender-aware perspective, which was introduced in Module 1 (Introduction to Gender-aware and Feminist Economics). Use this figure to kick off a discussion with participants on the gendered transmission mechanisms of the ecological crisis.

As a reminder from Module 1 on the circular flow diagram of the economy: the economy comprises both market and non-market (household) production and consumption of goods and services. The economy is embedded in a social and environmental context with mutual feedback effects across these three layers. Market production takes place in the agricultural, industrial and services sectors, and relies for the most part on paid (formal and informal) labour. Non-market production takes place in two contexts: in the public sphere, through provisioning by the central and local governments (relying for the most part on paid formal labour), and in households and communities (relying heavily on women's unpaid labour). Figure 7.1 adapts this framing of the economy to trace the feedback effects across economic growth, nature's processes and ecological crisis, and human development and well-being.

FIGURE 7.1

Economic activity and ecological systems feedback mechanisms



FEEDBACK:

1. Over-filled sinks and waste streams degrade natural sources and ecosystems; Planetary processes destabilized.
2. Degraded ecosystems, wastes and climate change undermine production and social reproduction.
3. Wastes and climate change affect human development.

Source: Adapted from Grown et al. 2025.

All three economic spheres of activities (market, public, non-market household/community) use natural resources as inputs to production or as direct consumption of goods and services. The production and consumption of processes produce outcomes that affect the ecological systems through extraction, resource depletion, emissions and waste.

The market sphere, driven by the profit-making motive under competition, is the most abrasive in this interaction, unless regulatory processes are enforced by the public sphere. The non-market spheres—household and government (public) provisioning—also use natural resources for social provisioning and impact the environment. Planetary

boundary overshoots and degraded ecosystems are interconnected and mutually reinforcing, and gender is a cross-cutting dimension along with other intersectional dimensions.

An empirical study by Grown et al. (2025) finds that when ecological limits are incorporated into measures of well-being, gender disparities widen: countries that exceed planetary boundaries tend to experience lower sustainable well-being, with women disproportionately affected due to existing inequalities in education, income and exposure to environmental risks. By using the gender-sensitive Sustainable Development Index, the analysis shows that ecological overshoot and climate-related factors —such as air pollution—interact with baseline gender inequalities and make women more vulnerable to adverse well-being and health outcomes, though patterns vary by level of development.[3]

DISCUSSION

Ask participants, using Figure 7.1 as a guide, to identify and discuss:

- How do gender patterns and inequalities in each sphere of economic activity (market, public, household/community) create gender-differentiated vulnerabilities and adaptive capacities under ecological stress?
- What feedback loops reinforce or mitigate these patterns?
- What kinds of gender-responsive policies could break negative feedback effects and strengthen resilience?

In guiding the group discussion, identify the various transmission mechanisms between gender, economic activities and ecological systems in both the market and non-market spheres, as follows:

Gender as a dimension of the differential impacts of the ecological crisis

- ***Gender gaps in unpaid care work in the household and community → heightened demands on women's time under ecological crisis***

Climate-related illnesses, displacement and infrastructure disruptions intensify unpaid care demands and further exacerbate women's already disproportionate care workloads, limiting their access to jobs and income, with detrimental effects on their well-being (Floro 2024). Ecological stresses impact unpaid care work in the household and community sphere through two primary channels:

- The demand for unpaid care work increases along with care needs due to higher morbidity and disruption in access to formal care services in the context of climate change, pollution and resource depletion.
- The ecological crisis makes unpaid care provisioning more difficult due to the detrimental impact on care inputs (e.g. water, energy, housing, food systems), requiring more time on activities such as collecting water or fuelwood.
- ***Gender gaps in access to resources and institutions → reduced climate adaption capacity of women***

Women often have more limited adaptive capacity in the face of ecological crises due to gender gaps in access to resources and institutions. For example:

- Low-income women are less likely to be able to afford climate-resilient housing, infrastructure, technologies, insurance and finance.
- Rural women and women in agriculture often have weaker land tenure security, limited inheritance rights, and less access to irrigation, forests, fisheries and productive land. As climate impacts exacerbate resource scarcity, rural women's pre-existing vulnerabilities are further amplified. Informal rights that women rely on are more easily disrupted by climate shocks and conservation/renewables projects.
- Women may have limited mobility and limited access to disaster early-warning systems, information and technology for climate adaptation and response.
- Marginalization of women in decision-making processes in the market and public spheres limits integration of their specific climate vulnerabilities and demands in climate adaptation and mitigation efforts. Gender norms can restrict participation in community preparedness.
- ***Gendered labour market positionings → differential exposure to ecological crisis and risks by gender***

Women engaged in formal and informal employment may experience higher exposure to ecological crisis and risks due to their positioning in the labour market. For example:

- Women in small-scale farming are affected disproportionately by climate disruptions such as soil erosion, droughts or land degradation, which reduce their production possibilities.
- Women in informal work, such as street vendors, are vulnerable to air pollution, heat waves or floods (see Box 7.2).
- Care workers, who are predominantly women, act as 'shock absorbers' under extreme climate events, as formal and informal paid care services attempt to respond to increased care needs due to higher morbidity. They face heightened work-related stresses not only through increased workloads but also distressed work conditions as care facilities (which are not climate resilient) are damaged or destroyed.

Gender as a dimension to consider in responding to the ecological crisis

- ***Gender biases (blind spots) in green policies → reinforce gender inequalities***

Unless a gender-aware approach is deliberately adopted in green transformation policies, interventions for ecological sustainability may risk further reinforcing gender inequalities. For example:

- Large-scale renewables projects (land for solar/wind farms, biofuels) can displace women's informal resource use.
- Green technologies may draw resources such as water away from household needs, making it more difficult to perform unpaid care work.
- Green job creation is often male-dominated due to gender skills gaps, occupational segregation and women's exclusion from science, technology, engineering and mathematics (STEM) fields and technical training.
- ***Gender gaps in decision-making and participation → diminish effectiveness of green policies***

Given that women hold crucial knowledge of ecological systems, and given their role in household care, obstacles to their equal participation in planning and preparing for climate adaptation are likely to result in weakened adaptive capacity. For example:

- Indigenous women, alongside women farmers and fisherfolk, have crucial information, perspectives and capabilities in climate mitigation. To the extent that policy design and decision-making processes marginalize their perspectives, decision outcomes and policies are likely to be less effective or even counterproductive.
- A comprehensive care system is a condition for resilience to climate change. Incorporating a gender- and care-responsive approach in economic policy and resource allocation would ensure public investments in comprehensive care systems—improving the adaptive capacity and climate resilience of local communities.[4]

BOX 7.2

WHAT'S MORE DANGEROUS THAN INDIA'S FREQUENT HEAT WAVES? HEAT STRESS

The following is an excerpt from an article in the *New York Times* on 16 November 2025:

Women Toiling in India's Insufferable Heat Face Mounting Toll on Health

Prolonged exposure to hot weather can hinder people's ability to lead safe and productive lives, experts say.

Every summer morning, Kantaben Kishen Parmar, a 45-year-old vegetable seller in the Indian city of Ahmedabad, settles onto a patch of ground the size of a large rug, sandwiched between the warming asphalt and a simmering sky, to sell peppers and tomatoes. She doesn't get back home until 10 p.m.

Over the decades, summers have gotten longer and hotter – average temperatures can hover around 105 degrees Fahrenheit, or 40 Celsius, between March and June – but Ms. Parmar's hours have remained the same. The toll on her health is growing.

Three years ago, she collapsed during an especially scorching April day and was rushed to a hospital, where she was treated for severe dehydration. Ms. Parmar, who is diabetic, has suffered from urinary tract infections, dizzy spells and heavy bleeding during her period, conditions that medical experts often attribute to heat stress.

"It's hot from above, it's hot from the pavement," said Ms. Parmar as she deftly tossed green peppers onto a weighing scale with her right hand, which bears the tattoo of a heart pierced by an arrow encasing the letters "KK." The other "K" stands for Kishen, her husband and partner in the business. "Where are we poor folks going to go?" Ms. Parmar said. "We have no option but to sit here."

More than a billion Indians face heat waves every year. Hundreds of millions of them work in the informal sector, toiling outdoors or doing piecework in a stifling factory, and are especially at risk as intense bouts of scorching weather become more frequent and higher temperatures stick around for longer.

The Indian government has started campaigns to raise public awareness, urging people to alter their work hours to escape the worst of the heat, drink plenty of water and electrolytes, seek shade and take frequent breaks. Cities and districts have adopted heat action plans to deal with heat waves.

But a far more threatening future looms, scientists and public health experts say: Prolonged exposure to hot weather, especially when combined with humidity, can hinder the ability of people to lead healthy, safe and productive lives. The physiological stress can lead to chronic illnesses and increase people's chances of dying.

"That is much more of a public emergency than a heat wave," said Satchit Balsari, an associate professor of emergency medicine at Harvard Medical School. "In mission mode, you can take care of people," he said, referring to the specific goals of heat action plans. But studying morbidity – how the quality of life can deteriorate under extreme heat – is essential to avert a long-term crisis, he said.

Source: The New York Times (2025). "Women Toiling in India's Insufferable Heat Face Mounting Toll on Health." Anupreeta Das. 16 November.

KEY TAKEAWAYS FROM SESSION 7.1:

- The concept of 'planetary boundaries' provides a powerful framework for understanding the structural drivers of the ecological crisis, highlighting how current economic systems and patterns of production and consumption are pushing Earth's life-support systems beyond safe limits through interconnected feedback effects.
- The ecological crisis is broader than climate change and global warming. While climate change is one of its most urgent dimensions, the ecological crisis also includes pollution (air, water, land), depletion of natural resources, habitat destruction, biodiversity loss and species extinction—all of which interact to destabilize ecosystems and human well-being.
- Because most aspects of the ecological crisis transcend national borders, in particular greenhouse gas emissions and climate-driven impacts, effective responses require global governance. Local actions are necessary but insufficient when environmental harms spill across countries and regions.
- The UNFCCC Conference of the Parties (COP) is the primary global governance platform for climate action, where countries negotiate commitments, adopt Decisions, and submit national instruments such as NDCs and NAPs. COP processes also create structured spaces for civil society, including women's organizations, to contribute expertise, advocate for equity and influence outcomes.
- There is a stark disparity between the Global North and Global South in both responsibility for climate change and vulnerability to its impacts. Historically, high-income countries have been the largest per capita emitters, while low- and middle-income countries have contributed least to the problem yet face the most severe consequences, largely due to more limited adaptive capacity. These Global North –South inequalities intersect with within-country social and economic inequalities, amplifying climate impacts and producing particularly profound gendered effects.
- Gender is a cross-cutting, intersectional dimension of the ecological crisis, interacting with class, race, caste, indigeneity and location to shape both vulnerability to ecological shocks and responses to environmental pressures.
- Women's economic positioning creates gendered transmission mechanisms in both the market and non-market spheres. Women's concentration in climate-sensitive sectors (such as agriculture, informal work or care services sectors) and heavy unpaid care responsibilities heighten their exposure to climate and ecological disruptions.
- Ecological stress increases women's unpaid care and domestic workloads. Rising morbidity, failing public services, water and energy scarcity, and food system disruptions expand time burdens and reduce opportunities for paid work, education and participation in decision-making.

- Resource and land rights inequalities deepen vulnerability. Limited land ownership, insecure tenure, restricted inheritance and reduced access to finance and technology constrain women's adaptive capacity and resilience.
- Climate adaptation and mitigation policies are not gender neutral. Without deliberate intervention, green transitions—such as renewable energy infrastructure or green job programmes—can reproduce or intensify existing gender inequalities. Excluding women from climate governance weakens the effectiveness of green policies. Indigenous and local women hold critical environmental knowledge and play key roles in community adaptation; overlooking their contributions leads to less equitable and less effective climate responses.

7.2 ALTERNATIVE ECONOMICS APPROACHES FOR A GREEN TRANSFORMATION WITH GENDER JUSTICE

There are significant divergences in how economics approaches (mainstream, non-mainstream and feminist economics) understand the roots of the ecological crisis and what pathways they propose for sustainability (see Figure 7.2). This session introduces participants to these approaches to the ecological crisis and green policies. The discussion focuses on the just transition concept and gender-egalitarian policies as a central pillar of green transformation, emphasizing the role of care, access to resources, participation and representation. Finally, the session introduces practical tools for assessing green transformation policies through a gender-responsive lens.

7.2.1 ENVIRONMENTAL ECONOMICS (MARKET-ORIENTED APPROACH) AND GREEN TRANSITION

Mainstream economics adopts a market-oriented approach to the ecological crisis and pathways for sustainability called environmental economics. It sees the ecological crisis as a problem of market failure, and particularly as a case of negative externalities—such as pollution, greenhouse gas emissions and resource depletion—that are not properly reflected in market prices. According to this logic, the root cause lies in the exclusion of environmental costs from decisions on production and consumption. Natural resources and ecosystem services remain 'free goods' without explicit prices, leading to their overuse and degradation. Thus, the proposed remedy is to internalize environmental externalities through market mechanisms and price signals. According to Nordhaus (2013):

> *"Putting a price on emissions corrects for the under-pricing of the externality in the marketplace… A central lesson of economic history is the power of incentives… Raising the price on carbon will achieve four goals. First, it will provide signals to consumers about which goods and services are carbon intensive and should therefore be used more sparingly. Second, it will provide signals to producers about which inputs are carbon intensive (such as coal and oil) and which use less or no carbon (such as natural gas or wind power), thereby inducing firms to move to low-carbon technologies. Third, it will give market incentives for inventors, innovators, and investment bankers to invent, fund, develop, and introduce new low-carbon products and processes. Finally, a carbon price will economize on the information that is required to undertake all these tasks." (Nordhaus 2013: 21–22).*

From this perspective, policy solutions rely heavily on market instruments, including carbon taxes, emissions trading systems, tradable permits, payments for ecosystem services (PES), subsidies for green technologies, and carbon offset markets. These tools aim to correct distorted market signals and incentivize firms and consumers to adopt low-carbon behaviour. The efficiency of market-based instruments is preferred over direct regulation or interventions by the state as a central authority. This approach argues that such a market-based approach allows private market decision-makers to integrate environmental costs as marginal adjustments to investment decisions rather than have them imposed by the state as fixed regulatory burdens.[5]

This perspective is also referred to as 'free market environmentalism' in the literature which emerged in the early 1980s. Courvisanos (2009) explains how the investment decision in this approach is based on the neoclassical investment model in which price signals and regulatory standards are expected to steer private investors towards environmentally sound technologies. Within this orthodox economics framework, the dynamic driver of change is assumed to be exogenous technological innovation—innovation that is expected to emerge spontaneously in response to appropriate market incentives rather than through deliberate state-led direction or structural intervention. Within this market logic, optimism persists that innovation and economic growth will eventually generate 'out-of-the-box' solutions to environmental problems. Investment in low-carbon research and development (R&D), renewable energy and energy efficiency is viewed as reconciling growth with environmental sustainability.

The policy framework proposed by environmental economics is a *green transition*, which relies on gradual policy and behavioural shifts through market-based mechanisms (carbon pricing, market incentives away from pollution towards green production), technological innovation and ecological modernization of institutions (green finance and jobs retraining) aimed at reducing emissions. This framework maintains economic growth as a priority policy goal, with limited attention to broader justice dimensions. The assumption is that once the 'right' market conditions are established, private entrepreneurship and innovation will deliver environmental efficiency. Technological progress and competition are expected to drive the necessary transformation. The role of the state is largely confined to that of a regulator and guardian of property rights, rather than an active agent of structural redistribution or transformative planning.

Critiques and limitations of environmental economics and green transition

A key limitation of market incentives for internalization of negative environmental externalities is that many environmental values, such as biodiversity, ecosystem integrity, or cultural and traditional landscapes, cannot be meaningfully reduced to market prices. These are often non-substitutable, possess intrinsic value beyond their use value, and perform ecological functions that cannot be captured through monetary metrics. Moreover, pricing environmental harm does not reverse the damage already incurred, which makes market-based instruments insufficient as a primary strategy for conservation. Furthermore, the heavy reliance on discount rates in cost–benefit frameworks tends to undervalue future harms, especially for vulnerable populations and ecosystems.

Environmental markets may facilitate new forms of enclosure, the commodification of nature and the dispossession of local communities. Also, efficiency gains or cleaner technologies can lead to increased use (rebound), or shifting emissions to other regions (leakage), undermining net gains.

Market solutions often fail to address power asymmetries. Those with capital, land or property rights can capture benefits, while marginalized communities may be displaced or harmed. Decisions about prices, offsets or property rights may be delegated to technocratic institutions or financial actors, and with neither democratic participation in the decision-making, nor accountability.

The framework tends to treat growth and a free market framework as givens, rather than questioning underlying accumulation dynamics based on the profit motive or structural drivers of inequalities and ecological overshoot.

7.2.2 ECOLOGICAL ECONOMICS AND GREEN TRANSFORMATION

Ecological economics diverges fundamentally from environmental economics, as it questions the very foundations of what markets can and cannot deliver, what economics is, and what its objectives should be.

Ecological economics argues that conventional economics misrepresents both the position and the boundaries of the economy. In mainstream models, nature —when acknowledged at all—is treated as a set of sectors within macroeconomics (e.g. forests, fisheries, mineral deposits, ecotourism sites). By contrast, ecological economics conceptualizes the macroeconomy as an open subsystem of the Earth system, not the other way around. The economy is therefore embedded within and constrained by nature and the biosphere, rather than standing above or outside them.

Economic growth is a process in which natural resources are extracted, transformed and returned to the environment as waste. Because this physical throughput depends on finite ecological resources and limited waste-absorption capacity, material economic expansion cannot continue indefinitely. In other words, economic expansion is limited by ecological thresholds.

Thus, ecological economics diverges from environmental economics by arguing that the ecological crisis is an organic internal contradiction of free market economies based on the profit motive, rather than an odd externality. It opposes throughput-intensive growth and believes neoclassical market adjustments are insufficient to deliver the deep structural transformation required for sustainability. Daly and Farley, who are founding figures in ecological economics, illustrate the fundamental divide and the limits of efficiency-oriented environmental economics through a memorable analogy:

> *"In ecological economics, efficient allocation is important but far from being an end in itself. Take the example of a ship. To load a ship efficiently is to make sure that the weight on both sides of the keel is the same, and the load is distributed from front to back so that the ship floats evenly in the water. While it is extremely important to load the cargo efficiently, it is even more important to make sure that not too much cargo is placed on the ship. ...Ecological economists recognize that we are navigating unknown seas, and no one can predict the weather for the voyage, so we don't know exactly how heavy a load is safe. ...Neoclassical economists focus solely on allocating the cargo efficiently. Environmental economics, a subset of neoclassical economics, recognizes that welfare also depends to a large extent on ecosystem services and suffers from pollution but is still devoted to efficiency. As markets rarely exist in ecosystem services or pollution, environmental economists use a variety of techniques to assign market values to them so that they, too, may be incorporated into the market model. Ecological economists insist on remaining within the weight limits (or in nautical terms,*

respecting the Plimsoll line) determined by the ship design and the worst conditions it is likely to encounter and making sure that all passengers have sufficient resources for a comfortable voyage. …Substantial evidence exists that the cargo hold is already too full for a safe voyage, or at least nearing capacity, and many passengers have not been allowed to load the basic necessities for the voyage." (Daly and Farley 2011: 4–5.)

Ecological economists challenge the treatment of growth as the central objective of economics, arguing that once ecological limits are exceeded, further expansion can turn into an 'uneconomic growth'. As natural resources are depleted and ecosystems deteriorate, the physical expansion of the economy begins to put increasing pressure on vital ecological functions. When the marginal costs of ecosystem disruption exceed the benefits of additional production, growth becomes uneconomic (Daly 2007: 251). For this reason, ecological economists argue for abandoning the ideal of continuous material growth and instead distinguish between growth (quantitative expansion) and development (qualitative improvement). They define development as: "a qualitative change, realization of potential, evolution towards an improved but not larger structure or system—an increase in the quality of goods and services (where the quality is measured by the ability to increase human well-being) provided by a given throughput" (Daly and Farley 2011: 4).

An extension of this line of thinking is 'degrowth' and 'post-growth economics', which reject the idea that economic success should be measured by continuous increases in material production and GDP growth. Degrowth explicitly calls for a planned reduction in resource and energy use by reshaping production and consumption patterns in line with ecological limits and prioritizing well-being over profit.

Ecological economists also critique the market system for failing both in efficient allocation and in the just distribution of resources. Contemporary market mechanisms neither allocate resources efficiently, given pervasive externalities and the resulting ecological crisis, nor distribute them equitably. The overuse of ecological resources coincides with deep inequalities in access. Ecological economists argue that ecological challenges must be addressed in tandem with efforts to ensure a just and equitable distribution of wealth and resources. In this sense, unlike environmental economists, who generally refrain from intervening in distributional relations, ecological economists advocate for an egalitarian and structurally transformative approach.

Ecological economists further stress the importance of intergenerational equity, arguing that current generations carry a moral responsibility to leave future generations a contained planet. Farley (2016) underscores that an economy fit for the future must prioritize ecological sustainability, obligations to future generations and distributive justice. It must acknowledge the profound uncertainty inherent in complex ecological–economic systems. Ecological economics conceptualizes the problem and the requirements of sustainability in ways that necessarily call for a paradigm shift in how the economy functions, alongside comprehensive structural change and transformative reform.

The policy framework proposed by ecological economics is a green just transformation, entailing a paradigmatic shift and fundamental systemic change in economic and political structures that reproduce climate and socioeconomic inequalities (in contrast to the market-led gradual green transition advocated by environmental economics) (see Figure 7.2). This framework recognizes limits to green growth and prioritizes sufficiency and equity over efficiency, collective solutions over competition, and commons over private property. It calls for more equitable governance of energy and resources, emphasizing grassroots empowerment, reducing material consumption by high-income groups and regions, global redistribution, and climate injustice reparations.

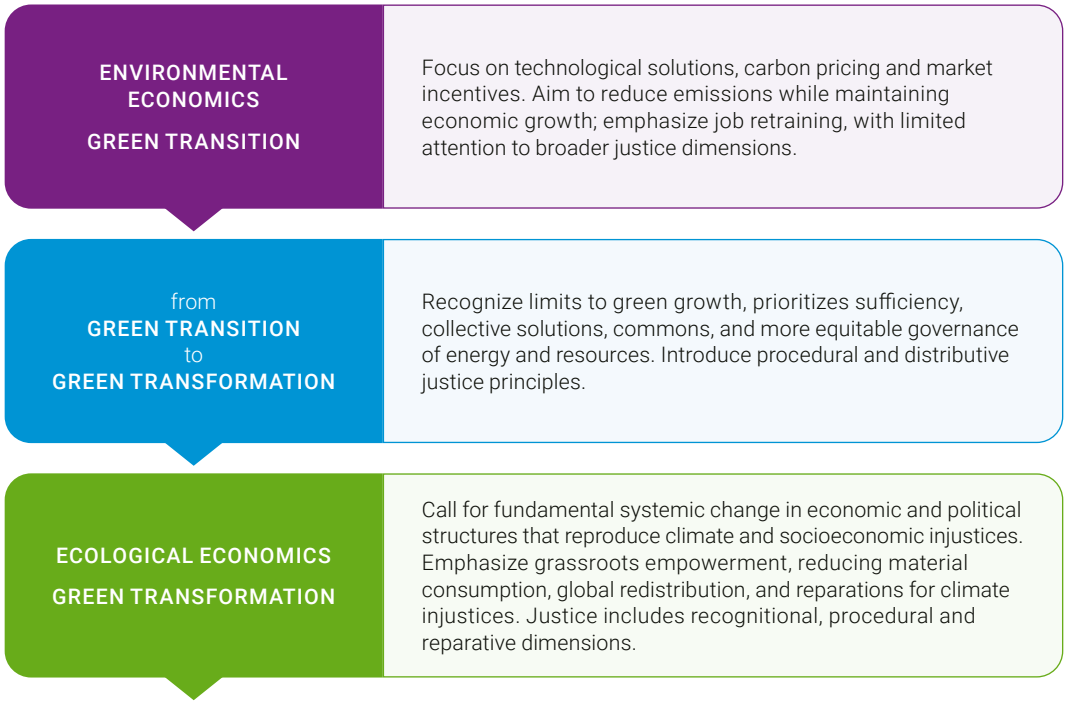
Hence, a green transformation involves a deeper reconfiguration of economic and social systems to protect ecological systems, cognizant of planetary boundaries, realigning production and consumption

patterns within these boundaries, while "adopting right-of-nature and Earth jurisprudence perspectives" (UNRISD 2022).

The green transformation policy framework builds on 'just transformation' principles, which emphasize the need to account for differentiated vulnerabilities to the ecological crisis to ensure that the green transformation unfolds in a fair, inclusive and equitable manner. It emphasizes that environmental change must advance fairness, protect workers and communities, and correct structural disadvantages rather than deepen them. It links environmental objectives with inclusive development, redistribution and care-centred policy perspectives. Designed through this lens, green transformation creates opportunities to address long-standing inequities and strengthen social justice. However, if environmental policies are pursued narrowly, without attention to distributive outcomes, decent work and gender-responsive measures, such processes risk the reproduction of existing inequalities and may even exacerbate gender gaps, while falling short of the promise of a truly just transformation.

FIGURE 7.2

Approaches to green policies



Source: Adapted from Cook 2024: 80.

Initially articulated by trade unions in the 1970s, the 'just transition' concept emerged as a response to environmental policies that were seen as risking large-scale job losses. At the time, it reflected union demands which were aimed at protecting workers from unemployment, safeguarding occupational health and safety in affected industries, and facilitating pathways towards new forms of employment.

During the 1980s and 1990s the concept broadened, evolving into an approach that incorporates principles of climate justice, environmental justice and social justice. This expansion allowed the framework to address not only workers in high-emission sectors, but also other groups who experience the burdens of environmental degradation and economic restructuring. For instance, Indigenous communities—who

often face heightened vulnerability due to pollution, ecological destruction, land dispossession and the disruption of traditional practices and custodianship systems—have become central to just transition discussions.

The just transition framework also emphasizes that the new jobs created through the green transition must be *decent jobs.* To prevent the transition from reinforcing existing inequalities or generating new forms of precarious employment, the process is viewed as an opportunity to build a future grounded in dignity and fairness. This means prioritizing the creation of new jobs that do not reproduce the structural inequalities embedded in current industries and using the transition as a pathway towards a broader shift to an employment structure oriented towards decent work.

7.2.3 FEMINIST (ECOLOGICAL) ECONOMICS AND GREEN TRANSFORMATION WITH GENDER JUSTICE

Feminist ecological economics shares the same fundamentals as ecological economics and further expands the framework by introducing the social reproduction sphere as a central aspect of thinking about the ecological crisis and green transformation. As discussed in Module 2 (The Care Economy and Transformative Care Systems), the feminist approach argues that caring for human beings and caring for the environment are complementary and interacting processes of the economy.

Like the ecological approach, the feminist approach challenges the mainstream economics conceptualization and measurement of economic activity through market-based measures alone. While ecological economics argues the value of biodiversity and ecological knowledge cannot be assessed in market terms, feminist ecological economics argues that important aspects of care provisioning and social reproduction resist commodification. The feminist ecological approach extends and deepens the ecological economics approach, based on the following arguments:

- **Economics as provisioning, not accumulation:** Both approaches reject framing economic success as growth and capital accumulation. Instead, they define the purpose of the economy in terms of human and ecological well-being. As elaborated in Module 1, feminist economics advances a social provisioning approach. In contrast to the emphasis of the mainstream approach on individual rational choice and self-interested market behaviour, the feminist provisioning perspective defines the objective of economics to be "concerned with how societies organize themselves to provide for the survival and flourishing of life" (Nelson and Power 2018).

  Humans and the environment are understood as interdependent, and the central goal is to create societies that are both socially and ecologically sustainable. Within this integrated framework, 'sufficiency provisioning' prioritizes the production of goods and services in ways that sustain human and non-human life without exceeding ecological limits. Rather than pursuing infinite growth of production and consumption, pushing the planet beyond its ecological limits, feminist economics calls for policies centred not on resource extraction and depletion but on regeneration (UN Women 2021: 53).

- **Care as a transformative paradigm:** Feminist economics emphasizes the centrality of care —both 'care for people' and 'care for the planet'—as a foundational principle for rethinking economic priorities. Care for the planet entails collective action to sustain environmental systems, as articulated in Elson (2024: 16):

"Good quality care for the planet safeguards animal well-being, soil fertility, water quality, air quality and limits climate risks. It can be embodied in organic and regenerative farming; in rewilding land and protection of wildlife; in sustainable generation of energy; in recycling and re-use; and in sustainable public transport systems. These activities can be unpaid, carried out by household members and community volunteers, or paid, carried out by public and private enterprises that aim for stewardship rather than exploitation of natural resources."

- **Undervaluation of care and the labour–nature rift:** Both feminist and ecological economists critique market-centric definitions of the economy for excluding vast spheres of life-sustaining activity, unpaid care work and ecosystems from economic analysis. They contend that this exclusion is not merely analytically misleading or a methodological fallacy. On the contrary, this blindness is an outcome of the exclusive focus on markets, instrumentalizing ecosystems and distancing humans from both their labour and nature. As a result, nature and labour—humanity's most fundamental sources of wealth—have become systematically undervalued. This simultaneous erosion of ecological and social boundaries is a defining feature of the current polycrisis (Şahin 2025).

  Feminist (ecological) economics underlines how "undervaluation of care and the exploitation of nature are structurally linked" (Vela-Almeida 2024) and "how women's work and nature's work are invisible to economic practice because they lie outside the intellectual tradition and vision of the economics discipline; how this invisible work provides a free subsidy to the production sector; how, because of this inside/outside problem, neoclassical economics presents only a partial analysis of the economic world" (Lucas 2000: 119, as cited in Mellor 2005).
- **Gendered dimensions of the ecological crisis:** As this session has highlighted, gender is a cross-cutting dimension of the ecological crisis both through its differential impacts and through green policy responses.
- **Paradigm shift:** Addressing the multiple crises emerging from a gender-blind, extractive economic model requires not only new policies but a paradigm shift. Rather than sustaining a society in which people neither care for one another nor for the environment, or even for themselves, this appeal calls for a reimagined social order organized around an expanded understanding of care. It envisions a society in which care—broadly defined to include care for people, communities and the planet—forms the ethical, social and economic foundations of collective life. This means acknowledging both the ethical and political dimensions of care, and recognizing that climate justice, gender justice and ecological integrity are inseparable (Holeman et al. 2022; Valodia 2024).

Feminist ecological economics calls for a *gender-just green transformation* policy framework, with the explicit objective of achieving gender equality and recognizing the interconnectedness of caring for nature and human beings. This policy framework builds on the following components:

- Gender equality measures in employment in sectors and occupations that are central to carbon-neutral economies, and gender-equal access to green jobs.
- Ensuring the rights and entitlements of women to land and other resources as the basis for their equal participation in green transformation, and policies to remove the structural barriers preventing women from having equal access to resources.
- Care economy policies within the UN '5R+ framework' to recognize, reduce, redistribute, reward, represent, and resource for care work and care needs, acknowledging the imbalanced gender distribution of care work as a root cause of gender economic gaps, as well as the importance of comprehensive care systems in climate resilience and response to crises.

- Gender equality measures in access to green investment opportunities (public and private).
- Valuing and recognizing alternative knowledge and customary practices, including Indigenous groups and women.
- Inclusion of women and women's organizations in the processes of decision-making, design and implementation of green transformation policies, including decision-making and management of public resources and commons.[6]
- Collective action and cross-movement building between environmental and feminist organizations.
- Reparations for loss and damage including gendered harms (such as pollution and its impacts on health, and loss of livelihoods due to degradation of resources).

The above policy dimensions are based on a set of frameworks for gender-just green transformation policies developed by feminist scholars or UN agencies. The rest of this session introduces policy tools for gender assessment of green transformation policies.

TABLE 7.2

Alternative economics approaches to the ecological crisis and green policies: Defining features

Approach	Core idea	Cause of crisis	Main strategy
Environmental economics	Ecological crisis as market failure	Mispriced externalities and missing prices for environmental harm	Carbon pricing, emissions trading, green finance and other market incentives
Ecological economics	Economy embedded in the biosphere	Biophysical limits exceeded by material throughput in unregulated free markets driven by the profit motive	Degrowth or steady-state economy, caps on resource use, and redistribution
Feminist economics	Economy as social provisioning	Systematic undervaluation of care work and ecosystems	Care-centred, regenerative policies that sustain both people and the planet

Note: An extension of the ecological approach is the commons-based approach. The *commons* refer to resources that are collectively shared by a community. While they tend to be managed by a community based on agreed sharing and usufruct rules,[7] the commons can be subjected to private individual or state control. In the ideal form of this approach, these resources —such as forests, fisheries, grazing lands, water sources, knowledge or even digital spaces—are governed through agreed-upon rules and norms that aim to ensure equitable access, sustainable use and long-term stewardship. The concept emphasizes collective responsibility, community management, and preservation for present and future generations, in contrast to market-based or purely state-controlled systems. While a commons-based approach is often articulated around normative ideals of cooperation and shared governance, feminist scholarship cautions that commons practices, in real-world settings, are frequently embedded in—and shaped by—existing gendered and social power hierarchies. In this sense, commons arrangements should be approached with an explicit awareness of how they may reproduce, rather than automatically challenge, prevailing power relations. See Appendix 7B for further discussion on commons-based approaches to the ecological crisis from a gender perspective.

Source: Summary table developed by the authors.

7.2.4
TOOLS FOR GENDER ASSESSMENT OF GREEN TRANSFORMATION POLICIES

A number of gender-responsive policy assessment tools have been developed by UN agencies to evaluate green transformation policies in terms of gender equality outcomes. This session introduces three tools by UNCTAD (Box 7.3) and by UN Women (Boxes 7.4 and 7.6). The group exercise is based on the UNCTAD tool, which participants apply to a national policy document (NAP, NDC or other, as accessible).

BOX 7.3

POLICY ASSESSMENT TOOL: GENDER LENS (UNCTAD)

Gender Lens provides a set of assessment criteria and a ranking system designed to evaluate the quality of policies presented in fundamental policy documents, with a focus on the extent to which gender inclusivity concerns are integrated.

The assessment criteria are an adapted version of UNIDO's *Feminist Critical Policy Analysis, Feminist Policy Analysis Criteria and Research Questions – Assessment I methodology* implemented in *Policy Assessment for the Economic Empowerment of Women in Green Industry* (UNIDO 2021). Additional criteria have been incorporated based on UNDP's 'Checklist to Incorporate Gender Equality and Women's Empowerment in NDC Updates, New Climate Policies or Relevant Sectoral Strategies' in *Key Elements to Include Gender Equality and Women's Empowerment in Climate Policies and Nationally Determined Contributions (NDCs)* (UNDP 2021).

The dimensions included in Gender Lens are:

1. **Gendering of the policy**
2. **Structural understanding of gender equality**
3. **Intersectionality**
4. **Empowerment of women**
5. **Capacity building and resources**
6. **Incremental transformation**
7. **Gender responsiveness**
8. **Regional and international contextualization**

There are 8 categories, as shown above, and a total of 22 sub-criteria. Evaluation of a policy involves the summation of the scores for the questions each dimension entails. For each question, the score ranges between 0 and 1. The score is: (i) 1 if the sub-criterion is met; (ii) 0.5 if the sub-criterion is somewhat met, there exists some consideration even if the sub-criterion is not fully met; and (iii) 0 if the sub-criterion is not met or the policy document is poor in terms of meeting this sub-criterion.

If a policy/policy document scores equal to or above 11/22, it is considered as being beyond gender sensitive; however, deciding whether it can be rated gender responsive or gender transformative requires further evaluation based on the composition of the criteria met.

See Appendix 7C for the detailed sub-criteria and methodology implemented.

Source: Izdes 2025.

BOX 7.4

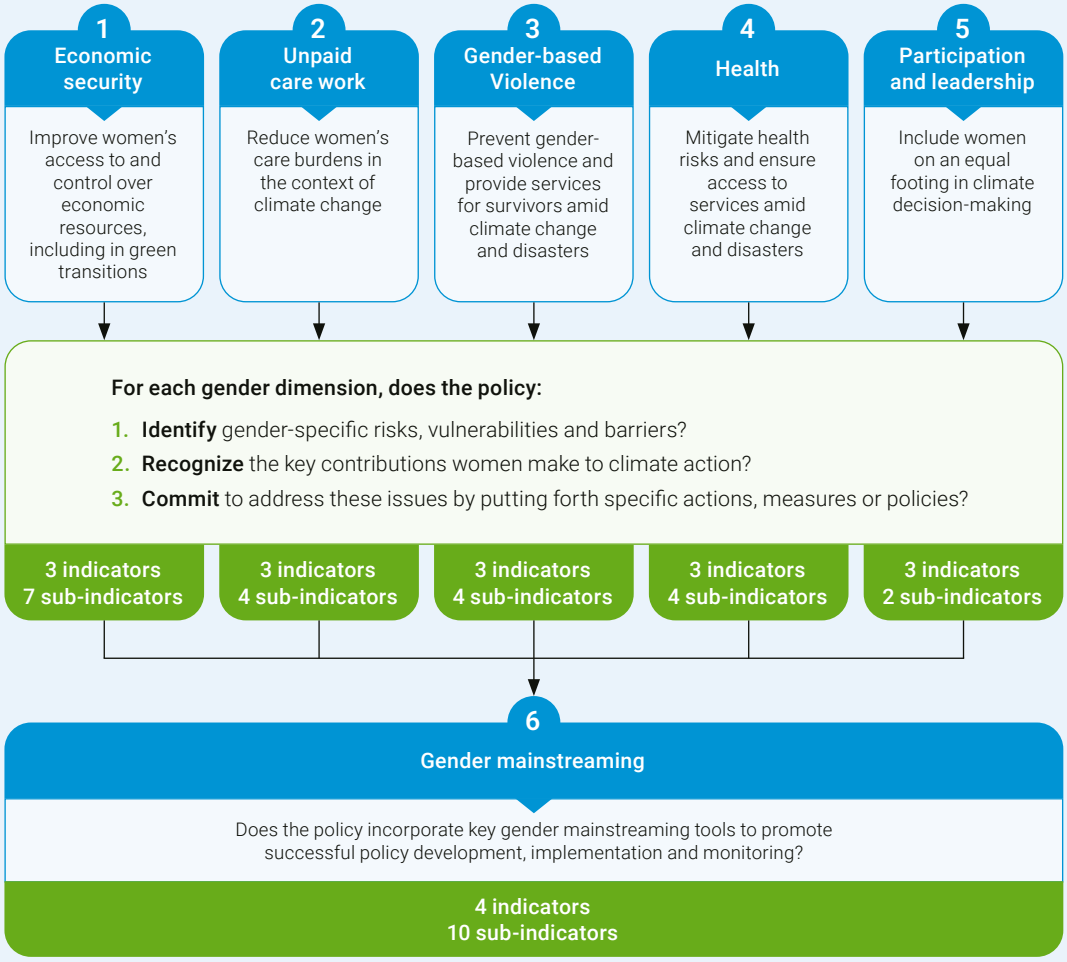
POLICY ASSESSMENT TOOL: THE GENDER EQUALITY AND CLIMATE POLICY SCORECARD (UN WOMEN)

The Gender Equality and Climate Policy Scorecard was developed jointly by UN Women and the Kaschak Institute at Binghamton University, New York. It was launched in November 2025, ahead of COP30 in Belém, Brazil, with an initial analysis of 32 third-iteration NDCs submitted by 8 September 2025.

The scorecard evaluates whether national climate policies, starting with NDCs:

1. **Identify** gender-specific risks.
2. **Recognize** women's contributions across mitigation, adaptation and disaster risk reduction.
3. **Commit** to concrete actions to support women's agency and address gender-specific risks.

The scorecard assesses the extent to which policies are gender responsive across six gender dimensions and classifies actions by climate policy area (e.g. mitigation, adaptation) and sector (e.g. agriculture, energy, water resources).



The scorecard will be updated with the remaining revised NDCs before the UNFCCC Subsidiary Bodies' 64th Session and COP31 in 2026.

The full dataset—316 gender-related commitments from 26 countries—is available via an interactive dashboard and fact sheet.

Source: UN Women and the Kaschak Institute at Binghamton University 2025.

BOX 7.5

POLICY ASSESSMENT TOOL: FINANCING GENDER EQUALITY IN THE GREEN TRANSITION – A TOOLKIT TO INTEGRATE GENDER IN CLIMATE POLICIES (UN WOMEN)

This toolkit was developed for governments and other stakeholders who take part in the formulation of the NDCs and NAPs in sub-Saharan Africa. It provides a checklist for key sectors expected to go through a transition to ensure gender equality in climate action.

The sectors included are:

- **Agriculture**
- **Forestry and coastal ecosystems**
- **Energy**
- **Transport**
- **Waste**
- **Water**

The toolkit also provides a policy checklist for climate change mitigation, adaptation, governance, disaster risk reduction, and financing of gender equality in the NDCs.

Source: UN Women 2025a.

GROUP EXERCISE:

ASSESSING THE GENDER RESPONSIVENESS OF NATIONAL GREEN TRANSFORMATION POLICIES

This exercise aims to help participants critically evaluate whether a country's key climate or green transformation policy, such as its national adaptation plan (NAP), nationally determined contributions (NDC), national climate strategy or green deal action plan, effectively integrates gender equality and intersectional justice.

Participants will work in small groups (of four to six participants). Each group will choose one national policy document (NAP, NDC or other, as accessible) to analyse and apply the Gender Lens policy assessment tool developed by UNCTAD (Box 7.3).

Guide participants through the exercise as follows:

Using the assessment tool table, your group will go through the policy and record:

- Whether each sub-criterion is met.
- Evidence from the document (copy phrases or section numbers).
- A proposed score (0 / 0.5 / 1).

Add the scores for each category and compute the total (22 points). Interpret the result:

- **≥ 11/22** → Policy goes beyond gender sensitive; requires further analysis to determine whether it is gender responsive or gender transformative.
- **< 11/22** → Policy does not adequately integrate gender considerations.

At the end of the assessment, each small group will present to the larger group the following:

- Overall score and key findings.
- Three strengths: where does the policy integrate gender well?
- Three gaps or blind spots.
- Top 3 recommendations to make the policy more gender responsive or gender transformative.

Note to the Facilitator: This exercise highlights that integrating gender equality into green transformation policies is not merely a matter of adding references to women or including a stand-alone gender section. Rather, it requires a structural and intersectional approach that addresses access to resources, participation in decision-making, power relations and differentiated impacts across sectors and social groups.

KEY TAKEAWAYS FROM SESSION 7.2:

- **Competing economic frameworks diagnose the ecological crisis differently:**
  - **Environmental economics** treats the crisis as a market failure caused by mispriced externalities.
  - **Ecological economics** sees the crisis as a systemic consequence of exceeding biophysical limits.
  - **Feminist ecological economics** adds that the erosion of care systems and the degradation of nature are structurally linked.
- **Alternative approaches imply fundamentally different green policy pathways:**
  - **Environmental economics** proposes a green transition policy framework, relying heavily on market-based incentives such as carbon pricing, green finance, and subsidies to green technological innovation.
  - **Ecological and feminist ecological economics** calls for a green transformation policy framework that recognizes ecological limits, prioritizes sufficiency over growth, and places care, equity and social reproduction at the centre of policy design.
- **A 'green transition' is not the same as a 'green transformation'.** A green transition modifies the existing economic model through market adjustments without altering underlying structures of inequality or overconsumption. A green transformation requires a paradigm shift: restructuring production, consumption, social relations and governance to align with planetary boundaries, redistribute resources and correct systemic injustices.
- **A just transformation links climate objectives to social and economic justice.** Originating from labour movements, the concept has expanded to include climate justice, environmental justice, distributive justice and intergenerational equity. It emphasizes protection of workers, communities and marginalized groups; decent green jobs; fair redistribution; and recognition of differentiated responsibilities across and within countries.
- **Gender justice must be integral—not an add-on—to green transformation.** A gender-just green transformation requires:
  - Equal access for women to green jobs, skills and resources (especially land, finance and technology).
  - Recognition of care work through the UN 5R+ care policy framework (recognize, reduce, redistribute, reward, represent, resource).
  - Inclusion of women and feminist organizations in decision-making, planning and governance of resources and commons.

- Explicit measures to prevent green policies (renewables, conservation, carbon offsets) from reinforcing gender inequalities.
- Recognition of gendered harms and reparations for loss and damage.

- **Without a gender lens, green policies risk deepening existing inequalities.** Technologically oriented, market-led transitions often reproduce labour market segmentation, resource exclusions and women's disproportionate care workload. Feminist and ecological approaches argue that without attention to power, redistribution and social provisioning, 'green' policies may become unjust, ineffective, or even harmful to women and marginalized communities.

7.3 GREEN JOBS: AN OPPORTUNITY FOR MORE GENDER-EQUAL LABOUR MARKETS

This session addresses the labour market implications of green transformation from a gender perspective. We begin by defining green jobs and exploring potential gendered patterns in green jobs. The session concludes with the presentation of a comprehensive policy framework to ensure gender equality in access to (decent) green jobs.

7.3.1 DEFINING GREEN JOBS

To the extent that there is a global shift towards sustainability, the green transformation will reshape labour markets worldwide. As green transition processes accelerate, demand will grow in fields that require new forms of technical, scientific and environmental expertise, and new job categories are emerging. As the green economy grows, labour demand in high-emission, polluting sectors, often described as 'brown jobs', falls alongside precarious jobs and vulnerable employment. Throughout this transformation some jobs are replaced by new ones, some are redefined, and others disappear altogether. For example, enforced international standards result in increasing demand for GHG Emissions Reporting Specialists who are responsible for measuring, verifying and reporting an organization's carbon emissions in line with international standards; jobs in fossil fuel industries will decline as renewable energy expands; and the phase-out of plastic packaging will eliminate certain jobs while transforming others.

Despite the greening potential of labour markets, there is no universally agreed definition of a 'green job', and estimates of employment impacts differ across studies depending on the methodologies applied. Broadly defined, green jobs encompass decent employment created through the green transformation or directly linked to environmental sustainability efforts.

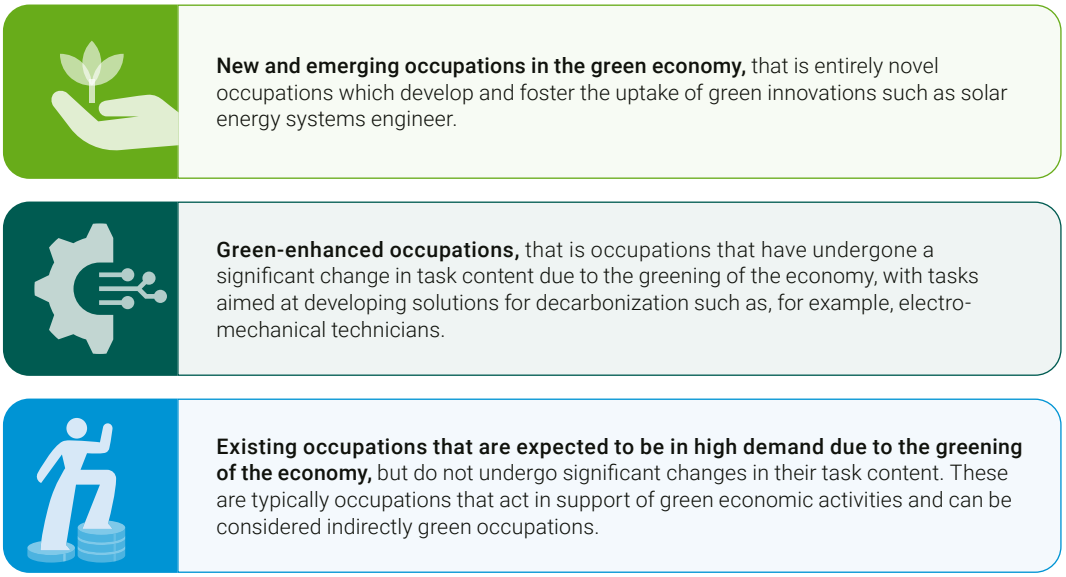
The methods used in defining green jobs are either:

1. The **top-down approach**, which classifies all jobs within sectors that contribute to decarbonization or pollution prevention as green.
2. The **bottom-up approach**, which defines green jobs at the occupational level: if the tasks performed within an occupation contribute to decarbonization—regardless of the sector in which the job is located—it is considered a green job.

The Occupational Information Network's (O*NET) Green Economy programme identifies green tasks which are associated with occupations, and categorizes occupations related to the green economy as follows (see also Appendix 7D):

FIGURE 7.3

How occupations will be affected by the green economy



Source: OECD and UNDP 2025: 7.

The global estimate by ILO (2018) is that with the adoption of sustainable practices in the energy, transportation and construction sectors (change in energy mix, growth in use of electric vehicles and increase in energy efficiency in buildings) the net increase will be approximately 18 million jobs; the change in employment demand is expected to result in around 6 million job losses and 24 million new jobs created. Employment projections vary depending on the method used, the assumptions applied, and the extent and timeframe of the transformation envisioned. What is clear though is that transformation is inevitable, and that steering this transition in an equitable direction, capable of generating virtuous cycles, is both a real and attainable possibility for the future.

7.3.2 GREEN JOBS CAN BE WOMEN'S JOBS TOO

Technological change and the transformation of production systems have opened up new opportunities for women, expanding the expectation that the jobs created through the green transformation can and should be equally accessible to women and men. However, recognizing the structural inequalities that continue to shape the differences in the job-creation potential of countries and the gender distribution of employment across sectors is essential for developing realistic and inclusive policies that are powerful enough to clear the path to ensure equality in outcomes.

While new, decent jobs are emerging with the greening of economies, progress so far remains concentrated in a few leading sectors. In renewable energy—one of the key drivers of the green transformation—employment rose to 16.2 million jobs in 2023, yet job creation remained unevenly distributed across regions. ILO's World Employment and Social Outlook 2025 shows that nearly half of all newly created green jobs in renewable energy have been concentrated in Eastern Asia, while most developing and emerging economies have seen limited gains in terms of decent work outcomes (ILO 2025).[8] In addition to inequalities across countries, horizontal inequalities are already visible within emerging green jobs, posing significant challenges to the promise of gender equality in the green transition. For instance, women make up only 32 per cent of the global renewable energy workforce (ILO 2025). The energy sector has traditionally been dominated by men, and now its ongoing transformation creates new opportunities for women to enter and benefit from greening of the sector. While the current trajectory shows a significant increase in women's participation compared to their previously marginal representation in the energy sector, substantial progress is still required to ensure that women can access newly generated green employment opportunities.

As discussed in detail in Modules 2 (Care Economy) and 3 (Employment, Decent Work and Social Protection), unless gender equality is explicitly embedded as a goal in macroeconomic policies and industrial transformation strategies, the existing gendered dynamics of labour demand and the gendered constraints shaping labour supply will continue to reproduce current inequalities and may even intensify them. A gender-responsive policy perspective must therefore be guided by the principle that 'all green jobs can be women's jobs too'.

At present, labour markets remain highly gender-segregated and many of the sectors expected to undergo the largest employment shifts—such as energy, transport and construction—are traditionally male-dominated. However, as seen in the renewable energy sector, the emergence of new green jobs, new technologies and increasing automation offers meaningful opportunities to overcome entrenched patterns of gender segregation. This transition should therefore be understood as a window for structural change. Given the gender-segregated labour market structure, promoting a gender-equitable transformation requires a strategic dual-track approach, combining short- and long-term objectives. In the short term, 'quick wins' can be achieved in sectors or occupations with relatively higher female participation or in those without strong gender biases. In male-dominated sectors marked by deeper historical segregation, progress may be slower and will require long-term strategies—including removing legal barriers, transforming discriminatory norms and challenging persistent prejudices against women's employment (UN Women and AfDB 2021).

Ensuring women's equal representation in green jobs requires close attention to the changing patterns of labour demand. The green transition is driving demand towards workers with green skills, and STEM competencies—at the core of green skills—are becoming increasingly important for accessing emerging opportunities. Yet the current labour supply is not keeping pace: women remain significantly

underrepresented in STEM fields, accounting for only 35 per cent of STEM graduates (OECD and UNDP 2025: 2). This gendered skills gap poses a major barrier to women's participation in the green workforce and must be a central focus of policy efforts.

Overall, the policy framework required for an equitable labour market transition is, in essence, an adaptation of the demand-side and supply-side measures outlined in Modules 2 and 3 to the context of the green transformation. This means implementing strategies that are tailored to the nature of the transition, including measures to reduce gender segregation, close gendered skills gaps and set concrete, time-bound targets that can be monitored over time. Ensuring that these elements are embedded within green transition policies is essential for achieving a gender-equitable labour market transformation.

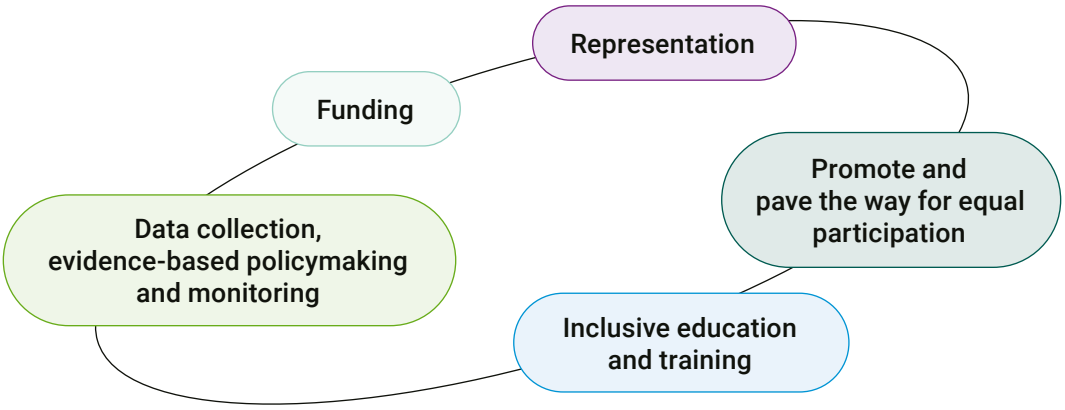
TABLE 7.3
Policy framework for a gender-equitable green transformation

I.	**Representation**	• Declare "gender equality" as a central policy objective. • Engage with women-led organizations and gender equality specialists in the policymaking process.
II.	**Promote and pave the way of equal participation**	• Promote educational and awareness campaigns to encourage women to pursue careers in green industries. • Promote equal employment opportunities and treatment; establish targets. • Target both vertical and horizontal equality; challenge gender segregation. • Employment services with non-discriminatory practices in the matching process. • Remove legal barriers and address gender discrimination in legislation. • Targeted industrial and sector policies to create jobs for women. • Progressive formalization of micro and small enterprises. • Work-Family Life Policies and Services; invest in care. • Advance prior gender equality achievements, build upon relevant policies and co-integrate with international conventions and policies.
III.	**Inclusive education and training**	• Ensure educational institutions and companies provide equal access to green skills and training. • Targeted programmes and special measures where women are underrepresented (STEM). • Offer scholarships and training programmes specifically targeted at women. • Capacity-building in policymaking institutions on green transformation and gender.
IV.	**Data collection, evidence-based policymaking and monitoring**	• Collect gender-disaggregated data to monitor progress and identify where gender disparities persist. • Identify gender differences in vulnerabilities to climate change. • Use this data to for evidence-based policies. • Include gender experts in data collection and monitoring. • Conduct sector-specific analysis to identify positive and negative aspects of transformation policies by gender.
V.	**Funding**	• Strong and sustained spending. • Access to green technology. • Global and regional finance and resources for the green transition. • Global Fund for Women. • Gender budgeting.

Source: Izdes 2025.

FIGURE 7.4

Policy framework for an equitable labour market transition



Source: Izdes 2025.

KEY TAKEAWAYS FROM SESSION 7.3:

- Green jobs are expanding but unevenly distributed. The green transformation is reshaping labour markets, creating new and redefined occupations. However, job growth is concentrated in a few regions—especially Eastern Asia—while many developing economies have limited access to emerging green employment opportunities.
- Green jobs are not automatically gender equal. Despite the promise of new opportunities, women currently remain underrepresented in green sectors, including renewable energy, where they make up only about one-third of the workforce. Without purposeful intervention, the green transformation will reproduce existing gender inequalities.
- Gender segregation and skills gaps limit women's access. Structural barriers, such as occupational segregation, discriminatory norms, legal constraints and the gender gap in STEM education, restrict women's entry into fast-growing green sectors. Women represent only 35 per cent of STEM graduates, creating a major bottleneck for their participation in green jobs.
- A gender-just green jobs strategy requires both short- and long-term action:
  - **Short-term:** Capture 'quick wins' in sectors with higher female participation or low gender bias.
  - **Long-term:** Transform male-dominated sectors through deep structural change—addressing legal barriers, norms, discrimination and training gaps.
- Green transformation is a window for structural change. If gender equality is embedded into green industrial policies, the transition can help break persistent patterns of segregation and inequality. All green jobs *should and can* be women's jobs—if policy frameworks intentionally align skills development, job creation and gender equality goals.

7.4 AGRICULTURE AND FOOD SECURITY IN THE CONTEXT OF A GENDER-JUST GREEN TRANSFORMATION

Agriculture is one of the sectors most deeply affected by the ecological crisis. Climate change, biodiversity loss, rising sea levels, soil erosion and quality degradation, water scarcity and water salination, and the heightened frequency of extreme climate events are reshaping food systems globally, with disproportionate impacts on rural communities. Because agriculture is closely intertwined with ecosystems, the sector is highly sensitive to climate shocks, making food security increasingly precarious. These pressures intersect with pre-existing gender patterns and inequalities, given rural women's vital role in agriculture and food systems. The agriculture sector is also one of the largest emitters of greenhouse gases.

Across the Global South, rural women are key players in the agricultural sector and central to food systems in multiple and overlapping capacities, such as:

- Food producers who cultivate subsistence and cash crops, often without recognition or secure land rights.
- Caregivers responsible for feeding families, managing household nutrition, and ensuring water and energy provisioning.
- Biodiversity custodians, maintaining traditional seed varieties and the ecological knowledge systems that are essential for climate resilience.
- Knowledge holders whose practices—such as soil restoration, water conservation, mixed cropping, food production and processing techniques, and herbal medicine—sustain agro-ecosystems and contribute to community resilience.

Despite this centrality, rural women often operate with fewer resources compared to men, own fewer assets and have access to less land, fewer inputs and fewer financial and extension services, limited access to technology, insecure tenure and minimal voice in decision-making—conditions that heighten their vulnerability under ecological stress. Environmental disruptions do not affect all farmers or rural households equally. Gender inequalities in access to resources and gender norms shape the ways rural women experience climate-related risks. For example:

- Soil degradation, water scarcity and biodiversity loss reduce yields from women's smaller plots, which are often located on more marginal lands.
- Extreme climate events (e.g. floods, droughts and cyclones) as well as disruption of essential inputs for care provisioning (water, energy or food scarcity) heighten caregiving workloads.
- Loss of seed diversity undermines women's traditional roles as seed custodians, eroding both agency and cultural knowledge.
- Displacement and out-migration of men increase responsibilities for women, who must maintain agricultural production while managing households and care work with fewer resources.

Case studies across sub-Saharan Africa, South Asia and Latin America show consistent patterns: when climate shocks intensify, women—particularly in marginalized and poor households—experience

greater disruption to agricultural production, more food insecurity, increased time poverty, higher exposure to violence, and fewer opportunities to influence climate-response strategies. These studies show that women and men farmers often have different adaptive capacities to climate change, with women in many cases being more vulnerable than men to climate-related shocks and stresses. There are various reasons for this, including women's limited access to timely weather forecast information; their limited available options for crop and livelihood diversification; their lack of independent sources of income, access to credit or financial institutions for better investment; and their low decision-making power to apply adaptation measures.[9]

7.4.1 FEMINIST ECOLOGICAL ECONOMICS ALTERNATIVES IN AGRICULTURE AND FOOD SYSTEMS

A gender-just green transformation in agriculture requires more than technological upgrades or climate-smart inputs. It demands systemic rethinking of how food systems are organized, governed and resourced. Feminist ecological economics offers a reframing in which agriculture is understood as a sphere of social provisioning, rooted in care for people, land, water, seeds and biodiversity.

Key feminist alternatives include policies on agroecology, sustainable agriculture and Indigenous knowledge systems. Indigenous women are critical knowledge holders whose practices such as terracing, water harvesting, polycultures, rotational grazing, food production and processing sustain ecosystems over generations. A gender-just transformation recognizes these knowledge systems as public goods, not as informal labour or simple traditional practices.

Agroecology combines ecological science with traditional and Indigenous farming knowledge to promote diversified and sustainable farming systems, soil regeneration, seed sovereignty and community resilience. For women, agroecology policies reduce dependence on expensive external inputs, strengthen local control over seeds and land, build on women's existing ecological knowledge, and enhance food sovereignty and community nutrition.

What is needed for gender-just green transformation in agriculture are redistributive policies, recognition of women's ecological and care contributions, and restructuring of resource governance. Without these shifts, green agricultural strategies risk reinforcing the very inequalities that make rural women more vulnerable to ecological breakdown.

It is essential to shift power relations between women and men. Gender-transformative agricultural policies aim not only to include women but also to dismantle the structural barriers which limit their participation.

Key strategies include:

- Collective land rights and tenure reforms, enabling women to secure control over land and water resources.
- Women's cooperatives, which improve bargaining power, market access, technology adoption and financial inclusion.
- Care-centred agricultural planning, recognizing that women's time and unpaid work shape their ability to participate in agricultural transformation.
- Local food councils and participatory natural-resource governance, ensuring that women influence policy design and resource allocation.

Several countries and regions have implemented gender-informed approaches that demonstrate promising results, for example:

- Participatory planning: including women farmers' associations in climate adaptation committees.
- Gender-responsive budgeting in agriculture: allocating targeted resources for women's land rights, credit access, extension services and climate-resilient inputs.
- Seed banks and farmer-managed biodiversity initiatives led by women's groups.
- Public procurement from women-led cooperatives, strengthening local food systems and women's incomes.
- Care infrastructure investments (childcare, water systems, decentralized energy), enabling women's full participation in agricultural decision-making and green transition processes.

The 'Gender in Climate-Smart Agriculture' module in the *Gender in Agriculture Sourcebook* prepared jointly by the Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD) and World Bank is a valuable resource for this session and the following group exercise. The module provides guidance and a comprehensive menu of practical tools for integrating gender in the planning, design, implementation and evaluation of projects and investments in climate-smart agriculture. The content is drawn from tested good practice and innovative approaches, with an emphasis on lessons learned, benefits and impacts, implementation issues and replicability.

GROUP EXERCISE:

DESIGNING A GENDER-JUST GREEN TRANSFORMATION PLAN FOR AGRICULTURE

Participants work in small groups to apply international gender-responsive frameworks to design a gender-just green transformation plan for agriculture in a country of their choice. Groups prepare their plan on a flipchart.

Frameworks to use:

- **FAO and IFAD (2015). 'Gender in Climate-Smart Agriculture'**
  (Module 18 of the *Gender in Agriculture Sourcebook*)
- **UN (2024). 5R+ Care Economy Policy Framework**
  (introduced in Module 2: The Care Economy and Transformative Care Systems)

The gender-just green transformation plan for agriculture should integrate both gender equality and climate-resilience dimensions.

1. Assessment of current situation

- **Major climate risks affecting agriculture (drought, pests, water scarcity, soil degradation, biodiversity loss).**
- **Gendered vulnerabilities:**
  - Land and tenure rights.
  - Access to inputs, finance, extension services.
  - Mobility and safety.
  - Care responsibilities and time poverty.
- **Roles of rural women (farmers, seed keepers, food processors, caregivers).**
- **Intersectional dimensions (indigeneity, caste, ethnicity, age).**

2. Proposal for gender-just green transformation strategies

- **Production and knowledge systems**
  - Agroecology, regenerative agriculture.
  - Indigenous women's knowledge systems.
  - Climate-smart agriculture (adaptation and mitigation).
- **Institutional reforms**
  - Gender-responsive extension services.
  - Equitable credit and insurance access.
  - Strengthening women's cooperatives.
  - Improving land rights and tenure security.
  - Seed sovereignty and community seed banks.

- **Care and social services integration (5R+ framework)**
  - Water and energy infrastructure reducing women's time burden.
  - Care services supporting rural women's participation.
  - Policies addressing unpaid/reproductive labour in agriculture.

3. Budgeting and financing

- Identify funding streams (national budget, climate funds, FAO, Green European Foundation, adaptation funds).
- Prioritize budget lines that support women's access to land, technology, training and care services.

4. Expected outcomes

- Impacts on productivity, resilience and women's income.
- Time savings and reduced care workloads.
- Strengthened community resilience.
- Enhanced food security and biodiversity.
- Contribution to national climate commitments (NAPs, NDCs).

When they have finished their plan, participants circulate around the room to compare and discuss approaches.

KEY TAKEAWAYS FROM SESSION 7.4

- Climate and ecological crises deeply threaten agriculture and food security, with rural women disproportionately affected due to unequal access to land, inputs, finance, technology and decision-making power.
- Rural women play essential and multifaceted roles as food producers, caregivers, seed custodians and holders of ecological knowledge—yet these contributions remain undervalued and unsupported in most agricultural policies.
- Gendered vulnerabilities intensify under climate stress, as women face reduced yields from marginal lands, heightened care burdens, loss of biodiversity, limited adaptive capacity, and increased risks related to displacement and livelihood loss.
- Feminist ecological economics offers transformative alternatives that centre agroecology, Indigenous knowledge, care-centred planning, and collective governance of resources to create equitable and sustainable food systems.
- Gender-transformative policies are crucial, including collective land rights, women's cooperatives, gender-responsive budgeting, seed sovereignty initiatives, and investments in care and basic infrastructure, ensuring that women shape, benefit from and lead green transformation in agriculture.

7.5 GREEN AND PURPLE TRANSFORMATION: INTEGRATING CARE, GENDER EQUALITY AND CLIMATE JUSTICE

This session introduces the 'purple economy' as a feminist extension of the green transformation framework. It demonstrates how integrating care, gender equality and social reproduction in climate and ecological policies is not only essential for achieving a just, inclusive and sustainable transformation, but also provides a viable economic strategy for the future of work in the current era of massive technological change under digitalization and artificial intelligence (AI).

7.5.1 THE PURPLE ECONOMY: A CARING AND GENDER-EQUAL ECONOMIC VISION

Inspired by green economy concepts and the symbolic colour of women's movements in many countries, the purple economy represents a feminist vision of a caring, gender-equal economy that places care for people and social reproduction at the centre of economic organization (Ilkkaracan 2013 and forthcoming; EWL 2020; UNEN 2023). It complements the green economy by extending sustainability beyond ecological systems to include the systems that sustain human life and well-being.

While the green economy responds to the ecological crisis, the purple economy responds to a crisis of care characterized by unmet care needs, underinvestment in care services, and persistent gender inequalities in the allocation of unpaid care work that result in women's time poverty. The purple economy proposes how to reorganize and transform the economy around sustainability of provisioning by caring labour on equitable terms, parallel to the green transformation framework which does so around sustainability of provisioning by nature.

At its core, the purple economy calls for a reorganization of production and consumption in ways that promote gender equality in both paid and unpaid work and ensure equitable access for all to quality care, including self-care. The purple economy framework is operationalized through four interrelated policy pillars:

1. **Universal care services infrastructure.** Public investment in accessible, affordable and high-quality care services including childcare, long-term care, healthcare, education and social services, treated as essential social infrastructure.
2. **Labour market policies for care and equality.** Regulations and policies that promote decent work, work–life balance and gender equality in employment, including gender-equal parental leave, shorter working weeks, and policies and measures to support men's participation in caregiving.
3. **Time-saving physical infrastructure and technologies.** Investments in water, sanitation, energy, transport and household technologies that reduce the time burden of indirect unpaid care work, especially for women in underserved contexts.
4. **Enabling macroeconomic framework.** Fiscal and monetary policies that prioritize full employment, public investment in care and inclusive growth, shifting macroeconomic goals beyond GDP towards sustainability, equality and well-being.

Together, these pillars provide a comprehensive policy framework for transforming economies from extractive and growth-driven systems into caring, inclusive and life-sustaining systems.

7.5.2 WHY THE PURPLE ECONOMY MATTERS FOR A GREEN JUST TRANSFORMATION

If they don't integrate care and gender equality, green policies risk reproducing existing inequalities and limiting their effectiveness. The purple economy is therefore a necessary complement to a green just transformation, for four key reasons:

1. **Enabling women's equal participation in a green transformation.** Gender inequalities in unpaid care work pose a major structural barrier to women's access to education and skills as well as their participation in labour markets and decision-making. Women's disproportionate share of unpaid care work is also an impediment to their entry into emerging green sectors, jobs and decision-making processes.

   By investing in comprehensive care systems and ensuring equitable distribution of care work, the purple economy reduces women's time poverty, expands their access to employment and training, and enables equal participation in green jobs and leadership. Without addressing care constraints, the green transformation risks becoming male-dominated and exclusionary. A purple approach ensures that the green transformation is also gender-just.

2. **Care systems as foundations of climate resilience.** The ecological crisis intensifies care needs while simultaneously weakening the systems that provide care. Climate change leads to heightened illness and health risks, increasing the demand for both paid and unpaid caregiving, particularly for vulnerable groups such as small children, older persons, and persons with chronic illnesses or disabilities. At the same time, it causes disruptions to water, food, energy systems, and provisioning of family care and unpaid care services. These pressures fall disproportionately on women as primary family caregivers and care workers.

   Hence, investing in robust care systems is crucial for building resilience of communities in the face of disruptions caused by the ecological crisis (such as extreme weather events), as these systems ensure continued provisioning of the paid care services that support family care, strengthening recovery and adaptive capacity. Thus, care systems are not peripheral but central to climate adaptation and resilience-building (Grown et al. 2026). The purple economy places the care–climate nexus at the heart of climate adaptation plans.

3. **Purple jobs as green jobs.** The purple economy expands the understanding of green jobs by recognizing that care jobs are inherently sustainable. Jobs in care sectors such as childcare, education, long-term care, healthcare, domestic services and community services are predominantly local services jobs which are low-carbon and low-waste, based on human interaction rather than resource-intensive production, while essential for well-being and social sustainability. Hence, purple investments in care services sectors (early childhood education, eldercare, community care systems) expands employment while reducing ecological pressures, complementing green transformation through decent employment creation in low-emissions, low-waste jobs. These purple jobs contribute to both social and ecological goals, making them a core component of a green and just transformation.

4. **Employment, care investments and the future of work.** In the context of digitalization and AI, many traditional jobs are being transformed or displaced. This raises urgent questions about the future of employment. Recently, in the context of the global economic crisis, the green economy vision has also been extended to entail solutions to the economic crisis and the problem of rising unemployment through green jobs; the purple economy provides a parallel response to the economic crisis and unemployment through purple jobs.

   Investment in care services sectors offers a strategic response to the problem of new employment creation for several reasons: care sectors are labour-intensive and resistant to automation; investments in care have high employment multipliers, creating more jobs per unit of spending than many other sectors; and the majority of this job creation involves jobs that support sustainability, as highlighted above. Public investment in care services can therefore generate large-scale employment and provide sustainable alternatives to jobs lost in other sectors, while supporting a green just transformation.

   Moreover, care jobs provide meaningful, locally rooted employment opportunities. They are particularly important for women's employment and economic empowerment.

5. **Overlapping labour market transformations: Synergies between green and purple agendas.** Beyond their complementarities, the green and purple economy frameworks also share common labour market policy directions, highlighting important areas of synergy (Ilkkaracan forthcoming; Onaran and Jump 2021). Both approaches advocate transformations in how work is organized, including shorter working hours and reduced working weeks, and flexible work arrangements such as remote and hybrid work.

   They arrive at these policy priorities from different, yet complementary, perspectives. From a green economy perspective, these measures contribute to lower commuting-related emissions, and reduced energy use and resource intensity. From a purple economy perspective, these same measures expand time for unpaid care and self-care, support a more equitable distribution of care responsibilities between women and men, and improve work–life balance and overall well-being.

   This convergence highlights that certain labour market reforms can simultaneously advance environmental sustainability and gender equality. By aligning these objectives, a 'green + purple' approach promotes a shift towards a 'time-rich' economy, where gains in productivity and technological progress are translated not into increased output alone, but into more time for care, community and well-being.

   Overall, purple investments are not only socially necessary but also economically strategic and environmentally sustainable. Drawing on feminist economics insights, the green + purple vision calls for a mission-oriented, developmental state that is capable of large-scale public investment in green and purple sectors (Onaran and Oyvat 2026); active labour-market policies to ensure women's equal access to new green jobs; redistributive macroeconomic policies that reduce inequalities and support universal services; the democratic governance of natural resources and commons; and the prioritization of social provisioning over market efficiency. This integrated vision moves beyond piecemeal reforms towards an economic paradigm capable of addressing the systemic nature of the polycrisis. It positions feminist ecological economics as a blueprint for equitable, resilient and regenerative societies.

DISCUSSION

To close the session, ask participants to consider:

- How can purple (care) investments be integrated into existing green or climate policies?
- What barriers exist to recognizing care work as part of economic and environmental planning?
- What would a 'green + purple' transformation look like in your country or sector?

KEY TAKEAWAYS FROM SESSION 7.5:

- The climate crisis is inseparable from the care crisis. The green economy focuses on ecological regeneration, while the purple economy centres care, social reproduction and gender equality; together they form a coherent framework for reorganizing production, consumption and social provisioning around sufficiency, equity and regeneration. A green + purple just transformation redefines economic priorities towards sustaining both people and the planet.
- The purple economy strengthens the green economy and enables gender-just green transformation. Investments in care services, water and energy systems, housing and social infrastructure reduce women's time constraints, offer a pathway to job creation and inclusive growth in the context of AI and digitalization, and create enabling conditions for women's equal access to green opportunities while simultaneously supporting low-emissions development through generating purple jobs which are also green jobs.
- Investing in care infrastructure is central to climate resilience and adaptation because strong care systems ensure the continued provision of essential services in the face of climate-induced disruptions, while enhancing the capacity of households and communities to cope with, adapt to and recover from ecological stress.

APPENDICES

APPENDIX 7A
FRAMEWORKS FOR A GENDER-JUST GREEN TRANSFORMATION

TABLE 7A.1
Macroeconomic approaches in a nutshell

Dimensions of justice	Traditional view for a just transition	Expansive feminist view
Distributive	• Mitigating against job losses in fossil fuel sectors • Equitable access to "green" jobs • Managing energy costs • Avoiding and compensating harm	• Public provision of social goods within ecological limits (sufficiency provisioning) • Valuing and redistributing unpaid and paid care work • Access to decent work (including for informal workers and care workers) • Access to the "commons": resources, land rights, etc.
Procedural / participatory	• Due process • Participation of stakeholders	• Collective action and cross-movement building between environmental and feminist organizations • Accountability, inclusion and participation in decision-making, including over publicly owned resources and commons and over transition policies and programmes
Recognitive	• Respect for differences between groups • Recognition of key stakeholders	• Recognition of unpaid care work and care for the environment • Measure and value metrics other than GDP that support well-being • Valuing and recognizing alternative knowledge and customary practices including of indigenous groups, women, etc. • Ensuring recognition of rights or entitlements (to common property, land and other resources) as bases for participation
Restorative / reparative	• Redressing harm, "polluter pays"	• Reparations for loss and damage especially for marginalized groups • Acknowledge, compensate and repair gendered harms by industry to both people and environment, e.g. pollution and its impacts on health • Ecosystem restoration (such as mine rehabilitation); protection and restoration of commons, restitution of lands and sovereignty, protection of rights

Source: Cook 2024: 80, cited in Cerise et al. 2024.

PRINCIPLES FOR A NEW ECO-SOCIAL CONTRACT, UNRISD

UNRISD (United Nations Research Institute for Social Development) proposes a concrete proposal for a new social contract, reflecting the need for a paradigm shift. UNRISD frames the urgency of this task as follows: "If an increasing part of the population is feeling left out or left behind and social fractures are increasing, or if instability and uncertainties erode trust in and legitimacy of governments, the time has come to renegotiate the social contract. If social and environmental reproduction is under threat, the systems that sustain our livelihoods, well-being and survival, it is also high time to react and embark on bold reforms." (UNRISD 2022: 245). In this context, the proposal argues that a new framework, going beyond the vision of the twentieth-century social contract, rests on seven principles:

FIGURE 7A.1

Seven principles of the new eco-social contract

1. HUMAN RIGHTS FOR ALL	Going beyond formal employment-dependent benefits, guarantee universal human rights and universal social protection, including groups historically excluded from earlier social contracts (e.g. women, informal workers, migrants, minorities, LGBTIQ+ persons).
2. PROGRESSIVE FISCAL CONTRACTS	Build fair and sustainable fiscal systems to mobilize resources for climate action and SDG implementation while distributing financing burdens equitably.
3. TRANSFORMED ECONOMIES AND SOCIETIES	Support deep structural change through transformative social policies, just transitions, inclusive institutions and solidarity-based economic models.
4. A CONTRACT FOR NATURE	Protect ecological systems and planetary boundaries; realign production and consumption patterns; adopt rights-of-nature and Earth jurisprudence perspectives.
5. ADDRESSING HISTORICAL INJUSTICES	Remedy colonial and structural injustices; uphold Indigenous rights; ensure fair benefit-sharing and climate justice through participatory governance.
6. GENDER JUSTICE	Dismantle gendered power hierarchies; ensure equality regardless of gender/sexual orientation; centre care work as fundamental to social and ecological sustainability.
7. SOLIDARITY	Strengthen bottom-up participation, inclusive dialogue and collective action among citizens, movements, scientists and policymakers to confront global challenges together.

Source: UNRISD 2022.

A FEMINIST AND DECOLONIAL GREEN NEW DEAL

Understanding the disparities in how the ecological crisis impacts the Global North compared to the Global South (as discussed in Session 7.1) requires an examination of the structural constraints and power relations produced by the current organization of the global economy. The current global economic system is shaped by neoliberal policies, financialization and the expansion of intellectual monopoly capitalism, all of which concentrate power and limit the autonomy of states to pursue social, economic and environmental goals.

As further discussed in Module 5 (International Trade and Open Economy Macroeconomics), export-oriented development models—which are often dependent on fossil fuels, based on global value chains and governed by external private interests—have intensified long-standing patterns of resource extraction in many countries of the Global South. These dynamics have contributed to environmental degradation, including air pollution, soil erosion, deforestation and biodiversity loss, and continue to do so, while disproportionately affecting communities already impacted by historical forms of colonialism.

A coordinated alliance of women's organizations across the Global South has articulated a 'Feminist and Decolonial Green New Deal' framework that addresses links between climate change and racialized and gendered labour exploitation, trade rules and power asymmetries that result in reproduction of inequalities within and across countries.

BOX 7A.1

A FEMINIST AND DECOLONIAL GREEN NEW DEAL FRAMEWORK

The Feminist and Decolonial Green New Deal calls for the following structural transformations in the global financial and trade systems to address these systemic inequities and support more sustainable and equitable development pathways:

- **Implementing and enhancing Intellectual Property Rights** flexibilities for environmental goods (including the use of compulsory licensing by developing countries).
- **Ensuring transfer of environmentally sound and climate change-related technologies to developing countries** to equip their implementation of Paris Agreement nationally determined contributions and make the shift to more equitable and ecologically harmonious and sustainable development.
- Reflecting and operationalizing **special and differential treatment for developing countries** in international trade agreements.
- **Explicit prohibition of unilateral trade protectionism,** including border adjustment measures, as environmental or climate change response measures, and ensuring fairer treatment for developing country subsidies.
- **Establishing a 'peace clause' on engaging in dispute settlement,** including in the World Trade Organization, concerning trade-related environmental measures of developing countries.

- **Establish a sovereign debt workout mechanism** under the auspices of the United Nations which can support states in restructuring or cancelling their debts in an equitable manner with all creditors. Debt restructuring should be based on Debt Sustainability Assessments that consider fulfilment of human rights obligations, SDGs and climate financing.
- **Implementing countercyclical fiscal stimulus policies** as the most effective and equitable means to stimulate economic recovery, job creation and equity-enhancing redistribution through public transfers. An expansionary fiscal policy toolkit includes, for example, establishing universal social protection floors, extending coverage of social security, including for informal sector workers, progressive taxation, and employing foreign exchange reserves for some developing countries.
- **Establish an intergovernmental and universal UN Tax Convention** to address tax havens, tax abuse by multinational corporations and other illicit financial flows. Progressive tax measures to redistribute wealth from rich to poor and from men to women, transgender and gender non-conforming communities should be implemented, such as raising tax rates of systemically important global banks and large firms, for example.
- **Implement global and national regulation of financial trading transactions** to limit speculation and arrest volatility in currency and asset prices.

Source: Muchhala 2021: 15–16

APPENDIX 7B
COMMONS-BASED APPROACHES TO THE ECOLOGICAL CRISIS

The commons-based approach is an extension of the ecological approach. This approach understands ecological crises as fundamentally rooted in governance failures and power imbalances, rather than the absence of pricing mechanisms. It explains the roots of the crisis through processes of enclosure, commodification, exclusion and the erosion of community control over shared resources. This approach argues for an alternative view of how societies and communities should manage their shared resources, known as the 'commons'. Unlike private property (individual control) or state property (centralized control), commons control is collective participation in a community of users, with a focus on sustaining resources in the long term. Rights, responsibilities and management rules are established themselves by the community of users reflecting context-specific needs, ecological dynamics and social relations. Because commons governance refers to a mode of management rather than a fixed set of resources, the scope of what counts as 'commons' is flexible and has expanded with practice. Commonly recognized types include:

- **Natural commons: forests, fisheries, rangelands, irrigation systems, water basins.**
- **Social/reproductive commons: community care systems, mutual aid networks, social infrastructures.**
- **Urban commons: public spaces, housing cooperatives, community gardens.**
- **Cultural commons: shared heritage, traditional practices, collective knowledge.**

Mainstream economics interprets the degradation of shared resources as the natural outcome of individuals pursuing their own self-interest, a logic crystallized in the concept of the 'tragedy of the commons'. When common-pool resources have finite benefits and users who cannot be easily excluded, short-term, profit-maximizing behaviour will inevitably lead to overuse (Hardin 1968).

Elinor Ostrom, who in 2009 was the first woman to receive the Nobel Memorial Prize in Economic Science, made a challenge to this deterministic view. Ostrom demonstrated through extensive field research that while the 'tragedy' may occur in large, unregulated and disconnected types of commons settings, communities also have the capability to overcome social dilemmas when they are empowered to craft their own local governance institutions. Ostrom argued (2008: 3) that users of common-pool resources:

- **Expend considerable time and energy devising workable institutions for governing and managing common-pool resources**
- **Follow costly rules so long as they believe that others also follow these rules**
- **Monitor each other's conformity with these rules**
- **Impose sanctions on each other at a cost to themselves.**

Ostrom emphasized that there is no single, universal model for managing commons. Effective governance arises from the specific dynamics of each setting, and institutional arrangements vary with scale. In larger communities, commons governance often involves polycentric arrangements, with multiple centres of decision-making operating at local, regional and national levels. Participatory and collective governance is challenging as the community increases in scale and diversity, yet is the only way to ensure that all voices and interests are taken into account when making rules and taking decisions.

It is important to note that the empirical literature on the sustainability of the commons and egalitarian governance provides mixed evidence. While successful cases challenge the neoclassical claim that the 'tragedy of the commons' is inevitable, empirical studies also document instances of failure. Overall, the evidence suggests that commons-based resource management can produce both positive and negative outcomes, and that governance processes of commons are also often shaped by power hierarchies and social inequalities. In this regard, Baland et al. (2007) examine how inequality affects cooperation in addressing environmental degradation, showing that its impact varies depending on the institutional arrangements governing interactions among agents and the characteristics of the resource being managed.

From a more explicit political-economic perspective, Federici (2018) highlights that the contemporary resurgence of the commons must be understood in relation to the threats posed by neoliberal expansion into all spheres of life and political expectations that are shifting. Processes of both privatization and commodification (which she calls 'new enclosures') have intensified the perception of losing access to land, water, biodiversity and even social relations except through market exchange:

> *"On one hand, there is the demise of the statist model of revolution that for decades had sapped the efforts of radical movements to build an alternative to capitalism. On the other, the neoliberal attempt to subordinate every form of life and knowledge to the logic of the market has heightened our awareness of the danger of living in a world where we no longer have access to seas, trees, animals, and our fellow beings except through the cash nexus. The 'new enclosures' have also made visible a world of communal properties and relations that many had believed to be extinct or had not valued until threatened with privatization. Ironically, the new enclosures have demonstrated not only that the common has not vanished but also that new forms of social cooperation are constantly being produced, including in areas of life where none previously existed..."*
>
> (Federici 2018).

Women's relationship to the commons is shaped by cultural and social norms, the unequal gender division of labour in the household, and women's central role in reproductive labour. Historically responsible for securing water, fuel, food and other basic inputs for household survival, women have relied heavily on access to shared natural resources. When these resources are enclosed, privatized or commodified, women often bear the greatest costs. Consequently, women are disproportionately affected by land grabbing, extractive industries, pollution and environmental degradation—and hence frequently become frontline defenders of communal resources.

From a gender-aware perspective, commons are not only ecological resources (inputs) to production but also are social and physical infrastructures that sustain daily life. Commons also include the collective arrangements and shared resources that are essential for community well-being. Community-based services and social provisioning mechanisms enable women and households to meet their core reproductive and well-being needs without depleting themselves, the environment or the ecological resources on which their long-term livelihoods depend.

Federici (2018) documents numerous examples of women's commons practices and collective reproductive labour, such as shared childcare, community kitchens, water-collection cooperatives, healing practices and mutual aid networks. These reproductive commons allow women to pool labour, share risks and build solidarity-based forms of survival, especially in contexts where state institutions fail to provide adequate support and where patriarchal norms heighten women's vulnerability. Such collective practices function as crucial social infrastructures, which enable communities to withstand poverty as well as marginalization and various forms of violence.

In its ideal form, egalitarian commons governance is broadly compatible with feminist perspectives. However, because real-world practices are not insulated from existing social hierarchies, including gender inequalities, feminist economists caution against idealizing commons as inherently cooperative or egalitarian. Empirical evidence shows that commons governance can reproduce patriarchal norms, gender hierarchies and exclusion, particularly in contexts where decision-making power is dominated by men or local elites (Agarwal 2001 and 2010; Leisher et al. 2016). Drawing on extensive fieldwork in India and Nepal, Agarwal (2001) identifies multiple, interrelated disadvantages faced by women, including restrictive rules of entry to community groups, social norms shaping who is expected to attend meetings and speak, perceptions regarding women's capacity to contribute, and unequal personal and household endowments linked to education, marital status, property ownership and class or caste position. Without explicit attention to gendered power relations, commons institutions risk reinforcing existing inequalities. And as empirical evidence suggests, the exclusion of women from commons governance, and the marginalization of preferences and priorities that are particularly important to women, can also have implications for environmental sustainability (Agarwal 2010).

APPENDIX 7C
GENDER LENS METHODOLOGY

TABLE 7C.1
Assessing the gender inclusivity of policies

Quality criteria categories	Research questions	Score
1. Gendering of the policy	1.1 Does the policy aim for gender equality?	
	1.2 Does the policy include sex-disaggregated data consistently?	
	1.3 Does the policy consider gender differences to create more equality?	
	1.4 Are gender stereotypes challenged?	
	1.5 Is gender mainstreamed throughout the document (as opposed to being relegated to a separate section)?	
	Subtotal:	
2. Structural understanding of gender equality	2.1 Does the policy consider the structural factors (beyond the individual level) that impact gender equality? Examples include historical, legal, sociocultural, economic and political factors.	
	Subtotal:	
3. Intersectionality	3.1 Does the policy incorporate the concept of 'intersectionality'?	
	Subtotal:	
4. Empowerment of women	4.1 Does the word 'empowerment' appear in the policy associated with women?	
	4.2 Does the policy refer to women's economic empowerment?	
	4.3 Does the policy refer to women's empowerment in terms of increasing women's agency, resources and/or achievements?	
	4.4 Does the policy mention consulting women or women's civil society groups and associations during its development?	
	4.5 Does the policy recognize and implement the importance of equal participation of women in the policymaking and implementation process?	
	4.6 Does the policy propose the inclusion of gender experts in the design, implementation and monitoring of actions/policies?	
	Subtotal:	

Quality criteria categories	Research questions	Score
5. Capacity-building and resources	5.1 Does the policy entail capacity-building in the field of gender and green transformation?	
	5.2 Does the policy use/suggest using gender budgeting?	
	Subtotal:	
6. Incremental transformation	6.1 Does the policy build on national previous gender equality achievements/policies?	
	Subtotal:	
7. Gender responsiveness	7.1 Does the policy recognize gender-differentiated vulnerability to climate change and gender-differentiated impacts and contributions to emissions reductions?	
	7.2 Does the policy recognize the positive and negative effects of sectoral actions?	
	7.3 Does the policy address the specific needs and interests of women entrepreneurs/ women working in the green industry?	
	7.4 Does the policy consider ways to overcome gender norms and social traditions that impair women's involvement in the green industry?	
	7.5 Does the policy address the steps necessary to increase women's leadership roles in the green industry?	
	Subtotal:	
8. Regional and international contextualization	8.1 Does the policy comply with international and regional conventions, policies, laws and commitments to safeguard women's rights?	
	Subtotal:	
	TOTAL:	

Source: Izdes 2025.

APPENDIX 7D
GREEN, BROWN AND HIGHLY AUTOMATABLE OCCUPATIONS

TABLE 7D.1
Green, brown and highly automatable occupations

Green occupations	Brown occupations	Highly automatable occupations
Plant and system operators	Chemical engineers	Compensation and benefits managers
General and operations managers	Mining and geological engineers, including mining safety engineers	Claims adjusters, examiners and investigators
Marketing managers	Petroleum engineers	Insurance appraisers, auto damage
Transportation inspectors	Food scientists and technologists	Farm labour contractors
Transportation, storage and distribution managers	Chemists	Credit analysts
Construction managers	Chemical technicians	Insurance underwriters
Architectural and engineering managers	Meter readers, utilities	Loan officers
Natural sciences managers	Log graders and scalers	Tax preparers
Personal service managers, entertainment and recreation managers, except gambling managers	Septic tank servicers and sewer pipe cleaners	Surveying and mapping technicians
Buyers and purchasing agents	Derrick operators, oil and gas	Title examiners, abstractors and searchers
Logisticians	Rotary drill operators, oil and gas	Library technicians
Training and development specialists	Service unit operators, oil and gas	Umpires, referees and other sports officials
Project management specialists and business operations specialists	Rock splitters, quarry	Gambling surveillance officers and gambling investigators
Personal financial advisors	Roustabouts, oil and gas	Cooks, restaurant
Financial and investment analysts, financial risk specialists and financial specialists	Helpers: extraction workers	Hosts and hostesses, restaurant, lounge and coffee shop
Architects, except landscape and naval	Electrical and electronics repairers, powerhouse, substation and relay	Landscaping and groundskeeping workers
Landscape architects	Control and valve installers and repairers, except mechanical door	Pesticide handlers, sprayers and applicators, vegetation
Aerospace engineers	Industrial machinery mechanics	Gambling dealers

Green occupations	Brown occupations	Highly automatable occupations
Civil engineers	Maintenance workers, machinery	Motion picture projectionists
Electrical engineers	Refractory materials repairers, except brickmasons	Ushers, lobby attendants and ticket takers
Electronics engineers, except computer	Electrical power-line installers and repairers	Manicurists and pedicurists
Environmental engineers	First-line supervisors of production and operating workers	Cashiers
Mechanical engineers	Food and tobacco roasting, baking, drying machine operators and tenders	Counter and rental clerks
Nuclear engineers	Food batchmakers	Parts salespersons
Engineers, all other	Food cooking machine operators and tenders	Models
Electrical and electronic engineering technologists and technicians	Extruding and drawing machine setters, operators, and tenders, metal and plastic	Real estate brokers
Environmental engineering technologists and technicians	Forging machine setters, operators, and tenders, metal and plastic	Telemarketers
Industrial engineering technologists and technicians	Rolling machine setters, operators, and tenders, metal and plastic	Switchboard operators, including answering service
Mechanical engineering technologists and technicians	Grinding, lapping, polishing and buffing machine tool setters, operators and tenders, metal and plastic	Telephone operators
Calibration technologists and technicians and engineering technologists and technicians, except drafters	Metal-refining furnace operators and tenders	Bill and account collectors
Soil and plant scientists	Pourers and casters, metal	Billing and posting clerks
Conservation scientists	Patternmakers, metal and plastic	Bookkeeping, accounting and auditing clerks
Atmospheric and space scientists	Foundry mold and coremakers	Payroll and timekeeping clerks
Environmental scientists and specialists, including health	Heat treating equipment setters, operators, and tenders, metal and plastic	Procurement clerks
Geoscientists, except hydrologists and geographers	Layout workers, metal and plastic	Tellers
Production workers	Plating machine setters, operators, and tenders, metal and plastic	Brokerage clerks
Urban and regional planners	Tool grinders, filers and sharpeners	Credit authorizers, checkers and clerks
Social scientists and related workers	Textile bleaching and dyeing machine operators and tenders	File clerks

Green occupations	Brown occupations	Highly automatable occupations
Environmental science and protection technicians, including health	Textile knitting and weaving machine setters, operators and tenders	Library assistants, clerical
Geological and hydrologic technicians	Textile winding, twisting and drawing out machine setters, operators and tenders	New accounts clerks
First-line supervisors of transportation and material moving workers, except aircraft cargo handling supervisors	Extruding and forming machine setters, operators, and tenders, synthetic and glass fibers	Order clerks
Life, physical, and social science technicians	Upholsterers	Receptionists and information clerks
Occupational health and safety technicians	Cabinetmakers and bench carpenters	Cargo and freight agents
Public relations specialists	Furniture finishers	Dispatchers, except police, fire and ambulance
Sales representatives of services, except advertising, insurance, financial services and travel	Model makers, wood	Postal service clerks
Sales representatives, wholesale and manufacturing, technical and scientific products	Patternmakers, wood	Shipping, receiving and inventory clerks
First-line supervisors of construction trades and extraction workers	Sawing machine setters, operators, and tenders, wood	Weighers, measurers, checkers and samplers, recordkeeping
Construction laborers	Woodworking machine setters, operators and tenders, except sawing	Legal secretaries and administrative assistants
Plumbers, pipefitters and steamfitters	Power distributors and dispatchers	Secretaries and administrative assistants, except legal, medical and executive
Roofers	Chemical plant and system operators	Data entry keyers
Sheet metal workers	Gas plant operators	Insurance claims and policy processing clerks
Solar photovoltaic installers	Petroleum pump system operators, refinery operators and gaugers	Office clerks, general
Construction and building inspectors	Chemical equipment operators and tenders	Animal breeders
Hazardous materials removal workers	Separating, filtering, clarifying, precipitating, and still machine setters, operators and tenders	Operating engineers and other construction equipment operators
Miscellaneous construction and related workers	Crushing, grinding, and polishing machine setters, operators and tenders	Camera and photographic equipment repairers
Continuous mining machine operators	Grinding and polishing workers, hand	Watch and clock repairers

Green occupations	Brown occupations	Highly automatable occupations
Automative service technicians and mechanics	Mixing and blending machine setters, operators and tenders	Milling and planing machine setters, operators and tenders, metal and plastic
Bus and truck mechanics and diesel engine specialists	Cutters and trimmers, hand	Molding, coremaking and casting machine setters, operators and tenders, metal and plastic
Heating, air conditioning and refrigeration mechanics and installers	Cutting and slicing machine setters, operators and tenders	Prepress technicians and workers
Maintenance and repair workers, general	Extruding, forming, pressing and compacting machine setters, operators and tenders	Print binding and finishing workers
Wind turbine service technicians	Furnace, kiln, oven, drier and kettle operators and tenders	Shoe machine operators and tenders
Aircraft structure, surfaces, rigging and systems assemblers	Packaging and filling machine operators and tenders	Sewers, hand
Nuclear power reactor operators	Adhesive bonding machine operators and tenders	Textile cutting machine setters, operators and tenders
Power plant operators	Cleaning, washing and metal pickling equipment operators and tenders	Inspectors, testers, sorters, samplers and weighers
	Cooling and freezing equipment operators and tenders	Jewelers and precious stone and metal workers
	Molders, shapers and casters, except metal and plastic	Dental laboratory technicians
	Paper goods machine setters, operators and tenders	Ophthalmic laboratory technicians
	Tire builders	Photographic process workers and processing machine operators
	Railyard engineers, dinkey operators and hostlers	Etchers and engravers
	Dredge operators	Driver/sales workers
	Hoist and winch operators	Locomotive engineers
	Machine feeders and offbearers	Bridge and lock tenders
	Gas compressor and gas pumping station operators	
	Pump operators, except wellhead pumpers	
	Wellhead pumpers	

Source: OECD (2023). *Doing Green Things: Skills, Reallocation and the Green Transition*. Economics Department Working Papers No. 1763. 37–39.

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ENDNOTES

1. The Center for the Blue Economy, Middlebury Institute of International Studies at Monterey.
2. See Richardson et al. 2023 on the Planetary Boundaries framework.
3. A study by Grown, Floro and Onyechi (2025) explores gender differences in well-being, as measured by the Human Development Index (HDI), accounting for the ecological impact of planetary boundary transgressions.

   The study compares the gender differences in HDI with the gender differences in a Sustainable Development Index (SDI) across 151 countries for 2019 using descriptive statistics and correlation tests. The authors highlight that an engendered SDI can be useful to countries pursuing a low-carbon transition, identifying which domains of gender inequality can be targeted as part of the transition. The empirical analyses reveal that countries that exceed ecological boundaries, notably through elevated CO2 emissions and material footprints, often experience reduced levels of sustainable well-being, disproportionately impacting women due to existing disparities in education and income earnings.

   Gender differences in SDI outcomes reflect both ecological overshoot consequences and baseline gender inequalities in human development indicators, but the picture is nuanced in countries at different levels of development. The study also examines the relationship between ambient and household air pollution, which is exacerbated by human activities involving the extraction and burning of fossil fuels, and one component of human development, e.g. premature deaths of men and women overall and in rural and urban areas. The findings suggest that women are more vulnerable than men to preventable deaths due to increases in fine particulate matter.
4. See Grown, De Henau and Ilkkaracan 2026 for a comprehensive discussion of how investing in care services infrastructure constitutes a policy strategy in climate adaptation and hence should be costed in climate adaptation finance.
5. See Godal and Klaassen 2006, as cited in Courvisanos 2009.
6. Women and women's groups are far from having equal representation in climate mitigation policy discussions. Women constitute only 15 per cent of environment ministers; women's civil society organizations' ability to stake claims does not exist or has been shrinking rapidly in many countries; and women are underrepresented in delegations, boards and bodies of the UNFCCC (Turquet et al. 2023: 15–16.).
7. Usufruct rules refer to a system where people have the right to use and benefit from a resource, even though they do not own it.
8. The majority of renewable energy job creation has taken place in Northern America and in Asia and the Pacific, with China alone accounting for 46 per cent of all renewable energy employment (ILO 2025: 13–14).
9. World Bank Group et al. 2015; Fisher and Carr 2015; Quisumbing et al. 2017; Paudyal et al. 2019.

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