The IMF staff discussion note, *Women, work and the economy: macroeconomic gains from gender equity* (WWE), which synthesizes others’ and past IMF research, is the best IMF gender-focused report to date. At an October 2013 World Bank-IMF annual meetings’ launch workshop, IMF staff praised managing director Christine Lagarde for requesting the study. In reality, the IMF has joined multitudes of other organisations recently prioritising women and girls rhetorically.

**‘Smart’ economics strategy**

Few will be surprised to learn that WWE explicitly embraces “gender equality as smart economics” (GESE), the neoliberal gender strategy formulated by the IMF’s sister organisation, the World Bank. GESE is a market-based ‘instrumentalist’ strategy because it upholds women’s employment as an instrument to boost economic growth. The IMF’s paper repeats this position in almost every sentence and paragraph. This one-dimensional approach is problematic because it does not complementarily promote women’s and men’s equal human rights, which women’s movements fight for as the only way to overcome persistent patriarchal patterns.

WWE’s opening sentence exemplifies its market instrumentalism: “There is ample evidence that when women are able to develop their full labour market potential, there can be significant economic gains”. A few other examples from a multitude in WWE show its repetitive smart economics framework: “In rapidly aging economies, higher female labour force participation (FLFP) can boost growth by mitigating the impact of a shrinking workforce”; “the employment of women on an equal basis … [has] potential growth implications”; pro-FLFP tax measures can “improve aggregate labour market outcomes”; and FLFP impacts “macroeconomic outcomes”.

To bolster the case for greater participation of women in paid employment, the IMF paper presents data demonstrating that (i) the female labour force participation rate has stagnated at an average 50 per cent globally over the last three decades, actually dropping one to two points during this period; and (ii) at lower income levels when poorer women must work to survive without social protection programmes, FLFP is higher than at middle income levels. But participation rebounds at higher income levels because of better education, lower fertility rates, greater access to labour-saving household...
technology and market-based household services.

**Compassion, but on IMF terms**

On its own terms, WWE’s framework that FLFP incentives are desirable to stimulate economic growth produces some astonishingly good analysis and recommendations. In fact, a long-term IMF observer might ask “what is the macro-focused IMF doing discussing micro issues like child- and elder-care, family benefits such as paid leave, education, and the percentage of women in parliaments”. These issues are usually the focus of micro-oriented multilateral and other organisations such as the International Labour Organisation, UNESCO, UN Women and the World Bank. Does the IMF have a new compassionate side?

Insightfully, WWE states that, “women contribute substantially to economic welfare through large amounts of unpaid work, such as child-rearing and household tasks, which often remains unseen and unaccounted for in GDP”. It cites research that women spend twice as much time as men on household work and five times as much time as men on childcare, concluding that women’s unpaid care work frees up men’s time for paid work. The IMF paper promotes compassionate solutions for the unpaid caring economy dominated by women, such as “properly designed” (this remains undefined) family benefits, including parental leave, child support schemes, education for women and investments in rural infrastructure in order to boost FLFP and incentives for women to work.

Acknowledging how important unpaid care work performed mostly by women is to economies, a WWE footnote mentions that it might be under-counted by up to 34 per cent. Actual 2010 data in three developed countries cited by the Caring Economy Campaign provide evidence that unpaid care work composed a much higher proportion of undercounted GDP: Australia valued unpaid care at 51 per cent of GDP, and Switzerland at 40 per cent of GDP. US researchers estimated that if all unpaid domestic labour were added into GDP, it would expand by a staggering 80 per cent. WWE rightly concludes that the gender division between market and household work, together with women’s lower earnings potential, reinforce unequal household dynamics and that wage gaps increase steeply during childbearing and childrearing years, creating a “motherhood penalty”. Thus WWE promotes “a larger uptake of parental leave benefits by fathers”. This compassionate side of the IMF raises two issues: first, WWE fails to apply its analysis to same-sex parents; second, WWE’s neoliberal blinders promote subsidised family leave for smart economics alone rather than for both equal rights and smart economics.

**Box 1: Mentions of “rights” in IMF paper**

1. “In many countries, the lack of basic necessities and rights inhibits women’s potential to join the formal market or become entrepreneurs”;

2. “They [women] often have limited property and inheritance rights and limited access to credit”;

3. “In some countries, women’s participation in the labour market is affected by legal constraints that limit women’s participation to specific sectors of the economy and restrict their access to credit and property rights”;

4. “Increasing the awareness of legal rights to equal treatment” is a recommended policy reform;

5. “Providing alternative resolution mechanisms, such as mediation and conciliation procedures, can reduce barriers to enforce legal rights by avoiding court procedures”.

**Equal rights and inequality**

The IMF paper’s references to women’s rights are drowned out by its smart economics framework. WWE’s five mentions of women’s rights (see Box 1) serve employment and growth without explicitly making the moral case for women’s and men’s equal human rights. They unilaterally stress market economies’ property and legal rights. These need to be balanced with intrinsic equal rights.

WWE also discusses “gender-based discrimination” expressed in “legislation and social norms” instrumentally in terms of how these norms affect women’s employment and economic growth, but without explicitly arguing for women’s/human rights.

Perhaps it is not surprising that WWE does not promote intrinsic
women’s/human rights demanded by the women’s movement, since this demand was significantly propelled by the feminisation of poverty caused by IMF structural adjustment loans. Over several decades, IMF austerity “conditionalities” have required poor and transition countries to slash government spending. Under IMF pressure to drastically reduce public spending such as subsidies and civil service positions, borrower countries have been cornered into eliminating

Box 2: Women and austerity in Greece by Maria Karamessini

The Greek economy is in continuous recession since 2008. Following a sovereign debt crisis, Greece signed two loan packages with eurozone member states and the IMF in May 2010 and February 2012, whose disbursement was made conditional on the strict implementation of economic adjustment programmes (EAPs), covering the period 2010-2016. As a result of the harsh fiscal consolidation and internal devaluation measures of the EAPs, GDP retreated by 21 per cent through 2010-2013, unemployment rose steeply and reached 28 per cent in October 2013, poverty and social exclusion escalated from 28 per cent in 2009 to 35 per cent in 2012, the collective bargaining system was dismantled, the nominal minimum wage reduced by 22 per cent and average wages by 20 per cent, employment protection and working conditions have been downgraded, the public sector has been downsized and social expenditure severely retrenched.

Severe austerity has been devastating for women’s labour market position. Between 2010 and 2013, the female employment rate fell from 48 per cent to 40 per cent while the female unemployment rate climbed from 16.3 per cent to 31.5 per cent. Moreover, austerity has undermined women’s inroads in the public sector made in previous decades, which had given access to good jobs mostly to the higher educated. Reduction in temporary personnel, massive exits to retirement and hiring restrictions have led to a 20 per cent fall in female employment in the public sector and the stalling of employment opportunities for female university graduates. Moreover, given women’s over-representation in the public sector, women have been more affected than men by cuts. At the same time, personnel reductions in public health, education and social care are eroding the availability and quality of public services in these sectors that have been key for women’s involvement in paid work by freeing them from unpaid work. The impoverishment of middle classes also accounts for the drastic reduction in private services to households (cleaning and care) and the continuing fall in the employment of migrant women since 2010. Data on unpaid work are not available in Greece, but it is very likely that the aforementioned changes have increased women’s workload for unpaid housework and care.

The 22 per cent reduction in the minimum wage, the deregulation of employment protection and collective bargaining as well as the spread of informal work, unpaid overtime and wage arrears in the private sector, have produced a massive fall in average wages, a drastic deterioration of working conditions and a dramatic rise in precariousness at the lower end of the labour market in which women are overrepresented.

Overall, the two sexes have been equally hit by austerity over 2010-13. As a result gender gaps in employment, unemployment and pay have narrowed since 2008. This calls for a reappraisal of the notion of gender equality in a context of social regression characterised by unemployment of historical dimensions and the severe deterioration in the employment, working and living conditions and social rights of both women and men.

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and reducing expenditures on education, health, daycare and other social programmes. Women’s unpaid economic burden has ballooned as women have been forced to abandon paid jobs to care for sick household members and children who have lost subsidised healthcare and childcare. Thus IMF austerity programs have deepened gender inequality and reinforced women’s and men’s unequal rights. In Box 2 Maria Karamessinini demonstrates how IMF austerity programme impacts are affecting women and men in Greece.

It took a decade of persistent advocacy to push the World Bank to rhetorically embrace women’s human rights on its own merits: The World Bank’s 2012 *World Development Report: Gender equality and development* explicitly upheld women’s rights as a core development issue. How long will it take the IMF to explicitly embrace the intrinsic case for women’s and men’s equal rights?

In its final section the paper states that the IMF will continue to analyse the macroeconomic effects of gender inequality. This idea emerges out of the blue since WWE otherwise very sparingly mentions gender equality and gender inequality, and does so strictly in terms of economic growth and employment, without promoting women’s essential rights. Moreover, it is not clear how IMF staff will be incentivised to analyse the macroeconomic effects of gender inequality.

**Conclusions**

Is IMF neoliberalism softening as it joins other organisations promoting women’s roles to achieve economic growth? Yes, to the extent that WWE provides excellent policy recommendations within its smart economics parameters to replace family with individual taxation; subsidise family benefits such as parental leave and child-care; educate women; and improve rural infrastructure. These proposals mark a rhetorical IMF leap forward.

More important leaps will occur if and when the IMF embraces:

1. A rights-based approach promoting women’s and men’s equal rights, essential for gender-just societies and economies. A rights-based approach is not only morally just, but necessary to end women’s exclusion and discrimination which WWE documents; to transform the unequal power relations underlying gender inequality; and to address the structural causes of gender injustice driven by IMF austerity policies.

2. A mandate to implement WWE’s recommendations for programmes to emancipate women (and men) from unpaid labour. To do so, the IMF must elevate WWE’s call to fulfil women’s roles to an enforceable policy with obligatory implementation.

3. A requirement for every IMF operation to assess the potential impacts of its austerity and fiscal consolidation measures on women and men. This ‘gender impact assessment’ is highly overdue given the IMF’s own admission that its prescriptions for austerity and fiscal consolidation have been based on faulty economic assumptions and over-optimistic forecasts.

Despite WWE’s disclaimer that IMF staff discussion notes are not IMF policy, WWE’s intriguing penultimate sentence suggests otherwise: “Reflecting macro-criticality, the gender-specific impact of policy measures will also be addressed by IMF surveillance”. Appendix 1 states that IMF country surveillance reports, called Article IV consultations, for four rich economies (Saudi Arabia, Germany, Italy and Japan) discuss gender issues. WWE reveals nothing about the quality and ideological stance of these gender discussions. A future project could analyse the extent to which these four Article IV consultations address women’s rights and gender justice. More importantly, the IMF needs to promote women’s and men’s equal rights in Article IV Consultations for low-income countries, which are most beholden to the IMF.

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