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**The Three f's: from the Great Crisis to the Great Recession**

Abstract

The complexity of the current crisis implies the possibility of reflection, not only on the process of development posed by the Bretton Woods institutions over the past seventy years, but also on the way in which the production process has evolved in all its variations. The intertwinement of the different production, circulation, and financial circuits, involves a gender-focused point of view, the other half of humanity. Today, there is not only a financial crisis that has been rapidly developing since the end of 2006 and during the period that goes from 2007 to 2009, we are also living a period that started during the Great Crisis and continued until the Great Recession and deflation. It is in this labyrinth of the circuits of the crisis in which inequalities between men and women deepened and appeared with greater clarity in their relations with production, distribution, and money.

Delving into the intertwining of the crisis defined as “the three f’s” (financial, food, and female), today, implies dealing not only with the impact of the result of the macroeconomic policies implemented over the course of the past thirty years, that is, the deepening of the inequalities and inequity; but also taking the future into account and emerge from the current recession and evolution of the crisis, a necessary breakdown of the economic paradigm. Even though a gender point of view is extremely important in the construction of economic policies from the feminist perspective to develop with equity, such an approach is not present in the alternatives presented to face the financial crisis. In reviewing studies dealing with the crisis in the latest publications of the International Monetary Fund, the World Bank, the central banks, and in the alternative plans for avoiding an increased fall of the GDP of the OECD countries or the G-20 nations, it is noticeable that gender policies are absent. Only the United Nations, following the Millenium Goals, have a gender perspective in dealing with the crisis. The focus of this brief study will be on a feminist point of view from the South-South-South.

## The Three f's: from the Great Crisis to the Great Recession

### INTRODUCTION

The great Crisis appears intertwined with financial and food crises as well as with the impact on women who are experiencing it. In English one might speak about the three f's crisis in order to relate the "financial crisis", food crisis", and "female crisis". The complexity of the current crisis implies the possibility of reflection, not only on the process of development posed by the Bretton Woods institutions over the past seventy years, but also on the way in which the production process has evolved in all its variations. The intertwinement of the different production, circulation, and financial circuits, involves a gender-focused point of view, the other half of humanity. Today, there is not only a financial crisis that has been rapidly developing since the end of 2006 and during the period that goes from 2007 to 2009, we are also living a period that started during the Great Crisis and continued until the Great Recession and deflation. It is in this labyrinth of the circuits of the crisis in which inequalities between men and women deepened and appeared with greater clarity in their relations with production, distribution, and money. After the Lehman Brothers bankruptcy and the Keynesian measures, the economy has had recovery signs, but it was only an exhalation, the recession arrived in general. The economy was involved with austerity policies. The IMF and the G-20 began to realize the importance of public deficit, debt payment, inflation control, and responses to the necessities of the financial markets. Deflation appeared since 2013 that concerns the International Monetary Fund (IMF), the European Central Bank (ECB) and the Federal Reserve Bank (Fed).

There is no question that the intertwinement of these circuits in the framework of the crisis, also demonstrates the bankruptcy of economic thought (The Economist, 2009). There has always been, as an alternative, the idea of financial instability in response to the hypothesis of the general equilibrium in the markets. This was the case to such an extent, that the application of economic policies based on the hegemonic thinking of the past thirty years, at least in what refers to women, led to workdays of more than eight hours, precarious employment, and, in many cases women not only had to engage in the formal and the informal sectors, but also had to fulfill their historical tasks in the reproduction of the social circuit. Even though this study offers a perspective an advantage point of view, that is, of the commodity-based economy, it should be noticed that in the socialist world the participation of women in the production process was not the result of a struggle for participating in the labor market, but the result of the need to increase productivity. For Lu Ye (2004) the history of the liberation of women in China resulted from the National Revolution in 1911 and from the Communist Revolution. With this, the author mentions, the liberation of women was achieved within the context of class warfare; that is, women participated in social movements, national struggles, and were liberated as an exploited class. Undoubtedly, this perception of the registered progress made by women in planned economies or in social regimes is a perception based on a very specific ideological viewpoint, namely, socialist. Although this is not the

discussed subject in this study, the focus should be in a deep analysis of the care and family economies in relation to the socialist economies. Nevertheless, today the transition of these countries from planned to market economies, in both China and the former Soviet Republic, is to expand the gender gap as is happening in the traditionally capitalist societies. This process is more developed in areas where large segments of population are involved in the production of goods destined to the international market. The crisis, the worldwide recession, and the model based on exports of manufactured goods in China and overseas sales of primary products in other regions of Latin America, have eliminated large sections of the population that were within the formal and informal labor markets.

Nowadays, delving into the intertwining of the crisis defined as “the three f’s” (financial, food, and female), today, implies dealing not only with the impact of the result of the macroeconomic policies implemented over the course of the past thirty years, that is, the deepening of the inequalities and inequity; but also taking the future into account and emerge from the current recession and evolution of the crisis, a necessary breakdown of the economic paradigm. Even though a gender point of view is extremely important in the construction of economic policies from the feminist perspective to develop with equity, such an approach is not present in the alternatives presented to face the financial crisis. In reviewing studies dealing with the crisis in the latest publications of the International Monetary Fund, the World Bank, the central banks, and in the alternative plans for avoiding an increased fall of the GDP of the OECD countries or the G-20 nations, it is noticeable that gender policies are absent. Only the United Nations, following the Millenium Goals, have a gender perspective in dealing with the crisis. The focus of this brief study will be on a feminist point of view from the South-South-South.

These countries during the last four decades have had recurrent crises. Since the 19<sup>th</sup>, these countries have a very close relation in the international market. They have led to heavily dependent economies on economic cycles of developed nations without achieving, over the course of time, monetary sovereignty as well as productive sovereignty in order to satisfy the needs among their respective populations. In this study the focus will be on a critical reflection of recent texts that discuss crisis and gender issues. The latter with the objective of emphasizing on the need to refocus the social reproduction process, which has helped in strengthening financial conglomerates at the expense of the involved societies but that have also decried the environment. The food crisis, climate change, and the crisis of nonrenewable resources are the utterance of the above. These, involves the need for an ideological change that will sustain the processes of production and distribution within the capital system, and emphasizes a balance among nature, food sovereignty, fair trade, and improved living standards for society. This study begins with a description of the world’s panorama within the crisis; the global development of recession and its effect on the labor circuit; the production circuit, gender, and climate change; financial instability, gender inequities, and macroeconomic order. This study also seeks to offer some ideas on financial circuits intertwined with the production circuit established through financial institutions like Bretton Woods, and the distribution circuit interrelated, and crisscrossed, through the prism of gender.

## **CRISIS, FALL IN CAPITAL FLOWS, AND REGIONAL VOLATILITY**

At present, the current world crisis characterized as the deepest since 1929 threatens, as Keynes said at the time (1936), with high levels of unemployment, which increases its range to all countries. The report of the World Bank (2009), states that the planet is located in a low growth stage. Underdeveloped countries grew only 2% during 2009, while during 2007, it was 8.1%, and during 2008, it was a 5.9%. Indeed, underdeveloped countries (or “developing countries” for the World Bank), growing 7.3% during 2010, exceeded the expectations; even if the growth rates of China and India are not considered, underdeveloped countries performance was still high, that is, 5.5%. During 2013, the estimate was that these countries would grow at a rate close to 3%, excluding China and India (World Bank 2014, 2013, 2012). However, the worldwide recession along the drop in what refers to growth means a decrease in employment sources, which is noticeable in greater job losses worldwide. At the same time, public investments have not only been insufficient to stop the recession, but also the World Bank report (2009) indicates that underdeveloped countries will receive reduced capital flow from abroad, which means less investments. After having received capital up to 1.1 trillion dollars during 2007, during 2008 it changed and fell to 831.3 billion dollars. A greater shortening was expected during the last months of 2009, that is, 363 billion dollars. The reduction of capital flows was severe during 2009, but was maintained over 600 billion dollars. The level during 2007 (World Bank 2014) was not reached during 2009 even though capital flows were positive.

The effect in capital flows and investments in underdeveloped countries, as well as the decrease in trade, had an impact that questioned the insertion of these nations in the international circuits of world production. One of the most important items on the agenda is the decrease in tax revenue for the government, which turns into social expenditures of the state. At the same time, the decrease in exports diminishes household’s income posing unemployment as a threat, increasing impoverishment of women, and reducing the access to education, public services, and health care for young women.

It is important to highlight that despite the great effort to eliminate toxic instruments from the financial system of the world, from both the U.S. Federal Reserve (Fed), the central banks of Europe and Japan, the International Monetary Fund (IMF) and the G-20, economic recovery does not necessarily go through the channels of the circulatory system of the process of financialization worldwide, but rather, it requires major changes (Girón and Chapoy, 2009).

Within this context, a gender analysis and its relation to the evolution of the crisis, becomes very important due to the results of macroeconomic policies in social, economic, and political development of society during a period that goes through almost forty years. In order to achieve alternatives for gender-focused economic policies that seek to reestablish the growth of equity, it is a priority, taking into account recession and unemployment, to diminish the effect of the crisis in every scope of our daily endeavors.

We should not forget that, from the perspective of feminist economy<sup>1</sup>, the uneven relations between men and women are the result of market forces and reproduction factors, which are asymmetric when it comes to power (Boyd, 1997:50). These asymmetric relations of power are more important when combined with the crisis and its development. According to Van Staveren (2002), in order to understand the result of the asymmetric effect of the crisis on women, it is necessary to divide the analysis into a micro, meso, and macro levels. If the latter is not considered, gender issues, in relation to crisis and development, are blurred and do not take part in public policies or national budgets, not only for the reduction of poverty, but also to cease the exclusion of women.

The noticeable increase of female labor force in every sector of formal and informal economies, worldwide, is an undeniable fact. In what refers to Latin America, macroeconomic policies applied under the guidelines of the Washington Consensus, placed women within the labor market, looking to increase the income of their families and to satisfy the demand for poorly paid jobs as well as to boost international corporations' profits. Despite the rapid economic growth of the Latin American region during the past few years, unequal economic development has been taking place between countries as well as within them and it is characterized by a strong volatility of the GDP along the recurring bank, monetary, and financial crises that have contributed to an unfavorable distribution of income and an increasing inequity between genders (ECLAC, 2008).

## **WORLD EVOLUTION OF THE RECESSION AND ITS IMPACT ON THE LABOR CIRCUIT**

The developing crisis is gathering steam around the world, affecting the development of emerging economies, of the United States, of Europe, and of Japan. It has to be mentioned that the current role of Chinese women, tied to industries involved in exports of manufactured goods in the western coast of continental China, is a very good example of those policies that are oriented to external market making use of cheap labor force, competing indiscriminately, and betraying the minimum economic rights of workers in terms of public safety, housing, and proper diet. Dimensions taken by gender in this crisis emerge stronger for women than for men. They are expressed in the form of increasing unemployment rates for women, decreasing income in female-headed households, the decline of remittances sent by women to their families, the reduction of social programs for women to improve their economic, political, public, and social statuses. Meanwhile, the recurrent crises in underdeveloped countries, has transformed into longer working hours at home, precarious jobs, and lower wages (even lower than those of men), the lack of social benefits, services, and pensions (Sen and Grown, 1997). It may be said that, within underdeveloped countries, the inequality of terms between men and women has widened the wage gap, which has been a constant during the last forty years of the application of stabilizing policies in Latin America and

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<sup>1</sup> For Silvia Berger "feminist economy" is a current of heterodox economic thought that has placed an emphasis on the need to incorporate gender relations as an important variable in the explanation of the functioning of the economy and the different position occupied by men and women as economic agents and subjects of economic policies. Paper presented at the 53rd Americanist Congress in Mexico City, July 2009.

other regions of the IMF. Worldwide perspective is not encouraging at all for society as whole.

The economic viewpoint for 2014 indicates that the GDP will have growth rates below the levels prior to the crisis, that is, 3.9% during 2011, 3.2% during 2012, and 3% during 2013 (IMF, 2014). The IMF registered a growth rate of 0.4% during 2009 along the gravest recession since World War II (IMF, 2009a). Furthermore, recession is genuinely global in nature; according to projections, per capita GDP should shorten in those countries that account for three quarters of world's economy. During times of economic turbulence, women experience the negative consequences more rapidly than the benefits of recovery. According to the International Labor Organization report (ILO, 2008), unemployment rate increases faster for women than for men. At the same time, in order to deal with recession, governments do not establish specific programs from a gender perspective their efforts are rather focused in saving banks and in the reestablishment of financial circuits.

The International Labor Organization, in its annual report on employment trends for women, indicated that out of three billion employees worldwide during 2008, 1.20 billion were women that are 40%. Worldwide unemployment rate for women increased up to 6.5% in comparison to 6.1% for men, during 2009<sup>2</sup> there was a rise of 20.9 million unemployed persons worldwide, out of which, 7.3 million were women. According to the ILO, unemployed persons worldwide, increased from 170 million during 2007 to 197.9 million at the end of 2009. The ILO also registered that during 2009, 50.6% out of the total of vulnerable employment was for women, and 48% for men (ILO, 2008, 2014).

Women played a noticeable key role not only in what refers to the struggle against poverty, but also in economic and social development. For example, within the developing world, women are responsible for 50% to 80% of production, preparation, and food sales, as well as for a 70% of small businesses. Despite the interest of the United Nations in achieving equity and eliminating the gender gap, crisis will complicate reaching this goal. The same UNDP document pointed out that, during 2009, the region will not experience economic growth; on the contrary, it will become poorer. According to the Economic Commission for Latin America and the Caribbean (ECLAC), the region growth rate will be of a -1.6%; the latter represents a decrease if previous growth rates

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<sup>2</sup> The ILO issued a call to generate "creative solutions" to deal with the gender gap. It underlined that it was to be expected that the economic crisis would be more prejudicial, in terms of unemployment, for women than for men in most of the regions of the world and more so in Latin America and the Caribbean. The report added that the only regions in which it is likely that the unemployment rates would be less negative for women are East Asia, the developed economies and the countries of Southeast Europe that do not belong to the European Union, in which the gender gap was less pronounced in terms of job opportunities before the onset of the current crisis. Labor market for 2009 show a weakening on a world level, both for women as well as for men. The ILO registered that the world unemployment rate increase to 6.2%, with its respective rise in the female unemployment rate to 6.5% (compared with the 6.1% for men) (ILO 2014). The report pointed out that although women are still more vulnerable, the crisis is pushing a larger number of men toward vulnerable jobs, in comparison with 2007. In Spain, joblessness has reached close to the four million mark in the course of almost a year, with that country's unemployment rate reaching 17.36% according to the National Statistics Institute, with more than one million being foreign workers. Undoubtedly this affects both the women who have lost their jobs as well as the family income in the countries of origin, and therefore "full employment" policies are an urgent necessity.

are taken into account, that is, 5.5% (2006), 4.6% (2007), and 4.6% (2008) (ECLAC, 2014). Even if the record of the IMF shows a growth rate -1.3% in GDP (IMF, 2014).

The need to improve employment conditions implies reorienting the monetary, the fiscal, and the financial policies of our countries, establishing the needs of nature and life itself for the survival of humankind. A particular progress is enshrined in the recently approved Ecuadorian Constitution, since it “adopts the outlook of the “Good Life” as an axis, which brings aspects of the cosmovision of the indigenous people together, with ideas hailing from feminist and ecological economic thought” (León, 2008). From this perspective, alternatives to the economic crisis may be raised from a gender point of view in order to create a new, more equitable, and sustainable economic model.

### **CIRCUIT OF PRODUCTION: IN RESPONSE TO CLIMATE CHANGE, AN ALTERNATIVE MODEL**

Climate change represents the production circuit characterized by the result of the irrational exploitation of scarce resources for the satisfaction of human needs. Industrial, technological, and financial revolutions have been the central axes reorganizing our lives during almost three centuries, thus upsetting the balance between nature, economic development, and gender. A very important element in the current crisis is the collapse of the economic development model of our economies. Undoubtedly, the creation of a new economic paradigm in response to the economic crisis will come along gender focus and an interest in achieving equitable and sustainable development. From a feminine perspective, economics acquire major importance in what refers to the study and to the analysis of economy from a different viewpoint than the one used since Adam Smith (1776) wrote *An Inquiry into the Nature and Causes of the Wealth of Nations* or *Principles of Political Economy and Taxation* by David Ricardo (1817). On the other side, the lessons taught by climate change invite us to look for a necessary modification in the type of production, this should be based on non-natural resources in response to an economic crisis that threatens to transform into economic depression due to the depth of its evolution and the course that the change of paradigm is currently taking in the technological revolution on the level of renewable natural resources.

If the 1929 crisis implied reformulating the public policies of the state and the reactivation of the economy through the creation of jobs, the current crisis involves an additional element, namely, the introduction of a gender and ecological balance. In other words, changing the economy based on non renewable resources to alternative sources of energy that do not increase carbon emissions; that is, from the “American way of life” to “the good life” or *sumak kawsay* (an Aymara phrase). Given the rapid environmental deterioration resulting from climate change, the latter would be a very important step in order to recover nature and return balance to the earth.

Climate change is a constant priority for the marginal sectors in the countryside, especially for families who earn the living from, and consume, food production. Extreme poverty in that part of the country reaches the limits of survival in which women find themselves directly tied to access water and food from the state that provides the population with basic services. Therefore, financing for water treatment and distribution, as well as infrastructure for food distribution, should be part of the economic recovery

program. The only way to achieve these is through social spending for infrastructure through the development banks.

Reversing climate change must become a universal priority. Efforts to achieve a sustainable agriculture that also helps in eradicating hunger should be priorities for public policies in both the developed countries and the emerging economies. Indeed, it is mostly women who suffer the consequences and are linked to food production in the rural areas of poorer countries.

## **FINANCIAL INSTABILITY, GENDER INEQUALITIES, AND MACROECONOMIC ORDER**

The great economic crisis of 1929 and financial instability are permanent characteristics of the economy of the world during the 20<sup>th</sup> century. There is no doubt that the increasing feminization of workforce is also a characteristic of that century (Boyd, 1977:53). The first half of the century was characterized by the two world wars and the Great Economic Depression, from the late 1920s to the World War II. Therefore, the financial system that was established after the war in Bretton Woods outlined the path for financial, commercial, and political stability of the capitalist world. IMF and World Bank defined the financial circuits. Those economic agents were the colossal state and the big financial conglomerates, which also marked the path for development, in an articulated and regulated ways, from the postwar period until the beginning of the 1970s. After a long period of financial stability and economic growth, the breakdown of Bretton Woods Agreements of 1971, led to financial instability. The persistent financial instability within the capitalist world, and mainly within underdeveloped countries, was the representation of a period characterized by different types of crises: devaluation crisis, foreign debt crisis, bank crisis, Asian crisis, dot com crisis, and other, more focused on different countries such as Mexico, Brazil, Turkey, Argentina, Russia, and the Long Terminal Capital crisis (Girón, 2002). During the 1970s to the present day's major financial and economic crises, a long period of financial instability took place. The characteristics of this period intensified due to the constant crises during the deregulation and financial liberalization periods. In Latin America, the period that goes from the 1980s to the 1990s was described by low economic growth rates, explosive involvement of women in the labor market, and the recurring instability reflected on constant economic, political, and social crises.

Therefore, precisely during the second half of the last century, women were not only part of the alternative to increase the income of families but also part of public life in both social and parliament movements. The 20th Century is the century of feminist revolution. It may even be said that it was symbolized by three great revolutions: socialist, Keynesian, and that of women.

Although apparently invisible, women have been the alternative to stabilize the IMF and the World Bank policies over the last three decades. The imposition of monetary, fiscal, and financial policies that gradually eliminated the participation of the state within economy was the response to instability. Those policies, which provoked a diminished participation of the public sector and led economy towards a market economy, rapidly took women to be part of labor market. The increasingly smaller participation of the



state in providing social and health-care benefits, as well as in job creation, led to a massive migration of women from their cities of origin to places that offered better paid employment and more opportunities to have a job. The massive migration of women brought a boost to the income of their families, which were left behind in their places of origin. Migration not only occurred from the countryside to the city, it also happened from one city to another, and from their countries of origin to nearby places such as the United States when referring to Mexico and Central America. A large number of women left from Ecuador, Bolivia, and Peru, to Chile and Argentina; others moved outside the Latin American region to Europe and the United States. The Global Commission on International Migration underlined the neoliberal policies as one of the causes for massive migration (United Nations, 2005).

The relation between financial instability, economic crisis, and gender issues, during the past three decades has deepened in such a way that family relations and family prototype based on men as the main source of income has been transformed. The participation of women in the labor market during the 1970s may be attributed, in the great majority of cases, to the need of increasing the family income. Even though the structure of family has been transformed, ideologically the supremacy of men over women persists on many levels. It is important to emphasize the way in which the economic crisis affected gender issues. However it is also important to keep in mind that in cash economy, financial instability is a constant characteristic of the capitalist system. The hypothesis has been explained by several authors: Kindleberger (1984), Minsky (1984), and Keynes (1936, chapter 12) with greater depth. It is also important the fact that the policies framed within the Washington consensus, according to Singh and Zammit (2000:1258), have not only had an effect on bank crises, but also have deepened the wage gap between men and women, and have not reactivated employment as a part of an immediate anti-cyclical policy that looks to achieve growth. For example, within the framework of the financial reform, the capital account was liberalized during the 1980s. Shortly after, the liberalization of the capital account had an impact on the crisis of the bank<sup>3</sup> in the United States, the Scandinavian countries, Chile, Mexico, and Venezuela, to mention just a few.

The alternatives for Latin America to overcome economic crisis, involved the loss of monetary sovereignty, the foreignization of a large part of the financial systems, and the privatization of the enterprises that belonged to the state. The negative effect of these policies, though helped in attracting capital flows, unequally affected women (Elson, 2002:12). Rising unemployment and the drop in income, took children and youth –both male and female- to take part within the labor market without them having even finished their basic education. Their consumption of basic foods in order to obtain the necessary nutrients for intellectual development was not sufficient, therefore they dropped out of school and a mass of unskilled labor force was generated, contrasting with the improvement of knowledge societies. As such, the policies based on high interest rates and monetary restriction, created to attract private capital, have had long term negative effects on the balanced development of society, and their impact is too difficult to measure. For Fujuda-Parr, Sakiko (2008:4), the reduction of social spending,

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<sup>3</sup> One of the most frequent explanations to explain U.S. bank crisis at the beginning of the 1980s was the deregulation and liberalization of the financial system.

particularly in what refers to essential services such as primary health-care, education, and transportation, aims at ensuring balanced budget to stabilize economy, but, in the process, destabilizes human beings.

During 2008 the crisis intensified with the collapse of banking investment, a symbol for Wall Street and for financial capitalism, leading to a great recession; acknowledged as such during 2009. In terms of policies that guarantee a lasting economic recovery, the priority lies in the reestablishment of health and financial sectors, still, the three priorities stipulated in previous editions of the Global Financial Stability Report continue to be valid: 1) Guaranteed access to liquidity by financial institutions, 2) Identifying and solving problematic assets, and 3) Recapitalizing the weak but viable institutions and solving the situation of bankrupt institutions. The report even makes an emphasis on the fact that "...in advanced economies, room to further ease monetary policy should be used forcefully to support demand and counter deflationary risks. With the scope for lowering interest rates now virtually exhausted, central banks will have to continue exploring less conventional measures, using both the size and composition of their own balance sheets to support credit intermediation (IMF, 2009b)." This paragraph asserts the interest of the state and the central bank to regulate the economy from a monetarist and financial perspectives. It is difficult to consider expanding the social programs that are focused on gender issues with such fiscal policies at hand.

Thus, public policies on the part of the Federal Reserve of the U.S. and the central banks of Europe and Japan or even Latin American governments to specifically support employment, are nonexistent. This is less common when referring to the employment programs of the government that are focused on gender issues and aimed at reactivating economy. Announced reductions of economies in GDP at the end of 2008 and the near future, are in no way encouraging. Proposals in response to the generalized economic crisis and recession in Europe, Asia, the United States, and Latin America, only involve measures that seek to salvage the banks, insurance firms, and mortgage companies such as Fannie Mae and Freddie Mac in 2008. Altogether, the packages to rescue these companies reached three trillion dollars in order to cleanse the global financial system and salvage international liquidity. However, governments lack the vision that would rescue society from the social crisis that erupted with the loss of houses, collateral, and even pension funds.

Within this framework women face a decrease in their salary, in the income of their families, and in the opportunities of employment. It is necessary to move forward through the measures applied by the government, with special attention on gender issues and on the various ways in which women may be less affected by the crisis, not only on public budgets. With the stroke of a pen, government budgets are approved in function of financial capital and the struggles in which women turn out successful are easily ignored, not only in public life, but also in programs created by the state. It could even be stated that for the Millennium Goals, already threatened by the crisis in some countries, will be difficult to prove some kind of progress by 2015.

## **MILLENNIUM GOALS, MACROECONOMIC RIGHTS, AND THE FINANCIAL CIRCUITS**

The Millennium Goals were posed as the need to eradicate extreme poverty and to improve economic welfare it was not only a gesture of goodwill from the United Nations, it also was a priority in the need of expanding the consumption of society. We could not imagine, however, a cash economy without credit institutions, the trade of commodities based on exchange, and a credit policy supported in microfinance. These elements are, perhaps, the most important to encourage the financing and the production, as well as the distribution, circuits in what refers to the participation of women. These goodwill agreements do not, at any point, mention solid financial systems in which the participation of development banks whose infrastructure improve for the common good of those places in which women have made themselves responsible for social reproduction. For them, microcredit has been their means not only to organize around local production, but also get involved in the distribution of their products; still neither education, health-care nor the necessary infrastructure for fairly good housing can be replaced by micro-credits, for those matters, the states has got to have major presence in order to guarantee the access to water, employment, and food sovereignty.

The Millennium Goals are a good will agreement to reestablish consumption levels, expand employment opportunities, and promote women's participation in the formal or informal labor market, be it with a decent or precarious job, although in the end analysis this involves the production of value at a lower cost. But at the same time, value cannot be produced without consumption. Therefore, increasing women's income helps to close the productive cycle. On the level of financial, productive, and distribution circuits, women, as the gender gap close, are indispensable in a cash economy. Equity is key for the good performance and health of the exchange of both the labor force as well as commodities.

In fulfilling the Millennium Goals, gender suppositions are extremely important given an exponential fall in social spending (Correa, 2009), micro-credit as an instrument of charity to avoid a greater pauperization, and remittances as a complement to family income. At the same time, women's participation in public life and parliament is part of the mirror of societies that are in appearance democratic. However, true democracy is when through monetary policy, the employer of last resort is established as an indispensable resource for creating jobs through specific programs. A gender focus cannot be left out of fiscal policies, specifically in relation to budgets. Such proposals should be applied to all government budgets as a way of increasing social expenditures on health and education from the vantage point of the future society. In this regard, basic education for girls and women is a priority as well as access to health care in order to reduce mortality and also to ensure the nutrients of a good diet.

A democratic society will base its goals in fiscal, monetary, and financial policies. A society that wishes to present solid alternatives to the crisis will have to break with the paradigm of neoclassical theory. It is at this time of the crisis that the democratic and equitable society that wishes to close the gender gap will make changing economic policy its goal. It is not only public policies that go hand in hand with the employer of last resort but also economic policy, job protection, and access to food, health and education. To the extent that studies on "the use of time" indicate the number of hours women and men dedicate to caring for the family and the workday, it will be possible quantify the type of public policies necessary to ensure better opportunities. This is

provided that the state assumes part of the responsibility for developing infrastructure through the development banks in order to improve the environment both for the family unit as well as society. Even though, on this level the Monterrey Consensus can provide follow-up to the Millennium Goals, financing policies specifically for women must be achieved along the road to the generational transformation. In synthesis, let's open the debate on the conditions for development and the economic policies needed to achieve a society with social welfare and equity.

## OUTLOOK

The disarticulation of the circuits in the production, circulation, and financial spheres transgress order with an unequal interrelation with women. The increase in food insecurity, the volatility of prices of basic goods and fuels, climate change, as well as the lack of results, up to now, in the multilateral trade negotiations in order to deal with not only the financial crisis but also the food and environmental crises have had an effect on the loss in confidence in the international economic system. The worsening of the global economic situation is greater than had been indicated in numerous initial estimates, and it is projected that the recovery will be gradual and unequal. The crisis threatens to result in disastrous consequences for mankind and for development. Worldwide, millions of people are losing their jobs, income, savings, and homes. According to projections of the UN's Food and Agriculture Organization, the crisis will lead to an increase in hunger and malnutrition worldwide, reaching an historical level of more than one billion people. Although there are positive signs such as the improvement of some GDP indicators in some countries for 2010, the stabilization of the stock markets, and the anti-cyclical investment plans in economies such as China, Japan, and the United States, which have prevented an even greater fall in the economy, the prejudicial effect on female employment has already occurred by diminishing family income. The crisis has not only had a negative effect on society in relation to the labor market but the psychological impact is destroying the social and political climate.

The proposals' for gender agenda discussion poses several questions. What is the causal relation between gender and financial circuits? A contribution of this study to the debate and the generation of ideas and of course to the Latin American academic community is to present the specific policies that are being implemented in the democratic government of the region or those that should be carried out with a gender focus in order to reactivate the economy and avoid a further deepening of the crisis. These policies encompass or they should encompass specific actions for girls and women in order to achieve a better future for the female population. The following is a list of only some of the political proposals in the framework of development policies based on equity and a gender perspective: budgetary policies with a gender focus; policies to promote female employment; policies to favor the care economy; policies to empower women; policies to boost women's participation in public life; micro-credit programs for women; old-age pensions for women. These policies correspond to the micro and meso sphere while the change in economic policy would be in the macroeconomic guidelines in unstable economies. It is a challenge to achieve, in the framework of a deepening crisis, the equal and distributive recovery of women. Will it be

a long wait, or will we soon see some real results? All this is in the hands of the big macroeconomic reform and in the transition from a minimalist to a strong state. In other words, a Keynesian revolutionary, and long-term “big bang” in favor of society and specially women.

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