WOMEN, DEBT AND GENDER INEQUALITIES

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Montserrat Fois
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The experience of recent debt crises indicates that governments and financing agencies decided to honor their credit contracts and transfer the costs of the crisis to the population. Through so-called structural adjustment policies or “austerity policies”, they leave the ongoing social contract in a secondary place. The reduction of social investment as an “adjustment” or “austerity” policy also has strong adverse implications in terms of guaranteeing human rights in a region that, despite some progress, has not been able to universalize basic health and education services, nor the main social security instruments.

This document explores the effects that the consequences of indebtedness in Latin America had on women and gender inequalities, putting into perspective the risks that the region faces due to an increase in public debt, a problem that has worsened with the pandemic. Latin America must not repeat past mistakes. Debt repayment should not be done by limiting human rights or hindering actions to reduce inequalities.
MAIN FINDINGS

The impact of public over-indebtedness on citizens is transmitted through several channels: work, public services, food security, and private debt.

The effects are differentiated by sex. In most cases, women suffer disproportionately more, due to their role in the division of labor.

Policies aimed at guaranteeing debt sustainability such as those seeking “austerity” generate economic crises that affect employment and labor income, and create restrictions in the public budget directly affecting the population and especially women.
Women increase their paid and unpaid workload as a result of the crisis also affecting households.

Given the reduction in the role of the State in the provision of basic services, households resort to private credit to access them.

Increasing public debt sooner or later has a negative impact on well-being. And, in contexts of tax inequity, this debt ends up being paid by sectors that benefited the least from the debt disbursements.
INTRODUCTION

Financial crises, including those derived from external debt, have disproportionately affected people not only because of their direct consequences but also because of the policies that governments implemented to deal with them to the detriment of broad social sectors. An external debt crisis is understood as the failure to pay the obligations derived from a debt contract with a non-resident lender, or the restructuring of such debt under less favorable conditions for the lender than the original ones (Reinhart and Rogoff, 2010, p. 6)\(^1\).

The experience of recent debt crises indicates that governments and financing agencies have decided to honor their credit contracts and thus transfer the costs of the crisis to the public. Through the so-called structural adjustment policies or “austerity policies” they have put the ongoing social contract in a secondary place. The reduction of social investment as a policy of “adjustment” or “austerity” has had strong adverse implications in terms of guaranteeing the human rights in a region that, despite some progress, has not been able to universalize basic health and education services nor the main social security instruments.

Over-indebtedness not only shows the contradiction of the state's own functioning, but also calls into question the social contract built on the assumptions of equality and freedom for all people based upon the assumption of consensus, when in reality it is impregnated with instability, conflict and pressure for change, as shown by the persistence of gender inequalities, as well as the struggles of women to reduce them (Pateman, 1995 and Sen and Durano, 2015).

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1. Own translation.
The two main ways over-indebtedness impacts on citizens and the exercise of their rights are employment and the public supply of essential services. These impacts are not short-term or temporary, but are carried over time, even generationally. Nor do its effects unfold evenly on the population because women are especially affected by the direct consequences of public over-indebtedness.

Other areas in which the effects of public over-indebtedness are observed on women are in food security and private indebtedness, but less empirical evidence is available. Even less studied are the repercussions on family relationships —ability to negotiate, impossibility of marriage dissolution due to economic dependence, conflict and gender violence, especially from the partner—, on social and political participation, and on migration.

In Latin America, employment is the main source of income, including in childhood and among adults, due to the low coverage of social protection policies. In the region, 72% of total household income comes from paid work of its members, while another part is complemented by remittances from migrant workers (ECLAC, 2018, p.17). Pensions and transfers began to have greater relevance, particularly in the case of the lower-income strata, only after year 2000. For this reason, any negative consequence on the labor markets has important repercussions on people’s well-being.

In either of the two channels - labor market or public policies - women have felt different impacts from men and, in most cases, such impacts have more severe due to their role in social reproduction. The crises have had unpaid work of women as an adjustment variable both within households and at a macroeconomic level.

On the one hand, the contraction of the government seeking to balance the public budget transferred the costs to households where women are, in general, responsible for preserving the levels of well-being. On the other hand, imbalances in the labor markets and the mitigation of the effects of the crises on economic activity —through the reduction of real wages, for example— benefited from women’s access to paid employment, since they tend to receive lower levels of remuneration than men and also lower access to social security.
The world has faced a variety of crises including external and internal debt, banking, exchange and inflation crises, among others. Blanton, R., Blanton, S. and Peksen, D. (2019) point out that from 1976 to 2006 some 1,600 events can be counted. What is more, between 1980 and 2006, most Latin American countries experienced at least one event of default or debt rescheduling.

The different waves of debt crises and the structural adjustment policies promoted by the International Monetary Fund (IMF) and the World Bank (WB) towards the borrowing countries of Latin America have shown characteristics that have as a common factor the presence of disproportionate effects on women and on increasing inequalities, including gender.

In all these crises, the “adjustment” or “austerity” are justified from a neo-classical economic perspective according to which international organizations propose the reduction of wages, prices and social investment as the only way out of crises, prioritizing fiscal and debt sustainability over life sustainability.

This document seeks to explore the existing evidence on the impact of debt crises on women and gender inequality with particular emphasis in Latin America. The objective is to draw attention to the risks that the new wave of indebtedness entails, exacerbated by the COVID-19 pandemic, and to propose an analytical framework from the Feminist Economics perspective that allows social organizations to monitor the evolution of debt and other implemented measures.
Public debt constitutes one of the sources of financing when taxes are insufficient to finance development. Originally, the debt came from multilateral organizations. However, in the last decades, sovereign bonds have gained relevance.

Table 1. Total external debt in Latin America 1970-1982 (million USD)

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<tr>
<td>Argentina</td>
<td>5.170,7</td>
<td>6.789,3</td>
<td>13.276,1</td>
<td>20.949,7</td>
<td>27.157,0</td>
<td>35.656,7</td>
<td>43.634,2</td>
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<tr>
<td>Bolivia</td>
<td>497,2</td>
<td>747,7</td>
<td>2.161,8</td>
<td>2.550,6</td>
<td>2.699,8</td>
<td>3.206,7</td>
<td>3.277,2</td>
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<td>Brazil</td>
<td>5.131,9</td>
<td>19.431,8</td>
<td>53.845,5</td>
<td>60.713,3</td>
<td>70.955,4</td>
<td>80.883,2</td>
<td>92.825,1</td>
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<tr>
<td>Chile</td>
<td>2.569,8</td>
<td>4.522,0</td>
<td>7.374,2</td>
<td>9.361,4</td>
<td>12.081,4</td>
<td>15.663,7</td>
<td>17.314,7</td>
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<tr>
<td>Colombia</td>
<td>1.634,3</td>
<td>2.445,7</td>
<td>5.101,8</td>
<td>5.868,9</td>
<td>6.940,5</td>
<td>8.716,3</td>
<td>10.306,4</td>
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<tr>
<td>Costa Rica</td>
<td>246,1</td>
<td>508,5</td>
<td>1.679,1</td>
<td>2.109,8</td>
<td>2.738,5</td>
<td>3.216,5</td>
<td>3.412,5</td>
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<td>Dominican Rep.</td>
<td>359,7</td>
<td>577,5</td>
<td>1.334,3</td>
<td>1.604,0</td>
<td>1.994,8</td>
<td>2.284,0</td>
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<tr>
<td>Ecuador</td>
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<td>470,8</td>
<td>3.975,8</td>
<td>4.525,2</td>
<td>5.996,8</td>
<td>7.665,4</td>
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<tr>
<td>El Salvador</td>
<td>182,4</td>
<td>360,4</td>
<td>910,0</td>
<td>886,4</td>
<td>911,1</td>
<td>1.130,0</td>
<td>1.442,5</td>
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<td>Guatemala</td>
<td>120,4</td>
<td>195,2</td>
<td>813,0</td>
<td>1.039,8</td>
<td>1.165,8</td>
<td>1.264,2</td>
<td>1.537,3</td>
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<tr>
<td>Haiti</td>
<td>42,8</td>
<td>49,4</td>
<td>201,1</td>
<td>254,0</td>
<td>302,5</td>
<td>423,1</td>
<td>535,9</td>
</tr>
<tr>
<td>Honduras</td>
<td>109,5</td>
<td>281,0</td>
<td>932,7</td>
<td>1.182,1</td>
<td>1.469,8</td>
<td>1.701,4</td>
<td>1.838,2</td>
</tr>
<tr>
<td>Mexico</td>
<td>5.965,6</td>
<td>11.945,5</td>
<td>35.712,6</td>
<td>42.773,8</td>
<td>57.377,7</td>
<td>78.215,2</td>
<td>86.019,0</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>154,8</td>
<td>465,4</td>
<td>1.429,2</td>
<td>1.486,6</td>
<td>2.169,9</td>
<td>2.438,7</td>
<td>2.895,3</td>
</tr>
<tr>
<td>Panama</td>
<td>193,9</td>
<td>573,7</td>
<td>2.312,6</td>
<td>2.604,2</td>
<td>2.973,8</td>
<td>3.366,1</td>
<td>3.923,2</td>
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<tr>
<td>Paraguay</td>
<td>112,3</td>
<td>187,7</td>
<td>615,1</td>
<td>806,9</td>
<td>954,4</td>
<td>1.148,1</td>
<td>1.295,9</td>
</tr>
<tr>
<td>Peru</td>
<td>2.665,3</td>
<td>4.349,2</td>
<td>9.716,6</td>
<td>9.269,6</td>
<td>10.037,9</td>
<td>10.319,1</td>
<td>12.297,2</td>
</tr>
<tr>
<td>Uruguay</td>
<td>316,0</td>
<td>715,4</td>
<td>998,3</td>
<td>1.323,1</td>
<td>1.659,7</td>
<td>2.174,4</td>
<td>2.646,8</td>
</tr>
<tr>
<td>Venezuela</td>
<td>954,3</td>
<td>1.779,3</td>
<td>16.575,6</td>
<td>24.050,3</td>
<td>29.330,0</td>
<td>32.115,8</td>
<td>32.152,6</td>
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Total Latin America | 26.683,2 | 56.395,5 | 158.965,0 | 193.359,4 | 238.916,8 | 291.588,6 | 327.561,4 |

Currently, there are new forms of financing such as public-private partnerships (PPPs) or the so-called mixed financing instruments. Although PPPs are presented as a financial solution and a response to the inefficiency of the government, they involve large cost overruns, which could translate into more debt. Normally, they involve implicit or explicit government guarantees, the so-called “contingent liabilities”, that from a debt management perspective represent a risk by constituting unbudgeted operations that later become a tax burden. Public-private partnerships are very attractive to governments since acquired debts are hidden in the government's national balance sheet.

Debt is not a new phenomenon in Latin America. In 1970, the total external debt was 26.7 billion dollars, increasing to 327.6 billion dollars in 1982. These debt levels became unsustainable, thus unleashing a severe economic crisis.

The neoclassical economic reforms implemented under the Washington Consensus included a series of measures aimed at controlling inflation, external imbalances and fiscal deficit, restructuring foreign debt and guaranteeing compliance with the commitments derived from credit contracts.

Trade liberalization, deregulation, privatization, and restrictions on social policies limited scope and coverage in education, health, and social protection, severely compromising well-being and hindering policies that would contribute to reducing gender inequalities.

During the so-called “lost decade” in Latin America during the 1980s, the average Gross Domestic Product per capita for the region as a whole was 8% lower in 1989 than in 1980, equivalent, in real terms, to its 1977 level (UNDP, 1990). This was accompanied by a reduction in family budgets for a large proportion of the population, downward social mobility, an increase in poverty rates and other social problems.

During the last decade, public debt has been growing again. This situation worsened with the pandemic, placing Latin American countries in a high-risk situation, since the main indicators, such as debt relative to GDP, exports and tax revenues, are reaching their maximum levels (Latindadd, 2021).
Women, Debt and Gender inequalities

Graph 1. Evolution of the debt stock in Latin America 2010-2019 (million USD)


This situation is not exclusive to Latin America. In the regions of the Global South, between 2010 and 2018, external debt payments as a percentage of government revenues grew 83%, both in low- and middle-income countries.

At least 20 governments from the Global South spent more than 20% of their revenues to service external debts in the last five years. In Angola, Djibouti, Jamaica, Lebanon, Sri Lanka or Ukraine, more than 40% of their public revenues were used to service the external debt sometime between 2014 and 2018. In the Sub-Saharan Africa region, the proportion of public income for external debt servicing more than doubled, from 4.6% in 2010 to 10.8% in 2018 (Fresnillo, 2020, p. 2).

As public debt increases, higher levels of government resources must be allocated to debt servicing, thus reducing resources available for the provision of public services. The reduction of the fiscal space leads to the outsourcing or privatization of these services. This process, far from prioritizing their rights, pushes households to go into debt to maintain access to basic services such as water, electricity, education, health and care, hence generating a vicious cycle that hinders the reduction of poverty and inequality.

Given the unfair tax structure in Latin America based on indirect taxes (OECD, et al, 2020), the payment of public debt also carries the risk of deepening inequalities due to the relative weight of indirect taxes in poorer households.

The prioritization of debt sustainability then results in the inability to guarantee access to quality public services at a fair price, implying that the state places the responsibility of paying for these services – which should be provided by public policies – to the population.
In light of the above, a historical debt with women has prevailed in the region despite a long period of economic growth. Much of the growth in Latin America was due to a strong increase in hours worked, with an important contribution from women who increased their labor force participation.

Latin American women increased their educational credentials, reduced their fertility rates, and aspired to earn their own income. The greater regional economic dynamism and the expansion of public services contributed to the opening of jobs, which allowed women to increase their employment.

Social policies and some economic policies - such as employment or agricultural policies - promoted greater economic inclusion of women, facilitated by a context of relative economic stability and increased fiscal space.

However, it is important to note that, although some gaps have been reduced, the inequalities persist and steps taken in the past are vulnerable to a setback. The economic crisis generated by COVID-19 has already begun to show a decade's worth decline in key indicators of women's economic autonomy (ECLAC, 2021).

Before the pandemic, men's labor force participation had reached 78% while that of women stagnated at 55%. Gaps in earnings and job quality remain high. Women are overrepresented in lower income groups, in informal work and in groups lacking social security coverage.

The positive trend in terms of women's labor participation came to a halt due to the slowdown in economic growth in recent years and is threatened by an increase in public debt in most countries in the region. The pandemic exacerbated indebtedness and its repayment generates high risks of setbacks in the progress made.
Empirical evidence shows that women are the most affected by the soaring levels of public debt. This occurs to the extent that it is women who make up the poorest sectors in almost the entire world, access the most precarious and lowest paid jobs and spend more hours than men on unpaid care tasks. During crises, these conditions worsen significantly.

Thus, a high level of public debt combined with a tax system that does not collect enough to finance its debt and maintain the supply of public services with wide coverage and high quality, results in a weak state struggling to fulfill its role as income redistributor and protector of rights, especially in the case of women whose position and condition in society are generally inferior.
WE KNOW THE EFFECTS OF DEBT ON WOMEN

3.1. Debt from the Feminist Economics perspective

The economic indicators traditionally used by the World Bank, the International Monetary Fund and governments focus their attention on the macroeconomic sphere, overestimating their ability to analyze well-being and microeconomic conditions, especially those that are related to the allocation of resources within the household.

Growth, the stability of domestic prices and exchange rates, as well as the regular payment of international commitments, give rise to optimistic evaluations without considering the conditions in daily life and the enormous difficulties to sustain life that large sectors of society face due to the absence of the State and, in particular, of its role in redistribution and in guaranteeing rights.

Policies aimed at dealing with public debt focused on the results of GDP, the inflation rate, exchange rates, the public deficit, among other indicators, leaving aside those that refer to microeconomic and social conditions.

From the Feminist Economics perspective, the microeconomics located in the household environment acquires main relevance since key resources, such as work and leisure time or goods and services to be consumed, must be distributed often in a conflictive way derived from an unequal distribution of power. The focus is also placed on activities that go beyond monetized and commercialized production, placing people and their quality of life as the axis of its theoretical configuration.

In this way, the existence of activities and collective efforts that are carried out outside the market and do not receive remuneration is recognized, while they are in fact invisible under the classical economic logic. This “blindness” translates into the invisibility of women, who are mainly responsible for these activities.
The pioneering work on the effects of debt and the policies implemented to guarantee its payment in a context of fiscal restrictions are among the most important initial contributions of Feminist Economics.

The economic evaluation of the Structural Adjustment Policies (SAPs) implemented after the crisis of the 1980s, and more recently of the so-called austerity measures, seeks to analyze their high social costs as well as their class and gender dimensions. This work constitutes the basis of efforts to monitor the risks of the recent increase in debt in Latin America.

From the Feminist Economics perspective, certain historical patterns are identified when observing the effects of public debt on women. They can be organized into three main spheres: paid work, social policy and food security, with an impact on unpaid work that is relevant across all.

The first of these spheres is that measures to cope with crises affect the economic participation and income of women. Experience in employment is diverse by country and sector. In some cases, it promoted greater female participation, but without this implying substantial improvements in their economic autonomy, their well-being or in the reduction of gaps due to precarious working conditions. In other cases, there was an intensification of unpaid work reflected in a greater number of hours worked in households (Walby, 2009). Others saw a reduction in employment. Women are usually the first to be affected and the last to regain employment, both for economic reasons and for their apparent condition as “secondary workers”, meaning that their income generation is in fact complementary to that of a man, who is the main provider of the household (Floro, et al, 2009).

The behavior of income also shows the disadvantages faced by women. Reduced earnings due to job losses of the main providers, force women and young people to participate in the paid workforce, often in the informal sector and under precarious conditions, where wages are declining (Tripp, 1992; Moser, 1993; Manuh, 1994). Low wages for women, such as in labor-intensive industries, favor the competitiveness of sectors such as exports, but tend to preserve gender gaps and reduce the economic autonomy of women (Standing, 1989; Çagatay et al, 1995).
Lower income levels and especially those of women have a particular impact on households due to different spending and consumption patterns between men and women. In general, women spend a greater proportion of their income on household welfare (Walby, 2009). For this reason, negative changes in income have as a direct consequence an increase in poverty.

A counterpoint to bear in mind is that, when there is a post-crisis recovery in employment, sometimes income does not recover in parallel since some women go on to work as an unpaid family member in a family business or some in other cases they do find a new job but with a lower wage than that before the crisis.

Although the COVID-19 pandemic does not represent a debt crisis, it is striking that it presents some employment effects on women similar to those observed in economic crises derived from debt (Bohoslavsky and Rulli, 2020; Ganesan, 2020).

The second historical aspect refers to restrictive fiscal policy. Budget cuts in essential services such as health, education and housing tend to affect more low-income sectors where women are overrepresented, as well as increasing the time and intensity in care tasks they perform (Beneria, 1992).

The sexual division of labor that places women in the private sphere – households – and men in the public sphere – labor market, politics, business – means that austerity programs and budget cuts increase the domestic and reproductive work of women (Moser, 1993; Floro, 1995). Along these lines, greater efficiency and lower production costs in the market and the state, translate into a transfer of costs to households (Elson, 1991).

The third aspect is linked to the role of women in food security. The crises affected the public provision of subsidies, which affected both production and food prices, especially in the case of women who before the crises already had less access to assets such as land or financing (Buvinic, et al, 2010). The reduction in production and sales, reduces labor income in rural households. The flip side of this situation is that food shortages raise prices in cities, affecting urban households. Calls for trade liberalization led to a reduction in tariffs, with which the importation of food gained strength, as well as the increase in prices (Bridge, 2014).
Women are, at the same time, the main responsible for managing food in the household. Thus, in contexts of reduced family income, the processing and cooking of food intensifies since the options of resorting to processed foods in the market are limited, increasing the amount of hours of unpaid work of women (Floro et al, 2009).

One of the main consequences of the Structural Adjustment Policies was budget cuts. These not only affected social investment but also programs aimed at supporting family farming, where women play an important role as producers. The reduction of subsidies for production and sales affected the income of rural households and the availability of food, which has an impact on the labor income of women and on the unpaid work time dedicated to the processing of food for household consumption (United Nations System, 1991; Barquera et al, nd; Calderon Salazar, 2012). An indirect effect has been the migration of women to the cities to engage in domestic work, due to the inability of rural households to support all their members.

In times of crisis, not only are women assigned greater tasks within the domestic space, but they are also the ones who organize themselves in their communities, taking on more volunteer work. This refers to the concept proposed by Elson (2002) of safety nets. In the absence of effective responses from governments, community networks woven and sustained by women constitute a constant. In many countries of the world, community kitchens and popular pots are commonly found in the crisis scene, where once again it is they who are in charge of meeting the food needs of thousands of families.

Crises often generate setbacks in progress towards equality (Galvez, 2012). Their repercussions are felt in the long term, since in many cases they are structural problems that are projected into the future. In other words, it could be said that dropping out of school or losing a formal job in times of crisis can lead to permanent educational exclusion or leaving the social security system, which affects the economic autonomy of women in old age.
Analyzing indebtedness from a gender perspective implies recognizing that the matrix of gender relations is a variable that permeates all economic activities (Elson, 1995). This requires analytical efforts that go beyond disaggregating variables by gender or incorporating women’s perspective in macroeconomic analyses. Following Crenshaw (1991), it is essential to advance in these studies by assuming a historical and intersectional perspective in the analysis of the economy and economic policies, taking into account the aspects of ethnicity, class and gender as explanatory and complementary in the production of socioeconomic inequality (Mohanty, 1987).

Feminist economics has been making steady progress in terms of the thinking around economic and debt crises from a gender perspective. Beyond its heterogeneities, this theoretical-political view of the economic system coincides in the urgency of re-adopting a focus on life itself (Beneria and Feldman 1992, Elson 1995 and 2010, Antonopoulos 2009, Galvez and Torres 2010).

Although there are multiple concerns in this regard, feminist economics questions the way in which our societies resolve peoples’ subsistence needs, which are increasingly permeated by the debt taken by countries with very high costs for families and individuals.

The debt-women-gender inequality triad intersects with this line of work and proposes a theoretical-methodological and political discussion on the molecular effects of macroeconomics on daily life, on domestic economies and, particularly, on women. Accumulated evidence indicates that running the world’s households is, to a large extent, in the hands of women, since they are the ones who assume the lion’s share of tasks and responsibilities.

In Latin America, thanks to time-use surveys, we now have information on the time men and women spend working. In all countries, it is mainly women who perform care and domestic work, which is essential for social reproduction. In addition to the hours of domestic work, women have a greater overall workload than men in 10 of the 16 countries that collect this information.
Figure 3. Hours of paid and unpaid work by sex

In addition to countries’ economic debt, which is largely borne by households, there is a social debt in terms of the investment that women require for the recognition and redistribution of paid work.

3.1. Evidence for Latin America

From Africa to Asia, Latin America and Eastern Europe, more than one hundred countries have implemented similar Structural Adjustment Policies since the early 1980s, driven by the conditionalities of the International Monetary Fund and the World Bank and inspired by the neoliberal model.

The Mexican case of defaulting on its debt payments was paradigmatic as it was one of the most important countries in Latin America in geographic, political and economic terms. The Mexican government's announcement in 1982 of its inability to meet its payments led to the subsequent implementation of adjustment programs. The purpose was none other than to recover economic stability and guarantee debt repayment. This program, which was later replicated in other countries, had consequences on the lives of millions of people during the 1980s and 1990s.

In 1980, the number of people living in poverty in Latin America reached 136 million,
representing 40.5% of the total population. By 2002, this figure had risen to 221 million people, reaching 44% (ECLAC, 2008, p. 16). The dramatic process of social and economic exclusion was such that the levels of poverty recorded in the following decade, in 1990, exceeded the figures of the 1970s.

The package of economic measures implemented to reduce the fiscal deficit in the 1980s led to severe financial restrictions on public spending, producing a deterioration in social spending, namely: health, housing, social security and education. "During the period 1982-1989, both in relation to GDP and in real per capita expenditures, affecting the group of countries with lower levels of social expenditures to a larger extent. In effect, while in relation to GDP, social spending fell 11.5% for countries with below-average levels of social spending, in the group with higher levels of social spending, GS/GDP fell by only 2%" (ECLAC, 1994 p.16-18).

Although real per capita social spending showed an increase in the group of countries with higher levels of social spending in the early 1990s, this indicator continued to deteriorate sharply for countries with low levels of social spending.

In the case of the situation of women, the expansion of the concept of the feminization of poverty (Pearce, 1978) in the 1990s in Latin America - used to explain the impoverishment of women and the consequent deterioration of living conditions - says a lot about the situation in which the previous decade had left women (Anderson, 2003).

The economic consequences of the debt crisis disproportionately affected women. Studies indicate that women's participation in the labor market increased in several countries in the region. In Chile it occurred after the 1973 oil crisis, in Peru during the 1980 crisis and in Costa Rica in 1982 (Galvez, 2012). In Mexico, this increase in the female labor force was observed during the peso crisis of the mid-1990s (Skoufias and Parker, 2006) and also in Argentina during the crisis of the 1990s (Pessino and Gill 1997; Cerrutti, 2000).

In the case of Brazil, there was, on the one hand, an increase in the number of poor women joining the labor force and, on the other, an expulsion from the labor market of women above the poverty line (Humphrey, 1996).

Women’s entry into the labor market took place in a context of highly precarious employment and an increase in unemployment, which exerted a downward pressure on wages. At the beginning of the 1980s, unemployment almost doubled the historical rate of open unemployment and employment generation took place almost entirely in
sectors of lower productivity (ECLAC, 1986). That is, "if in 1980, 31% of the urban labor force was employed in informal or unemployed activities, this proportion progressively increased to 35% by the end of the decade" (ECLAC, 1986).

Women's paid work showed a high concentration of women employed in the service sector in relation to the primary and industrial sectors. According to the ECLAC report, the areas in which women were predominantly employed are: domestic service, small-scale commerce - which in some countries' statistics includes itinerant commerce - and market selling in areas with indigenous populations (ECLAC, 1986).

These results are also related to monetary policy. In addition to the reduction of labor costs through the reduction of social security contributions (pensions, health), monetary devaluations were accompanied by falls in real wages, which led to improvements in international competitiveness.

Women played a particular role in this process, since the expansion of employment in labor-intensive export sectors, such as factories or production plants (maquiladoras), agriculture and agro-industrial export companies, benefited from their greater labor supply to increase household income in the face of the loss of the main provider's job or the increase in poverty. In addition to receiving lower incomes, women joined the workforce without social security (Leon, 2000).

In short, women's participation in the labor market grew, but their incorporation was a response to the loss of male jobs and in low-paying sectors such as services, particularly domestic work and the export industry (ECLAC, 1991).

With the economic recovery of the 1990s, the expansion of public services, which were highly feminized, improved women's economic opportunities. Much of the work in the public sector that absorbed women was in sectors characterized as extensions of responsibilities socially assigned to women, such as health and education, where salaries are low.

### 3.2. Common characteristics in other regions

The population of sub-Saharan African countries is still suffering the disastrous effects of the external debt crisis unleashed in the 1980's. To date, they spend between 15% and 30% of their budgets on paying the high interest rates on their external debt, which in this pandemic context constitutes a serious limitation to strengthening their health system and counteracting the economic slowdown (World Bank, 1986).
After the 1973 oil shock, Sub-Saharan Africa had great difficulties in meeting its debt payments. The years between 1984 and 1986 were a turning point for these African countries, especially in the case of Nigeria, which at that time was involved in negotiations with the International Monetary Fund and the World Bank. As in many occasions, these negotiations resulted in the adoption of a structural adjustment program to make the country competitive in the international market. Without forgetting the differences and particularities of each case, this meant that many countries of the continent were subjected to a prolonged period of economic stagnation.

In the face of problematic debt levels and difficulties in meeting payment schedules, far from bringing solutions to the debt crisis, the structural adjustment programs applied imposed more intense forms of exploitation. Among them the "attack on communal lands and a decisive intervention of the state in the reproduction of the labor force with the aim of regulating procreation rates" (Federeci, 2015, p. 14).

These policies were accompanied by a "misogynist campaign that denounced the excessive demands of women, thus giving rise to a debate that touched on all aspects of the reproduction of the workforce: the family, child rearing, women's work and relations between men and women" (Federeci, 2015, p.). Even so, the implementation of adjustment measures did not come without resistance that was part of the long struggle of African peoples against the privatization of strategic sectors such as energy, health and water and the enclosure of communal lands and their ways of life.

In the 1980s, the total female population (50.2%) in Sub-Saharan Africa exceeded the male population (49.7%). Women constituted a majority in the poorest segments of the population, which placed them among the groups most affected by the consequences of the debt crisis. These groups mainly comprised heads of poor households, landless farmers, small farmers, workers in the informal economy, especially those subsisting in the worst conditions in the informal economy.

The World Bank report "Towards sustained development in Sub Saharan Africa" (1983) provides a snapshot of those years. With regard to the organization of social production, the report notes that African women, unlike in other parts of the developing world, were largely responsible for the provision of food, water, health, education and family planning. For example, in Malawi, women provided more than half of the labor for their communities' water supply and more than two-thirds of the members of the groups responsible for tap maintenance were women.
Despite this, access to and control of resources, land and time has been – and continues to be – unfavorable for women. The report highlights their significant participation in agriculture; however, the legal systems discriminated against women in land titling by registering land in the name of men, alluding to their role as heads of household. At the same time, despite the importance of women as producers, it was more difficult for them to access information, technology and resources. In addition, they had to pay higher prices for production inputs such as agricultural fertilizers.

As in the case of Latin America, in the mid-1980s there was an increase in the number of women in small-scale industry and commerce where pay was relatively low. African women's chances of getting a job in the formal sector were lower. The fact that the State also failed to guarantee women's access to education was detrimental to their labor market insertion, which in turn had a direct impact on sexual and reproductive health, agricultural productivity and the possibility of a life free of violence.

This situation that allows us to rethink and articulate that public indebtedness, with its effects on household economies, has to do with something that is hard to measure: the enormous physical effort that women put into raising children, providing food and water for their families and communities, and caring for the sick. An example of this is the serious deficiencies in the provision of basic services and health care, which forces women to travel long distances on foot to collect water and firewood.

A large number of sub-Saharan African countries mired in the debt crisis reduced the role of the state and defunded highly sensitive social areas. Thus, gaps in many of the essential public services such as food and health were filled by women through the development of jobs in food production, water collection and childcare. Women produced 70% of staple foods. In many areas, half of the family farms were managed by women and in places like Congo the figure was 70%, while men sold their part-time labor outside the family farms.

In the European case, the 2009 economic crisis was described as a sovereign debt crisis triggered by private over-indebtedness. This crisis was described as the worst since the Great Depression of 1930.

Gisela Dütting (2009), a feminist anthropologist specializing in gender and economic justice noted the following about this context: "The crisis has shaken the belief in the free market, but (...) the only change is that states have acted as the vehicle for handing over national tax money to bankrupt banks and other transnational
corporations. As European states transfer the money, the costs and risks are borne by the general public, and more precisely by taxpayers" (Harcourt, 2009). At the microeconomic level, the situation is aggravated to the extent that households that fall into poverty during a crisis of this magnitude do not recover when the economy itself eventually does (Floro, Tornqvist and Tas, 2009).

The European continent, as well as Latin America and Africa, is a heterogeneous and complex territory, so that the financial and economic crisis has unfolded with particularities in each of the countries that make up this territory. This is also true when considering its effects on the different populations. Having made this caveat, it is worth noting that, in general, the crisis has greatly shaken various sectors of society that in many European countries were already mobilizing due to the growing malaise caused by the worsening of living conditions.

While at the onset of the economic crisis it was men who suffered the greatest impact, it turned out to be women who have been most affected by their increasing presence in precarious and part-time jobs. Women bore the greatest risk of dismissal, the lowest wages and the least coverage by social protection systems. After reaching a female employment rate of 62.8% in 2008, with a steady progression for more than ten years, the European Union has seen this rate fall slightly since the beginning of the crisis to 62.3% in 2011. In terms of working conditions, in 2009, 31.2% of women in the European Union countries were already working part-time, a figure four times higher than that of men. In 2011, 31.6% of women worked part-time, compared to 8.1% of men who worked part-time (European Parliament, 2012).

The budget cuts made by governments in implementing austerity plans affected the public sector and its assistance services. Since women accounted for 70% of those employed and were the main beneficiaries of state assistance, they were directly affected by the implementation of austerity measures. On the one hand, European women constituted up to two-thirds of the workforce in education, health and social services. Therefore, the cuts in the public sector affected them as providers of public services. On the other hand, reductions in social spending to support socio-economically disadvantaged sectors translated into greater risk for women because they constituted the majority of people living in poverty, according to 2009 data.

In addition, between 85% and 90% of single-parent households were headed by women (European Women's Lobby, 2010). Cuts in public services related to childcare directly affected women's economic independence. In 2010, 28.3% of women's inactivity and part-time work was due to the lack of childcare services compared to 27.9% in 2009. Finally, in 2010, the employment rate for women with young children
in the EU was 12.7% lower than that of women without children, while in 2008 this difference was 11.5% (European Parliament, 2012).

One feature that stands out in terms of the effects of the crises on women is related to the patterns of international labor migration in many European countries. According to data from the International Organization for Migration (2008), labor migration had grown significantly in those years and, although it is not an unknown phenomenon, its feminization is becoming more visible in the data. United Nations estimates indicate that women represented slightly more than half of the world's migrant population in 2005, with approximately 95 million women migrants.

The work of migrant women is often characterized by poor working conditions, being informal, precarious and poorly paid, and is generally concentrated in the service sector and in specific areas such as cleaning and care work. Studies are increasingly consistent in showing that migrant women working in developed countries are among the most vulnerable sectors during crises. However, it is not only women workers who are affected, but also their families residing countries of origin and are recipients of remittances. The decrease in remittance flows also harms countries that depend on remittances as their main source of foreign exchange (Floro, Tornqvist and Tas, 2009).

But it should also be noted that the economic contraction resulting from the crises causes changes in labor demand, resulting in a greater number of migrant women hired because they are considered a cheap and "domesticable" labor force. Vulnerability is also explained by the fact that as domestic workers and employees in the tourism and entertainment sectors, they are more susceptible to layoffs, which are directly affected by the fall in real household income.

Vulnerable female employment, which refers to unpaid family work and self-employment as a percentage of total employment, has shown a clear decline in European Union countries since the early 1990s. However, it showed a slight increase between 2009 (10.4%) and 2010 (10.5%), as an effect of the crisis (World Bank, 2021).

In the period from 2005 to 2015, almost all EU Member States have moved in the direction of achieving greater gender equality. However, in terms of the use of time for care and domestic work, gender equality has declined since 2005 without showing significant improvement until 2012 (Barbieri et al 2017). Crises make it even more difficult to reconcile professional and family life. Having children does not have a proportional impact on the employment of women and men; quite the contrary. The
participation of mothers in the labor market is 12% lower than that of childless women, while the employment rate of fathers is 8.7% higher than that of childless men (European Parliament, 2012).

3.3. Public debt and its links with household debt

To the extent that an external debt crisis induces the retraction of the State in its role as guarantor of human rights in the medium and long term and provider of public goods, it generates space for the market, transfers functions and drives a process of privatization of public services.

Access to services essential for life entails payments derived from the commercialization of these services and, in extreme cases, private indebtedness to meet out-of-pocket expenses. In the absence of financial protection mechanisms in social policy, such as health insurance or agro-climatic insurance for peasant agriculture, the right to health or to development is subject to the household's debt capacity.

Exclusion from social security and labor flexibilization generated by adjustment policies translate into insecure and unstable incomes and push households to take on debt to implement strategies that further fuel precarious work. A clear example of this is the purchase of a motorcycle for delivery work. In these cases, so-called "financial inclusion" in the form of credit for production does not guarantee a productive and protected long-term labor trajectory; on the contrary, it is functional to informal labor markets.

Luci Cavallero and Veronica Gago (2019) refer to private indebtedness as the indebtedness of domestic economies pointing out its impact in different ways, such as in the flexibilization of working conditions that must be accepted when the family is pressured by indebtedness or in the limitations to break with violent relationships due to economic dependence. Benería (1989) points out that this last problem is also observed in cases where household income is reduced as a result of the loss or precariousness of employment.

The following graph shows that in Latin America, the first two reasons for private indebtedness are health and education, and only in third place are loans for production. In the case of women, this pattern is more noticeable. In 2014, almost 12% had a loan for health reasons, while 5% for economic entrepreneurship. In men this distance is smaller, as loans for production have a higher relevance of almost 8%.
This perspective of women's financial inclusion can be analyzed in different ways, but among them it established the responsibility for itself as a value in our societies against the validity of economic, social and cultural rights and the foundations of a welfare state.

In addition to the above situation is the vision promoted by "development policies", including those of structural adjustment, regarding the instrumental role of women in economic growth and the welfare of their households, materialized in the implementation of projects aimed at increasing the economic participation of poor rural and indigenous women (Castelnuovo, 2014).

The financial inclusion of women was considered a necessary factor to increase their economic participation and their responsibility in providing family income and reducing poverty. The "inclusion" of those who are excluded from the financial system is the proposal that international organizations, non-state actors such as non-governmental organizations and financial institutions directed to women.
In the field of microfinance, microcredit policies emerged as one of the strategies designed as a peremptory solution to poverty in the early 1980s, with the Grameen Bank methodology. Although microcredit policies have been applied in specific ways in each region of the world, they share the idea of remediying poverty through private debt.

The data indicate that when women seek credit from financial institutions, they encounter multiple obstacles in accessing financial products, with a marked gender bias—which is also a racial and class bias—in access to and use of financing, so that in many cases they end up in debt outside the formal sector.

There are also gaps in the case of other financial products with a greater positive impact on economic self-sufficiency. According to the World Bank, it is estimated that some 2 billion adults worldwide do not have a basic bank account. In 59% of these cases, the main reason is due to lack of resources. Within this group, women, low-income people, rural dwellers and informal micro and small enterprises are the most affected for reasons associated with gender, race, class and geographic biases.

Table 2. Financial Inclusion Indicators (% of the population over 15 years old)

<table>
<thead>
<tr>
<th>Region</th>
<th>Bank account ownership</th>
<th>Formal savings</th>
<th>Formal loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>67</td>
<td>71</td>
<td>36</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>47</td>
<td>56</td>
<td>6</td>
</tr>
<tr>
<td>OECD (High income)</td>
<td>94</td>
<td>94</td>
<td>50</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>49</td>
<td>54</td>
<td>11</td>
</tr>
<tr>
<td>Middle East</td>
<td>9</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>South Asia</td>
<td>37</td>
<td>55</td>
<td>9</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>30</td>
<td>29</td>
<td>13</td>
</tr>
</tbody>
</table>

Table 2 shows that in all regions of the world there are, to a greater or lesser extent, gender gaps in terms of banking penetration and the use of financial services. In Latin America and the Caribbean, 49% of women have a bank account and 11% have a savings account. In the case of men, these figures rise to 54% and 16%.

If we compare the countries of Latin America and the Caribbean with high-income countries that make up the OECD, we observe a huge difference between the regions in terms of women's access to banking services and gender gaps. In these countries, 94% of women have a bank account, with no difference with men, while 50% declare that they have savings, with a disadvantage compared to men with 53%.

3.4. COVID-19, debt and risks for women

On March 11, the World Health Organization characterized COVID-19 as a pandemic. The responses of the countries of the world to the pandemic of the new corona virus have varied, however, confinement became one of the most recurrent measures where the number of infected people escalated rapidly. The first country forced to take measures was China. The quarantine began on January 23 in the province of Hubei, Wuhan, the epicenter of the corona virus, and lasted for two months. At the end of January, the first cases of coronavirus were reported in Europe and, in March, Italy became the first European country to declare a total quarantine throughout the country. This was followed by Spain, then Austria, France and so on.

While each had their own particularities, more and more countries established important restrictions on the movement of people. On the Asian continent, India extended total quarantine to the entire country, affecting more than 1.3 billion people.

In a large number of African countries, measures have been taken earlier than in European countries. These include closing airspace to people, blocking borders, curfews of 10 to 12 hours and restricting mass events. For example, in South Africa a total quarantine was implemented, while in Nigeria the same was done in some cities and in Kenya a curfew was applied.
The first case of covid-19 in Latin America was reported in Brazil at the end of February. By the end of March, most of the countries affected by the spread of the virus had declared mandatory quarantine with different levels of restriction. In the cases of Argentina, Paraguay and Bolivia, Peru, Ecuador and Colombia, Panama, Costa Rica, Honduras and El Salvador, very restrictive measures were applied and only essential businesses such as pharmacies and supermarkets were authorized to open. The purpose was that most people, with the exception of essential workers such as health professionals, domestic workers, caregivers, supermarket cashiers and platform workers.

The pandemic has increased the debt levels of emerging and developing economies. Governments are challenged to address public financing needs in the face of the Covid-19 crisis and the social and economic costs of indebtedness. Debt increase was the preferred alternative in this context in which it is estimated that cases of debt restructuring would result in figures not observed since the debt crisis of the 1980s, causing setbacks in the development of countries and their populations as well as in rights.

A significant portion of the debt contracted was used to leverage the expansion of credit required by the private sector to sustain itself during the quarantine periods. A portion of these funds was allocated to small and medium-size enterprises where women make up a large proportion of the workforce.

The World Economic Forum (WEF) pointed out that the worsening of indebtedness will have repercussions on economies and people leading to an enormous deepening in the deterioration of living conditions. The WEF Executive President stated the following: "The world already had debt equivalent to about 300 percent of its GDP before, but government bailout programs of about $10 trillion will add to that indebtedness" (Schwab, 2020).

The governments' short-term "response" to the crisis was to contract more debt. The above overview has shown how indebtedness has severe repercussions on the most vulnerable populations. To this must be added the health and economic measures derived from this context of the pandemic caused by COVID-19, the effects of which have yet to be fully calculated.
CONCLUSIONS

The crises generated by countries' indebtedness reduced the well-being of the population, contributed to an increase in poverty and inequalities, and hindered the exercise of people’s rights.

Due to the pre-existing conditions of inequality and the fact that the public policies implemented to guarantee debt sustainability were not gender-neutral, women were particularly affected. While they contributed to setbacks in women's progress, they also deepened inequalities.

Women constitute a large group of the population that was already disadvantaged before the pandemic and were particularly affected during the pandemic in several areas such as paid and unpaid work, gender-based violence, and sexual and reproductive health.

The confluence of the increase in debt with the effects of the pandemic has led to a highly uncertain scenario: although the shock is expected to be transitory, there is no consensus on its duration. While some effects could be considered temporary, in certain contexts they may end up becoming insurmountable obstacles in the construction of independent life projects, as is the case of adolescent school dropouts or the loss of formal employment in middle age. In these cases, returning to the educational system and obtaining a job with social security becomes imperative due to its importance in guaranteeing social protection throughout the life cycle.

In all poor households in Latin American countries there is an overrepresentation of women, who have the lowest labor force participation. In the case of those who participate in the labor market, they earn less and are in occupations that are historically more vulnerable to crises, including a health crisis such as that of COVID-19.

In paid work, the need to compensate for the reduction in income caused by the loss of employment of other providers, generally men, led women to enter the labor market under disadvantageous and precarious conditions marked by an increase in
the number of hours worked and unemployment, depending on the sector affected. The main result in households was a reduction in labor income, which led to an increase in poverty and a loss of well-being, as well as in the autonomy and quality of women's work.

Unpaid work generally falls on women. Regardless of whether they are in periods of economic growth, stagnation or recession, it has a negative impact on their economic opportunities. During crises, this work intensifies so that, in addition to the fact that its consequences are borne almost exclusively by women, there is insufficient evidence to ensure that households that fall into poverty during an economic crisis will emerge again in the recovery stages.

Cuts in public services are almost always accompanied by parallel increases in the effort that must be made at the household level. The reduction in household labor income resulting from the loss of employment or the reduction in working hours also makes it necessary to replace goods and services that could be acquired in the market with those produced in the home. In both cases, the end result is an increase in the burden of unpaid work, which is performed to a greater extent by women. The overload of unpaid work is the main cause of disadvantageous labor insertion, which limits opportunities for social and political participation.

Women have always played a central role in the absence of state provision of goods and services. Collective initiatives such as soup kitchens, consumer cooperatives, neighborhood day care centers, etc. seek to counteract the effects of the crisis and adjustment on low-income households. Community work, which is usually free of charge and carried out by women, intensifies during periods of economic crisis. The most recent example is that of the soup kitchens or soup kitchens during pandemic quarantines.
The risk of household indebtedness increases due to economic recession and the shrinking of the State's role in covering minimum and essential needs, which forces families to take on debt when they do not have sufficient income to provide for themselves on the market. Differentiated consumption patterns cause women to go into debt to finance health and education and reduce their opportunity to finance their own economic ventures. The flexibilization of labor and the reduction of labor income in households induced by the adjustments leads to indebtedness to promote enterprises that are developed in low-productivity and informal contexts, which limits the exercise of economic rights.

Food security is also put at risk during crises both by cuts in state support for food production and marketing and by increased work overload that reduces the time available for family gardens and liberalization that favors food imports.

The effects of economic crises are multidimensional. In this sense, they are also manifested in the increase of intra-family gender violence when economic dependence or indebtedness prevent women from breaking family ties. (Bohoslavsky and Rulli, 2020; Espino and Sanchis, 2011). In the same way it affects social and political participation which prevents giving voice to women's economic demands (Blanton, R., Blanton, S. and Peksen, D. 2019).

Solutions to indebtedness require a review of the theoretical and methodological scaffolding on which debt "sustainability" is based in order to prevent the effort made by countries to guarantee it from becoming an impediment to the sustainability of life, in which women play a central role.

Governments and international organizations should consider that the negative consequences of the previous crises were not temporary or short-term. They extended over time, creating enormous structural barriers for many sectors with implications that transcended generations. And if women in ordinary conditions have to overcome significant obstacles, in crisis situations this effect is magnified.
At a time when an inflection in indebtedness is looming, together with a strong economic impact due to the COVID-19 pandemic in households, Latin American countries will have to face two parallel crises that will eventually converge with profound effects on people's welfare and inequalities.

Economic recovery and the fulfillment of debt commitments require joint measures that feed back on each other so that both objectives can be met. The exercise of economic, social, political and cultural rights by women and the reduction of gender inequalities constitute a fundamental pillar in this effort.

To the extent that women have access to labor market under appropriate conditions and achieve economic autonomy, they will not only contribute to poverty reduction and well-being in their households, but also to economic expansion. But this will require the implementation of care, labor and productive policies that allow for quality economic inclusion.

Economic expansion must, in turn, mobilize domestic resources to finance not only the debt but also public policies that improve women’s living conditions. However, without tax reforms that guarantee greater and fairer tax revenues, the construction of an economic model that simultaneously guarantees women’s rights, the reduction of gender gaps and debt sustainability will be unfeasible.

The Latin American tax system has enough room to introduce measures in each of the countries to increase tax collection. Low nominal rates, tax privileges, evasion and avoidance as well as illicit flows are problems that, if addressed, will provide important resources to guarantee the policies required by women and to address debt, as well as to move towards greater fiscal justice.
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